



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA
REGULAR MEETING
NOVEMBER 15, 2019 – 9:00 AM
WATSONVILLE CITY CHAMBERS
275 MAIN STREET, WATSONVILLE, CA**

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

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

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The Board of Directors may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

BOARD ROSTER

Director Ed Bottorff	City of Capitola
Director Trina Coffman-Gomez	City of Watsonville
Director Aurelio Gonzalez	City of Watsonville
Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Donna Meyers	City of Santa Cruz
Director Larry Pageler	County of Santa Cruz
Director Dan Rothwell	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Stephen Preston	UC Santa Cruz
Ex-Officio Director Alta Northcutt	Cabrillo College

Alex Clifford
Julie Sherman

METRO CEO/General Manager
METRO General Counsel

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

Spanish language interpretation and Spanish language copies of the agenda packet are available on an as-needed basis. Please make advance arrangements with the Executive Assistant at 831-426-6080. Interpretación en español y traducciones en español del paquete de la agenda están

disponibles sobre una base como-necesaria. Por favor, hacer arreglos por adelantado con Coordinador de Servicios Administrativos al numero 831-426-6080.

AMERICANS WITH DISABILITIES ACT

The Board of Directors meets in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, or to access the agenda and the agenda packet (including a Spanish language copy of the agenda packet), should contact the Executive Assistant, at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting Santa Cruz METRO regarding special requirements to participate in the Board meeting. For information regarding this agenda or interpretation services, please call Santa Cruz METRO at 831-426-6080.

SECTION I: OPEN SESSION

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

1 CALL TO ORDER

2 ROLL CALL

3 ANNOUNCEMENTS

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

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

4 BOARD OF DIRECTORS COMMENTS

5 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

This time is set aside for Directors and members of the general public to address any item not on the Agenda which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to Santa Cruz METRO will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report. Any Director may place matters brought up under Communications to the Board of Directors on a future agenda. In accordance with District Resolution 69-2-1, speakers appearing at a Board meeting shall be limited to three minutes in his or her presentation. Any person addressing the Board may submit written statements, petitions or other documents to complement his or her presentation. When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

6 WRITTEN COMMUNICATIONS FROM MAC

7 LABOR ORGANIZATION COMMUNICATIONS

8 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

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

- 9-01 RECOMMENDED ACTION ON TORT CLAIMS**
Rufus Francis, Safety, Security and Risk Management Director
- 9-02 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF OCTOBER 2019**
Angela Aitken, CFO
- 9-03 ACCEPT AND FILE: MINUTES OF THE OCTOBER 25, 2019 BOARD OF DIRECTORS MEETING AND THE NOVEMBER 8, 2019 FINANCE, BUDGET & AUDIT STANDING COMMITTEE MEETING**
Alex Clifford, CEO/General Manager
- 9-04 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF GRANT APPLICATIONS AND ACTIVE GRANTS FOR THE FIRST QUARTER OF FY20**
Wondimu Mengistu, Grants/Legislative Analyst
- 9-05 ACCEPT AND FILE: METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST AND SEPTEMBER 2019**
Daniel Zaragoza, Operations Manager, ParaCruz Division
- 9-06 ACCEPT AND FILE: METRO SYSTEM RIDERSHIP REPORTS FOR THE FIRST QUARTER OF FY20**
Barrow Emerson, Planning and Development Director
- 9-07 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF SEPTEMBER 30, 2019**
Angela Aitken, CFO
- 9-08 APPROVE: CONSIDERATION OF AWARDING A CONTRACT FOR PURCHASE OF A BUS YARD SWEEPER SCRUBBER, ACCESSORIES AND TRAILER FOR METRO FACILITIES**
Freddy Rocha, Facilities Maintenance Manager
- 9-09 APPROVAL OF NEW CAPITAL PROJECTS AND UPDATED 10-YEAR UNFUNDED CAPITAL NEEDS LIST**
Barrow Emerson, Planning and Development Director
- 9-10 APPROVE: CONSIDERATION OF ISSUING A FORMAL REQUEST FOR PROPOSALS FOR MAINTENANCE FACILITIES PROJECT, PHASE I: ENGINEERING ANALYSIS**
Rufus Francis, Safety, Security and Risk Management Director

- 9-11 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT WITH GIRO, INC. FOR HASTUS SOFTWARE MAINTENANCE AND SUPPORT**
Isaac Holly, IT and ITS Director
- 9-12 APPROVE: CONSIDERATION OF APPOINTMENT OF JESSICA DE WIT AND REAPPOINTMENT OF JOSEPH MARTINEZ TO THE METRO ADVISORY COMMITTEE (MAC) FOR FOUR-YEAR TERMS ENDING DECEMBER 31, 2023**
Alex Clifford, CEO/General Manager
- 9-13 APPROVE: CONSIDERATION OF CHANGE IN DEPENDENT REQUIREMENTS FOR DENTAL AND VISION INSURANCE POLICIES**
Dawn Crummié, Human Resources Director
- 9-14 APPROVE: CONSIDERATION OF APPROVING THE AUTHORIZATION AND FUNDING OF A PURCHASING MANAGER POSITION**
Angela Aitken, CFO
- 9-15 APPROVE: CONSIDERATION OF APPROVING THE AUTHORIZATION AND FUNDING OF A PROJECT MANAGER POSITION**
Angela Aitken, CFO

REGULAR AGENDA

- 10 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS:**
20 YEARS: Martin Gilbert, Marc Krovetz, Uriel Mendoza and Mark Saunders
35 YEARS: Gilberto Limas and Mario Espinoza
Ed Bottorff, Board Chair
- 11 RESOLUTION OF APPRECIATION, RETIREE: KAREN BLIGHT**
Ed Bottorff, Board Chair
- 12 CEO ORAL REPORT**
Alex Clifford, CEO/General Manager
- 13 CONSIDERATION OF AUTHORIZING THE TEMPORARY APPOINTMENT OF BARROW EMERSON AS "SPECIAL PLANNING AND DEVELOPMENT DIRECTOR"**
Alex Clifford, CEO/General Manager
- 14 CONSIDERATION OF A RESOLUTION TO ESTABLISH THE BOARD OF DIRECTORS MEETING SCHEDULE & LOCATIONS FOR THE 2020 CALENDAR YEAR**
Alex Clifford, CEO/General Manager
- 15 APPROVE: RECOMMENDATION TO APPROVE REVISIONS TO THE BYLAWS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S BOARD OF DIRECTORS**
Julie Sherman, General Counsel

- 16 APPROVE: AMENDMENTS TO TITLE II OF THE ADMINISTRATIVE CODE: PROCUREMENT POLICY**
Julie Sherman, General Counsel
- 17 APPROVE: CONSIDERATION OF CHANGES TO THE RESERVE FUND POLICY**
Angela Aitken, CFO
- 18 APPROVE: CONSIDERATION OF ACCEPTING THE FINANCE, BUDGET AND AUDIT STANDING COMMITTEE'S RECOMMENDATIONS REGARDING PENSION (UAL) AND RETIREE MEDICAL LIABILITIES (OPEB)**
Angela Aitken, CFO
- 19 CITY OF SANTA CRUZ DOWNTOWN BUS PASS ORAL PRESENTATION**
Barrow Emerson, Planning and Development Director
- 20 PACIFIC STATION UPDATE ORAL PRESENTATION**
Barrow Emerson, Planning and Development Director
- 21 RESOLUTION CELEBRATING PARACRUZ' 15TH ANNIVERSARY**
Alex Clifford, CEO/General Manager
- 22 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, DECEMBER 13, 2019 AT 9:00 AM, AT METRO ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ, CA**
Ed Bottorff, Board Chair
- 23 ADJOURNMENT**
Ed Bottorff, Board Chair

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DATE: November 15, 2019
TO: Board of Directors
FROM: Rufus Francis, Safety, Security and Risk Management Director
SUBJECT: RECOMMENDED ACTION ON TORT CLAIMS

I. RECOMMENDED ACTION

That the Board of Directors Approve Staff Recommendations for Claims for the Month of November 2019

II. SUMMARY

This staff report provides the Board of Directors with recommendations on claims submitted to the Santa Cruz Metropolitan Transit District (METRO).

III. DISCUSSION/BACKGROUND

METRO's Risk Department received one claim for the month of November 2019 for money or damages. As a public entity, METRO must act "within 45 days after the claim has been presented" (Govt C §912.4(a)). See staff recommendations in paragraph VI.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None

V. ALTERNATIVES CONSIDERED

Within the 45-day period, the Board of Directors may take the following actions:

- Reject the claim entirely;
- Allow it in full;
- Allow it in part and reject the balance;
- Compromise it, if the liability or amount due is disputed (Govt C §912.4(a)); or
- Do nothing, and allow the claim to be denied by operation of law (Govt C §912.4 (c)).

VI. DESCRIPTION OF CLAIMS

Claimant	Claim #	Description	Recommended Action
Walton, Anthony	19-0012	Claimant alleges that a METRO bus damaged the side-view mirror of his vehicle. Amount of claim: \$434.72.	Reject

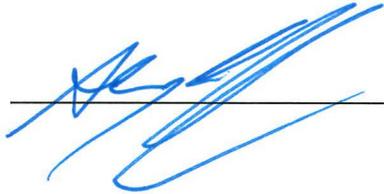
Prepared by: Tom Szeszowicki, Safety Specialist

VII. APPROVALS

Rufus Francis, Safety, Security
and Risk Management Director



Alex Clifford, CEO/General Manager



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DATE: November 15, 2019
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
**SUBJECT: ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL
DETAIL FOR THE MONTH OF OCTOBER 2019**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the preliminary approved Check Journal Detail for the month of October 2019

II. SUMMARY

- This staff report provides the Board with a preliminary approved Check Journal Detail for the month of October 2019.
- The Finance Department is submitting the check journal for Board acceptance and filing.

III. DISCUSSION/BACKGROUND

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

All invoices submitted for the month of October 2019 that have been processed, checks issued and signed by the Chief Financial Officer.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None. The check journals are a presentation of invoices paid in October 2019 for purposes of Board review, agency disclosure, accountability and transparency.

V. ALTERNATIVES CONSIDERED

N/A

VI. ATTACHMENTS

Attachment A: Check Journal Detail for the Month of October 2019

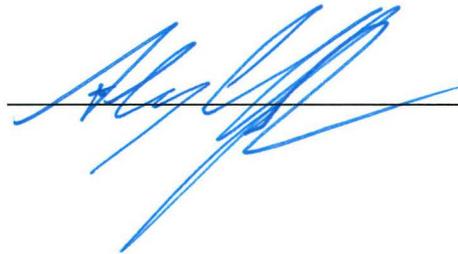
Prepared by: Holly Alcorn, Accounting Specialist

VII. APPROVALS

Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



Attachment A

DATE 11/05/19 08:15

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

PAGE 1

DATE: 10/01/19 THRU 10/31/19

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
66496	10/31/19	-131.10 1117		KELLEY'S SERVICE INC.		95893	RPR VEH# 1707	-131.10	**VOID
66598	10/01/19	11,940.00 080C		CALIFORNIA DEPT OF TAX & FEE FLAT RATE 10/19-9/20		96091	FLAT RATE 10/19-9/20	11,940.00	MANUAL
66599	10/18/19	350.00 003470		PERALTA COMMUNITY COLLEGE DIST 10/18 CCDET TRAINING		96203	10/18 CCDET TRAINING	350.00	MANUAL
66600	10/07/19	600.17 003151		ABC BUS INC		96099	INVENTORY ORDER	382.32	
66601	10/07/19	6,541.05 003283		ACCOUNTEMPS A ROBERT HALF CO		96238	INVENTORY ORDER	217.85	
66602	10/07/19	5,352.82 382		AIRTEC SERVICE INC.		96093	8/12-8/16 TEMP SVC	5,000.00	
66603	10/07/19	53.95 E437		AITKEN, ANGELA		96094	8/12-8/16 TEMP SVC	1,541.05	
66604	10/07/19	279.75 192		ALWAYS UNDER PRESSURE		96100	OPS- PREVENTIVE MAINT	3,077.00	
66605	10/07/19	142.03 003199		B & H FOTO & ELECTRONICS CORP		96243	MAINT GOLF CLUB DR	973.00	
66606	10/07/19	68.32 002363		BATTERIES PLUS #314		96244	MAINT PACIFIC	388.00	
66607	10/07/19	226.92 003248		BAY ALARM COMPANY		96245	MAINT VERNON	914.82	
66608	10/07/19	4,897.69 001230		CAPITOL CLUTCH & BRAKE, INC.		96104	FTA TRIANNUAL SNACKS	53.95	
66609	10/07/19	5,075.00 002034		CARLON'S FIRE EXTINGUISHER		96101	THERMOSTAT	279.75	
66610	10/07/19	680.00 001346		CITY OF SANTA CRUZ-FINANCE		96213	OFFICE SUPPLIES	142.03	
66611	10/07/19	1,668.93 130		CITY OF WATSONVILLE UTILITIES		96252	CREDIT	-57.90	
66612	10/07/19	26,936.29 001124		CLEAN ENERGY		96253	6V BATTERIES	126.22	
66613	10/07/19	316.14 E957		CLIFFORD, ALEX		96160	10/19-1/20 FIRE MON	226.92	
66614	10/07/19	170.43 075		COAST PAPER & SUPPLY INC.		96105	INVENTORY ORDER	4,897.69	
66615	10/07/19	9,355.01 003116		CUMMINS PACIFIC LLP		96103	FIRE SPRINKLER RPR	5,075.00	
66616	10/07/19	69.48 002389		DAVID A RAY		96246	QTRLY PARKING FEES	510.00	
66617	10/07/19	262.48 003317		DENCO CONTROLS INC		96218	QTRLY PARK DEF FEE	170.00	
66618	10/07/19	1,383.93 003274		EAST BAY TIRE CO.		96219	8/20-9/16 WATER WTC	119.02	
						96220	8/20-9/16 WTC	451.50	
						96221	8/19-9/16 WATER WTC	87.19	
						96155	RPR BONNET VALVE	5,322.43	
						96157	AUG 19 MO INSPECT	14,842.00	
						96158	CORRECTIVE SVC SBF	6,771.86	
						96107	9/4-9/5 ZEBRA MTG	316.14	
						96106	INVENTORY ORDER	170.43	
						96108	COACH DOWN #1205	104.01	
						96109	INVENTORY ORDER	2,990.45	
						96130	#1207 MID LIFE	3,172.65	
						96149	COACH DOWN # 1210	2,777.05	
						96150	INVENTORY ORDER	52.44	
						96152	INVENTORY ORDER	34.96	
						96235	INVENTORY ORDER	52.44	
						96257	INVENTORY ORDER	71.01	
						96262	SHORT PAY CK 66476	100.00	
						96110	OFFICE SUPPLIES	69.48	
						96111	INVENTORY ORDER	262.48	
						96232	TIRES	754.47	
						96233	TIRES	243.71	
						96234	TIRES	385.75	

Attachment A

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

PAGE 2

DATE: 10/01/19 THRU 10/31/19

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
66619	10/07/19	003153	1,609.50	ENVIRONMENTAL LOGISTICS INC		96112	OPS HAZMAT REMOVAL	1,184.50	
						96113	MMF HAZMAT REMOVAL	425.00	
66620	10/07/19	003455	150.00	ESQUEDA MINDY		96154	9/27 BOD INTERPRE	150.00	
66621	10/07/19	432	6,431.20	EXPRESS SERVICES INC.		96095	8/19-8/25 TEMP SVC	1,600.00	
						96096	8/12-8/18 TEMP SVC	960.00	
						96114	09/16-9/22 TEMP SVC	2,271.20	
						96153	9/16-9/22 TEMP SVC	1,600.00	
66622	10/07/19	003431	273.75	FIRST ALARM		96115	SBF 8/16/19	273.75	
66623	10/07/19	002952	9,639.03	FLYERS ENERGY LLC		96116	9/1-9/15 FUEL PC	9,639.03	
66624	10/07/19	001302	306.90	GARDA CL WEST, INC.		96147	OCT 19 SERVICES	306.90	
66625	10/07/19	647	1,800.00	GENFARE A DIV OF SPX CORP		96255	FARE STRUCTURE MOD	1,200.00	
						96256	FAREBOX MODIFICATION	600.00	
66626	10/07/19	117	656,609.87	GILLIG LLC		96117	INVENTORY ORDER	2,472.68	
						96156	BUS # 1901	654,137.19	
66627	10/07/19	E162	1,500.00	GOUEVIA, ANNA		96216	TRAVEL ADVANCE	1,500.00	
66628	10/07/19	632	280.00	GOVERNMENT FINANCE OFFICERS		96092	12/01/19-11/30/20	280.00	
66629	10/07/19	282	596.88	GRAINGER		96118	LED DRIVER	179.34	
						96119	PAINT MARKER	56.70	
						96120	PAINT BRUSHES	34.75	
						96121	INVENTORY ORDER	133.93	
						96122	OFFICE SUPPLIES	67.83	
						96123	INVENTORY ORDER	18.46	
						96124	1ST AID INVENTORY	32.23	
						96125	SAFETY INVENTORY	73.64	
66630	10/07/19	001745	3,837.56	HARTFORD LIFE AND ACCIDENT INS		96217	OCT 19 LIFE AD&D	3,837.56	
66631	10/07/19	166	101.35	HOSE SHOP, THE INC		96126	FILTER	101.35	
66632	10/07/19	003406	13,980.00	INDUSTRYSAFE INC		96214	OCT19-OCT20 SVC	13,980.00	
66633	10/07/19	003223	4,545.76	JASPER WELLESER LLC		96183	FY17 5339(A)	4,545.76	
						96260	CREDIT	-4,535.36	
66634	10/07/19	1117	97.80	KELLEY'S SERVICE INC.		96261	RPR BUS# 1204	4,535.36	
						96127	INVENTORY ORDER	264.96	
66635	10/07/19	001233	529.08	KIMBALL MIDWEST		96259	CREDIT	-167.16	
						96207	FAC BULK ORDER	529.08	
						96208	FAC BULK ORDER	59.62	
						96209	CREDIT	-59.62	
66636	10/07/19	003059	234.66	MAILFINANCE INC		96128	9/28-10/27 COVERAGE	157.62	
						96249	ASSESSED TAX 1/19	77.04	
66637	10/07/19	003249	393.50	MAXIMUM OIL SERVICE LLC		96129	HAZMAT DISPOSAL MMF	393.50	
66638	10/07/19	001052	1,213.53	MID VALLEY SUPPLY INC.		96131	INVENTORY ORDER	1,174.00	
						96132	INVENTORY ORDER	39.53	
66639	10/07/19	041	478.11	MISSION UNIFORM		96133	TOWELS	34.50	
						96134	TOWELS	34.50	
						96135	UNIFORMS	231.11	
						96136	TOWELS	50.00	
						96148	UNIFORMS, TOWELS, MATS	36.25	
						96204	UNIFORMS, TOWELS	36.25	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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66640	10/07/19	2,050.00 003469	2,050.00	MONICA DOROTHY COLONDRAS		96248	TOWELS	10.50	
66641	10/07/19	32.14 003326	32.14	NIDAL HALABI & NADA ALGHARIB		96250	TOWELS, MATS	34.50	
66642	10/07/19	436.76 E671	436.76	NOLEN, GREG		96251	TOWELS	10.50	
66643	10/07/19	200.45 043	200.45	PALACE ART & OFFICE SUPPLY		96159	9/6 SEIU ARBITR	2,050.00	
						96102	NAME PLATES	32.14	
						96215	TRAVEL REIMBURSEMENT	436.76	
						96137	OFFICE SUPPLIES	19.08	
						96138	OFFICE SUPPLIES	30.58	
						96139	OFFICE SUPPLIES	21.41	
						96140	OFFICE SUPPLIES	129.38	
66644	10/07/19	1,895.00 002947	1,895.00	PEDX COURIER AND CARGO	7	96162	AUG 19 SVC	1,895.00	VOIDED
66644	10/31/19	-1,895.00 002947	-1,895.00	PEDX COURIER AND CARGO	7	96162	AUG 19 SVC	-1,895.00	**VOID
66645	10/07/19	495.50 481	495.50	PIED PIPER EXTERMINATORS, INC.		96141	SEPT 19 SVC OPS	260.50	
						96142	SEPT 19 SVC KIOSK	40.00	
						96143	SEPT19 SVC METRO MKT	55.50	
						96144	SEPT19 SVC BETTY'S	60.00	
66646	10/07/19	117.49 107A	117.49	PROBUILD COMPANY LLC		96165	SEPT19 MO SVC WTC	79.50	
						96166	PAINTING SUPPLIES	16.15	
						96164	PAINTING SUPPLIES	58.16	
						96166	INVENTORY ORDER	4.20	
						96167	INVENTORY ORDER	38.98	
						96151	BOD MTG SUPPLIES	62.16	
66647	10/07/19	62.16 E969	62.16	PYE, GINA		96172	INVENTORY ORDER	44.31	
66648	10/07/19	281.05 003020	281.05	QUEST DIAGNOSTIC INC.		96173	INVENTORY ORDER	11.32	
66649	10/07/19	180.26 882	180.26	RANDY WEST		96174	VEH# 1205,1207,1210	54.99	
66650	10/07/19	1,112.67 003266	1,112.67	REFLECTIVE APPAREL FACTORY INC	7	96239	BRACKET	7.86	
66651	10/07/19	66.80 003024	66.80	RICOH USA, INC CA		96146	PAC STAT SITE MIT	6,696.00	
66652	10/07/19	267.66 215	267.66	RICOH USA, INC. TX		96206	FA0006641 PERMIT	509.00	
66653	10/07/19	118.36 045	118.36	ROYAL WHOLESALE ELECTRIC		96171	WTC SHREDDING	40.00	
						96170	INVENTORY ORDER	179.00	
						96172	MISC PARTS	79.76	
66654	10/07/19	118.48 135	118.48	SANTA CRUZ AUTO PARTS, INC.		96172	INVENTORY ORDER	44.31	
						96173	INVENTORY ORDER	11.32	
						96174	VEH# 1205,1207,1210	54.99	
						96239	BRACKET	7.86	
66655	10/07/19	7,205.00 002700	7,205.00	SANTA CRUZ COUNTY ENVIROMENTAL		96146	PAC STAT SITE MIT	6,696.00	
66656	10/07/19	219.00 001292	219.00	SANTA CRUZ RECORDS MNGMT INC		96206	FA0006641 PERMIT	509.00	
66657	10/07/19	8,534.51 001307	8,534.51	SANTA CRUZ STAFFING, LLC		96171	WTC SHREDDING	40.00	
						96205	SHREDDING- ADMIN	179.00	
						96145	9/9-9/15 TEMP SVC	4,665.40	
						96176	9/02-9/08 TEMP SVC	3,869.11	
66658	10/07/19	668.80 149	668.80	SANTA CRUZ SENTINEL	0	96098	9/09, 9/16 PUBLICAT	668.80	
66659	10/07/19	87.95 001232	87.95	SPECIALIZED AUTO AND		96175	VEH# PC1109 SMOG	87.95	
66660	10/07/19	144.29 001040	144.29	TERRYBERRY CO., LLC		96097	EMPLOYEE ANNIVERSARY	144.29	
66661	10/07/19	8,887.20 003285	8,887.20	THE AFTERMARKET PARTS CO LLC		96177	FY17 5339A MID LIFES	11.94	
						96178	FY17 5339A MID LIFES	529.74	
						96179	WINDOW REBLD 2200'S	464.43	
						96180	INVENTORY ORDER	212.87	

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66662	10/07/19	003242	1,365.63	THE JANEK CORPORATION		96211	FTA FY17 5339(A)	11.94	
66663	10/07/19	007	161.92	UNITED PARCEL SERVICE		96212	FTA FY17 5339(A)	1,325.33	
66664	10/07/19	003200	544.00	UPS STORE #1128		96222	CREDIT	-120.29	
						96223	BRAKE SPIDER HDWARE	60.05	
						96224	CREDIT	-40.79	
						96225	INVENTORY ORDER	873.77	
						96226	INVENTORY ORDER	78.00	
						96227	INVENTORY ORDER	810.17	
						96228	BRAKE SPIDER HDWARE	1,653.57	
						96229	COACH DOWN # 2333	461.72	
						96230	INVENTORY ORDER	3,046.38	
						96231	CREDIT	-491.63	
						96254	PARTS INVENTORY	1,365.63	
						96237	OUTGOING FREIGHT	161.92	
						96186	FINGERPRINTING	32.00	
						96187	FINGERPRINTING	32.00	
						96188	FINGERPRINTING	32.00	
						96189	FINGERPRINTING	32.00	
						96190	FINGERPRINTING	32.00	
						96191	FINGERPRINTING	32.00	
						96192	FINGERPRINTING	32.00	
						96193	FINGERPRINTING	32.00	
						96194	FINGERPRINTING	32.00	
						96195	FINGERPRINTING	32.00	
						96196	FINGERPRINTING	32.00	
						96197	FINGERPRINTING	32.00	
						96198	FINGERPRINTING	32.00	
						96199	FINGERPRINTING	32.00	
						96200	FINGERPRINTING	32.00	
						96201	FINGERPRINTING	32.00	
						96202	FINGERPRINTING	32.00	
						96181	INVENTORY ORDER	319.59	
						96182	INVENTORY ORDER	286.79	
						96258	INVENTORY ORDER	381.51	
						96185	RADIO SYST RPR	2,385.00	
						96236	INVENTORY ORDER	419.98	
						96240	MEDICAL EXAM	75.00	
						96184	SAFETY SUPPLIES	81.66	
						96263	7/1-10/23/19 PASS	6,378.07	
						96264	7/1-10/23/19 MON	5,220.26	
						96415	TRAVEL ADVANCE	1,200.00	
						96416	TRAVEL ADVANCE	1,200.00	
						96265	CAMERAS ON BUS #2	91.77	
						96402	SEPT19 PT2PT WTC	573.38	
						96267	SMALL TOOLS	71.80	
						96410	DL CHAIN	60.93	

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66675	10/14/19	63.11 002363	63.11	BATTERIES PLUS #314		96266	6V BATTERIES	63.11	
66676	10/14/19	984.35 914	984.35	CALTRONICS BUSINESS SYSTEMS		96268	OFFICE SUPPLIES	147.49	
						96269	OFFICE SUPPLIES	646.76	
						96270	OFFICE SUPPLIES	190.10	
66677	10/14/19	119.90 001159	119.90	CATTO'S GRAPHICS, INC.		96276	BUS FARE DECALS	119.90	
66678	10/14/19	3,039.68 001346	3,039.68	CITY OF SANTA CRUZ-FINANCE		96362	STORM WATER CHARGE	3,039.68	
66679	10/14/19	6,477.69 909	6,477.69	CLASSIC GRAPHICS		96271	VEH# 4207 VTA BUS	6,477.69	
66680	10/14/19	30,652.73 001124	7,224.44	CLEAN ENERGY		96369	8/20/19 LNG	7,224.44	
						96370	8/26/19 LNG	7,619.97	
						96371	9/05/19 LNG	5,196.41	
						96372	8/22/19 LNG	4,261.71	
						96373	9/02/19 LNG	6,350.20	
66681	10/14/19	1,653.45 075	366.49	COAST PAPER & SUPPLY INC.		96272	INVENTORY ORDER	366.49	
						96273	INVENTORY ORDER	136.56	
						96408	INVENTORY ORDER	1,150.40	
66682	10/14/19	2,890.00 003034	2,890.00	COASTAL LANDSCAPING INC. DBA		96404	OCT 19 MAINT	2,890.00	
66683	10/14/19	2,866.19 003116	2,866.19	CUMMINS PACIFIC LLP		96274	INVENTORY ORDER	2,866.19	
66684	10/14/19	167.15 003430	167.15	CYNTHIA BRUECK		96349	INVENTORY ORDER	167.15	
66685	10/14/19	11,605.14 003274	195.06	EAST BAY TIRE CO.		96277	TIRES	195.06	
						96278	REVENUE TIRES	30.00	
						96279	REVENUE TIRES	943.08	
						96280	REVENUE TIRES	385.75	
						96281	REVENUE TIRES	399.65	
						96282	REVENUE TIRES	1,048.10	
						96283	REVENUE TIRES	1,863.33	
						96374	REVENUE TIRES	538.76	
						96375	REVENUE TIRES	375.05	
						96376	VEH# 602 TIRES	776.32	
						96377	REVENUE TIRES	193.97	
						96378	REVENUE TIRES	1,048.10	
						96379	REVENUE TIRES	269.38	
						96380	REVENUE TIRES	524.05	
						96381	REVENUE TIRES	806.63	
						96382	REVENUE TIRES	30.00	
						96383	REVENUE TIRES	941.19	
						96411	REVENUE TIRES	1,048.10	
						96412	REVENUE TIRES	188.62	
66686	10/14/19	2,044.08 432	2,044.08	EXPRESS SERVICES INC.		96361	9/24-9/29 TEMP SVC	2,044.08	
66687	10/14/19	10.99 001172	10.99	FERGUSON ENTERPRISES INC. #795		96285	1ST REP KIT	10.99	
66688	10/14/19	51.02 002952	51.02	FLYERS ENERGY LLC		96284	PROPANE FOR FORKLIFT	51.02	
66689	10/14/19	9,022.96 001302	9,022.96	GARDA CL WEST, INC.		96287	OCT 19 VAULT SERVICE	9,022.96	
66690	10/14/19	834.55 647	509.72	GENFARE A DIV OF SPX CORP		96286	INVENTORY ORDER	509.72	
						96384	INVENTORY ORDER	324.83	
66691	10/14/19	2,264.46 282	248.16	GRAINGER		96275	CLEANING SUPPLIES	248.16	
						96292	SEALING TAPE	57.84	
						96293	FUEL CYLINDER	26.35	

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66692	10/14/19	10,678.35 001745		HARTFORD LIFE AND ACCIDENT INS		96294	SAFETY SUPPLIES	94.23	
66693	10/14/19	315.99 166		HOSE SHOP, THE INC		96295	MAINT SUPPLIES	1,081.32	
66694	10/14/19	13,990.72 002979		HUNT & SONS, INC.		96296	MAINT SUPPLIES	219.68	
66695	10/14/19	1,449.00 003284		KEISH ENVIRONMENTAL PC CORP		96385	BRAZING TORCH	95.59	
66696	10/14/19	440.56 1117		KELLEY'S SERVICE INC.		96386	EXTENSION CORDS	243.63	
						96403	MAINT SUPPLIES	197.66	
						96395	OCT 19 LTD	10,678.35	
						96288	MAINT SUPPLIES	253.51	
						96299	MAINT SUPPLIES	62.48	
						96297	INVENTORY ORDER	11,727.14	
						96298	INVENTORY ORDER	2,263.58	
						96367	OUTFALL MITIGATION	1,449.00	
						96354	HEADLAMP SOCKET	38.94	
						96387	INVENTORY ORDER	29.43	
						96388	INVENTORY ORDER	163.70	
						96389	RPR VEH# PC1702	240.01	
						96390	PLUGS	2.29	
						96391	RPR VEH# PC1120	130.47	
						96392	CREDIT	-2.29	
						96393	CREDIT	-5.42	
						96394	CREDIT	-24.95	
						96394	CREDIT	-131.62	
66697	10/14/19	1,731.40 001233		KIMBALL MIDWEST		96289	MULTIPLE PARTS ORDER	1,731.40	
66698	10/14/19	4,456.87 003293		MAKAI SOLUTIONS		96302	RPR BAY # 7	4,456.87	
66699	10/14/19	19,406.17 003017		MANSFIELD OIL CO OF GAINSVILLE		96353	9/13/19 DIESEL	19,406.17	
66700	10/14/19	991.44 001052		MID VALLEY SUPPLY INC.		96301	INVENTORY ORDER	991.44	
66701	10/14/19	257.20 041		MISSION UNIFORM		96290	TOWELS	50.00	
66702	10/14/19	341.89 001454		MONTEREY BAY SYSTEMS		96291	UNIFORMS	207.20	
66703	10/14/19	2,070.00 469		MONTEREY BAY AIR RESOURCES		96300	RPR COPIER	341.89	
66704	10/14/19	2,240.56 001064		MUNICIPAL MAINTENANCE EQUIPMNT		96363	ANNUAL PERMIT	2,070.00	
66705	10/14/19	200.00 003061		NEOFUNDS BY NEOPST DBA		96366	KONI LIFT RPR	2,240.56	
66706	10/14/19	109.98 002721		NEXTEL COMMUNICATIONS/SPRINT		96303	SEPT 19 POSTAGE	200.00	
66707	10/14/19	13,555.79 009		PACIFIC GAS & ELECTRIC		96346	8/26-9/25 OPS	109.98	
						96323	8/27-9/25 1122 RIVER	20.07	
						96405	8/26-9/24 GOLF	4,996.97	
						96406	8/26-9/24 VERNON	6,667.54	
						96407	8/26-9/24 122 RIVER	1,871.21	
66708	10/14/19	920.85 043		PALACE ART & OFFICE SUPPLY		96307	OFFICE SUPPLIES	208.92	
						96308	OFFICE SUPPLIES	322.60	
						96309	OFFICE SUPPLIES	173.78	
						96310	OFFICE SUPPLIES	202.93	
						96413	OFFICE SUPPLIES	12.62	
66709	10/14/19	495.50 481		PIED PIPER EXTERMINATORS, INC.		96357	OCT19 PEST VERNON	62.50	
						96358	OCT19 PEST OPS CREEK	105.00	
						96400	OCT19 PEST 138 GOLF	67.50	
						96401	OCT19 VERNON	260.50	

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66710	10/14/19	353.23 003438		PLATT ELECTRIC SUPPLY		96321	WTC LIGHT RPR	353.23	
66711	10/14/19	418.00 001149		PREFERRED PLUMBING, INC.		96322	WTC SEWER CLEANING	418.00	
66712	10/14/19	319.40 107A		PROBUILD COMPANY LLC		96312	MAINT SUPPLIES	69.90	
						96313	METAL LOUVER	136.25	
						96314	MAINT SUPPLIES	19.26	
						96315	FLEXIBLE COUPLING	3.53	
						96316	MAINT SUPPLIES	42.84	
						96317	CABINET LOCK	14.53	
						96318	SCREEN FIBERGLASS	5.89	
						96319	DOOR STOPS	35.35	
						96320	CREDIT	-8.15	
66713	10/14/19	54.69 003024		RICOH USA, INC CA		96409	6/24-9/23 IMAGES MMF	54.69	
66714	10/14/19	212.92 E524		ROCHA, FEDERICO G.		96417	EMERGENCY FLASHLIGHT	212.92	
66715	10/14/19	3,376.85 003154		ROMAINE ELECTRIC CORP		96311	INVENTORY ORDER	3,376.85	
66716	10/14/19	3,206.80 001379		SAFETY-KLEEN INC		96364	PARTS WASHER SUPPL	3,206.80	
66717	10/14/19	35.08 135		SANTA CRUZ AUTO PARTS, INC.		96347	INVENTORY ORDER	37.36	
						96348	CREDIT	-2.28	
66718	10/14/19	4,634.40 001307		SANTA CRUZ STAFFING, LLC		96352	9/16-9/22 TEMP SVC	4,634.40	
66719	10/14/19	474.51 003117		SANTA CRUZ SENTINEL	0	96356	10/17-10/16/20 SUBS	474.51	
66720	10/14/19	530.42 002459		SCOTTS VALLEY WATER DISTRICT		96365	9/1-9/30 SVT	530.42	
66721	10/14/19	1,800.00 001277		SJB GLOBALNET, INC.		96344	OCT 19 SERVICE	1,800.00	
66722	10/14/19	390.04 115		SNAP-ON INDUSTRIAL		96350	BATTERY TESTER	390.04	
66723	10/14/19	16,875.55 001976		SPORTWORKS NORTHWEST, INC.		96345	VTA BIKE RACKS	1,186.00	
						96351	VTA BIKE RACKS	15,689.55	
66724	10/14/19	520.19 001040		TERRYBERRY CO., LLC		96397	EMPLOYEE ANNIVERSARY	149.20	
						96398	EMPLOYEE ANNIVERSARY	135.71	
						96399	EMPLOYEE ANNIVERSARY	235.28	
66725	10/14/19	7,726.01 003285		THE AFTERMARKET PARTS CO LLC		96304	INVENTORY ORDER	63.04	
						96305	INVENTORY ORDER	2,981.84	
						96306	INVENTORY ORDER	220.69	
						96324	FTA FY17 5339(a)	4,435.36	
66726	10/14/19	117.00 003010		TOYOTA MATERIAL HANDLING	7	96326	COACH DOWN #2322	25.08	
66727	10/14/19	151.46 007		UNITED PARCEL SERVICE		96360	VEH#704 FORKLIFT SVC	117.00	
						96414	FREIGHT	36.30	
66728	10/14/19	727.63 T336		VITULLI, BRIAN ANTHONY		96368	OUTBOUND FREIGHT	115.16	
66729	10/14/19	842.16 001165		VU, THANH DR. MD	7	96327	TRAVEL REIMBURSEMENT	727.63	
						96328	DMV RENEWAL	75.00	
						96329	DMV RENEWAL	75.00	
						96330	DMV RENEWAL	75.00	
						96331	DMV RENEWAL	75.00	
						96332	DMV RENEWAL	75.00	
						96333	DMV RENEWAL	75.00	
						96334	DMV RENEWAL	75.00	
						96335	DMV RENEWAL	75.00	
						96336	DMV RENEWAL	75.00	

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66730	10/14/19	003316	275.00	WATER TECH SPECIALTIES INC		96337	NEW HIRE EXAM	92.16	
66731	10/14/19	002802	292.42	ZEE MEDICAL SERVICE CO.		96338	SEPT 19 CHEM TEST	275.00	
		147				96339	SAFETY SUPPLIES PC	23.10	
						96340	SAFETY SUPPLIES OPS	52.65	
						96341	SAFETY SUPPLIES VER	81.40	
						96342	SAFETY SUPPLIES SMC	60.32	
						96343	SAFETY SUPPLIES MMF	74.95	
66732	10/14/19	E997	1,339.88	ZENTENO, DANIEL		96396	TRAVEL REIMBURSEMENT	1,339.88	
66733	10/17/19	002952	5,144.63	FLYERS ENERGY LLC		96565	8/1-8/12 FUEL	2,296.25	
						96566	8/16-8/30 FUEL	2,848.38	
66734	10/21/19	003105	999.22	AT&T MOBILITY		96475	8/24-9/23 WIFI-BUSES	1,402.23	
66735	10/21/19	002802	1,402.23	BATTERY SYSTEMS CORP		96476	REVENUE VEH PARTS	15,000.00	
66736	10/21/19	616	15,000.00	BROWN ARMSTRONG ACCOUNTANCY		96521	FY19 AUDIT	213.82	
66737	10/21/19	001230	213.82	CAPITOL CLUTCH & BRAKE, INC.		96477	RPR BUS # 2318	1,671.53	
66738	10/21/19	001159	1,671.53	CATTO'S GRAPHICS, INC.		96478	LOGO DECALS	168.83	
66739	10/21/19	001346	168.83	CITY OF SANTA CRUZ-FINANCE		96479	SEPT 19 LANDFILL	166.06	
66740	10/21/19	909	1,473.75	CLASSIC GRAPHICS		96480	PC VEHICLE DECALS	644.58	
						96481	DECALS VEH#2601	663.11	
66741	10/21/19	001124	7,443.42	CLEAN ENERGY		96517	VEH# 2212 DECALS	7,443.42	
66742	10/21/19	002814	1,647.67	CREATIVE BUS SALES, INC.		96482	09/09/19 LNG	178.84	
66743	10/21/19	003116	4,717.99	CUMMINS PACIFIC LLP		96483	COACH DOWN #PC1710	1,468.83	
						96484	INVENTORY ORDER	35.24	
						96485	INVENTORY ORDER	711.63	
						96486	COACH DOWN # 1205	3,971.12	
66744	10/21/19	E986	450.00	DELFIN, MONIK		96487	INVENTORY ORDER	450.00	
66745	10/21/19	003458	23,410.85	DUFOUR INCORPORATED		96522	TRAVEL ADVANCE	23,410.85	
66746	10/21/19	003274	9,302.44	EAST BAY TIRE CO.		96488	EV CHARGE FY19 LCTOP	643.63	
						96489	TIRES	161.30	
						96490	VEH# 603 TIRES	256.35	
						96491	REVENUE TIRES	1,048.10	
						96492	TIRES	993.48	
						96493	TIRES	538.76	
						96494	TIRES	120.00	
						96495	TIRES	5,540.82	
66747	10/21/19	432	3,871.20	EXPRESS SERVICES INC.		96496	9/23-9/29 TEMP SVC	1,600.00	
66748	10/21/19	647	2,938.73	GENFARE A DIV OF SPX CORP		96527	10/01-10/05 TEMP SVC	2,271.20	
						96497	RPR BILL VALIDATOR	751.98	
						96498	ODY & TMV TRAINING	3,386.75	
						96499	DUPLICATE PAYMENT	-1,200.00	
66749	10/21/19	282	912.25	GRAINGER		96421	WALL CLOCK	39.23	
						96422	MAINT SUPPLIES	106.21	
						96500	NON INVENTORY PARTS	96.58	
						96501	SAFETY SUPPLIES	81.39	
						96502	REV VEHICLE PARTS	121.12	
						96503	CLEANING SUPPLIES	467.72	

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66750	10/21/19	001097	1,196.38	GREENWASTE RECOVERY, INC.		96504	SEPT19 MHERMON/KING	22.59	
						96505	SEPT19 BOULDER CREEK	175.08	
						96506	SEPT19 AIRPT/FREEDM	58.36	
						96507	SEPT19 GRNVALLY/CARN	58.36	
						96508	SEPT19 KINGS VILLAGE	289.66	
						96509	SEPT19 2400 FREEDOM	58.36	
						96510	SEPT19 FREEDM/BOWKER	58.36	
						96511	SEPT19 BIG BASIN	58.36	
						96512	SEPT19 LOMOND & HWY	58.36	
						96513	SEPT19 2880 RESEARCH	358.89	
66751	10/21/19	003349	25,200.00	INSEGO NORTH AMERICA LLC		96531	7/19-6/20 HCMI RENEW	25,200.00	
66752	10/21/19	003402	330.00	KAUFMAN DOLOWICH VOLUCK		96532	QE-0073	330.00	
66753	10/21/19	1117	990.89	KELLEY'S SERVICE INC.		96432	RPR VEH# 103	2.85	
						96533	INVENTORY ORDER	848.47	
						96534	INVENTORY ORDER	139.57	
66754	10/21/19	003059	220.06	MAILFINANCE INC		96516	11/19-02/20 LEASE	220.06	
66755	10/21/19	041	383.45	MISSION UNIFORM		96431	TOWELS	34.50	
						96433	UNIFORMS	207.20	
						96434	TOWELS	50.00	
						96435	UNIFORMS	36.25	
						96514	TOWELS	10.50	
						96515	TOWELS	10.50	
						96553	TOWELS/MATS	34.50	
66756	10/21/19	004	430.74	NORTH BAY FORD LINC-MERCURY		96535	RPR VEH# PC1707	122.29	
						96536	PARTS ORDER	89.75	
						96537	PARTS ORDER	203.47	
						96538	RPR VEH# 802	15.23	
66757	10/21/19	002323	90.90	NORTHERN SAFETY CO., INC.		96539	INVENTORY ORDER	90.90	
66758	10/21/19	009	9,360.99	PACIFIC GAS & ELECTRIC		96530	8/29-9/29 1200 RIVER	5,750.70	
						96540	8/29-9/29 920 PAC AV	3,610.29	
66759	10/21/19	043	66.92	PALACE ART & OFFICE SUPPLY		96427	HON REPLACEMENT KEYS	30.59	
						96428	OFFICE SUPPLIES	36.33	
66760	10/21/19	002947	1,585.00	PEDX COURIER AND CARGO	7	96424	SEPT 19 COURRIER SVC	1,585.00	VOIDED
66760	10/31/19	002947	-1,585.00	PEDX COURIER AND CARGO	7	96424	SEPT 19 COURRIER SVC	-1,585.00	**VOID
66761	10/21/19	481	235.00	PIED PIPER EXTERMINATORS, INC.		96523	OCT 19 PEST BETTY'S	60.00	
						96524	OCT 19 PEST KIOSK	40.00	
						96525	OCT 19 PEST METROMKT	55.50	
						96526	OCT 19 WTC RESTRNT	79.50	
66762	10/21/19	050	147.49	PITNEY BOWES INC. RENTAL PMT		96554	10/01-12/31 920 PAC	147.49	
66763	10/21/19	187	210.00	POLAR RADIATOR SERVICE INC		96558	RPR BUS # 2217	210.00	
66764	10/21/19	002939	44,836.50	PREFERRED BENEFIT		96473	OCT19 VISION	8,685.00	
						96474	OCT19 DENTAL	36,151.50	
66765	10/21/19	107A	249.20	PROBULLD COMPANY LLC		96419	MAINT SUPPLIES	24.66	
						96420	MAINT SUPPLIES	23.73	
						96429	FLAT BAR	19.25	
						96430	MAINT SUPPLIES	12.37	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
66766	10/21/19		337.23	REGISTER PAJARONIAN LLC		96437	SLIDING BOLT LATCH	9.33	
66767	10/21/19		639.17	REPUBLIC ELEVATOR COMPANY INC		96438	WASHERS	40.53	
66768	10/21/19		3,755.46	RICOH USA, INC CA		96439	MAINT SUPPLIES	3.73	
66769	10/21/19		9.22	SANTA CRUZ AUTO PARTS, INC.		96543	RPR VEH# 1206	7.04	
66770	10/21/19		393.22	SANTA CRUZ MUNICIPAL UTILITIES		96555	RPR SUPPLIES	21.22	
66771	10/21/19		80.00	SANTA CRUZ RECORDS MNGMT INC		96556	MAINT SUPPLIES	77.52	
66772	10/21/19		1,502.00	SWIFT CONSULTING SERVICES INC		96557	MAINT SUPPLIES	9.82	
66773	10/21/19		7,300.00	TERRY W BOYD		96559	LEGAL NOTICE	158.57	
66775	10/21/19		38,405.12	THE AFTERMARKET PARTS CO LLC		96560	LEGAL NOTICE	178.66	
						96418	OCT 19 MAINT	639.17	
						96436	7/1-9/30 IMAGES ADMI	3,755.46	
						96528	REVENUE VEH PARTS	9.22	
						96529	SEPT 19 GCD IRRIGTN	184.73	
						96518	SEPT 19 OPS IRRIGTN	208.49	
						96562	8/26 SHREDDING	40.00	
						96519	APN: 025-054-06	40.00	
						96563	FTA FY18 5339(A)	1,502.00	
						96423	FTA FY17 5339(A)	7,300.00	
						96425	FTA FY17 5339(A)	198.43	
						96426	RPR VEH# 1201	75.78	
						96441	INVENTORY ORDER	418.43	
						96442	INVENTORY ORDER	174.12	
						96443	FTA FY17 5339(A)	174.12	
						96444	FTA FY17 5339(A)	6,512.73	
						96445	FTA FY17 5339(A)	51.33	
						96446	FLYER WIPER CAMPAIGN	388.68	
						96447	CREDIT	1,753.46	
						96448	RPR VEH # 9824	-81.83	
						96449	RPR VEH# 2318	0.74	
						96450	INVENTORY ORDER	31.42	
						96451	INVENTORY ORDER	917.16	
						96452	INVENTORY ORDER	17.82	
						96453	INVENTORY ORDER	5,799.23	
						96454	INVENTORY ORDER	17.82	
						96455	INVENTORY ORDER	315.92	
						96456	INVENTORY ORDER	1,447.92	
						96457	INVENTORY ORDER	190.18	
						96458	INVENTORY ORDER	5,058.94	
						96459	LED CONV. SR511/518	404.94	
						96460	INVENTORY ORDER	5,602.66	
						96461	INVENTORY ORDER	92.23	
						96462	INVENTORY ORDER	2,349.29	
						96463	INVENTORY ORDER	417.61	
						96464	INVENTORY ORDER	1,337.46	
						96465	INVENTORY ORDER	393.08	
							INVENTORY ORDER	401.43	
							INVENTORY ORDER	191.07	
							INVENTORY ORDER	2,408.12	

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66776	10/21/19	003010	345.56	TOYOTA MATERIAL HANDLING	7		INVENTORY ORDER	70.47	
66777	10/21/19	057	10,492.54	U.S. BANK			CREDIT	-34.46	
66778	10/21/19	002829	1,198.90	VALLEY POWER SYSTEMS, INC.			CREDIT	-622.23	
66779	10/21/19	221	2,514.17	VEHICLE MAINTENANCE PROG INC			INVENTORY ORDER	1,640.51	
66780	10/21/19	434	533.00	VERIZON WIRELESS	0		INVENTORY ORDER	168.04	
66781	10/21/19	001165	242.16	VU, THANH DR. MD	7		CREDIT	-75.78	
66782	10/21/19	057	5,478.66	U.S. BANK			INVENTORY ORDER	337.06	
66783	10/21/19	003366	23,627.38	KEY GOVERNMENT FINANCE INC			INVENTORY ORDER	53.16	
66784	10/28/19	003151	28.52	ABC BUS INC			FORKLIFT SVC #700	172.78	
66785	10/28/19	003330	1,575.00	ACTION TOWING & ROAD SVC CORP			FORKLIFT SVC #701	172.78	
66786	10/28/19	E437	112.45	AITKEN, ANGELA			*****-*****-6584	10,492.54	
66787	10/28/19	002828	502.22	ALLIED ELECTRONICS			COACH DOWN #2805	815.39	
66788	10/28/19	001D	2,723.27	AT&T			INVENTORY ORDER	73.81	
66789	10/28/19	001348	5,074.25	ATHENS INSURANCE SERVICE, INC.			FTA FY17 5339(A)	309.70	
66790	10/28/19	002689	59.34	B & B SMALL ENGINE CORP			DONALDSON FILTERS	30.94	
66791	10/28/19	002363	108.95	BATTERIES PLUS #314			INVENTORY ORDER	2,483.23	
66792	10/28/19	002802	5,805.51	BATTERY SYSTEMS CORP			9/02/-10/01 PARACRUZ	308.90	
66793	10/28/19	080A	297.36	CALIFORNIA DEPARTMENT OF TAX			PT2PT 9/02-10/01	224.10	
66794	10/28/19	588	10,065.70	CALIFORNIA DEPARTMENT OF TAX			DMV RENEWAL EXAM	75.00	
66795	10/28/19	002034	2,100.00	CARLON'S FIRE EXTINGUISHER			NEW HIRE EXAM	92.16	
66796	10/28/19	002109	900.00	CITY OF SANTA CRUZ/PARKING			DMV RENEWAL EXAM	75.00	
66797	10/28/19	667	195.03	CITY OF SCOTT'S VALLEY			XXXX-XXXX-XXXX-5056	75.00	
66798	10/28/19	733	711.00	CLAREMONT EAP			OCT 19 LEASE	5,478.66	
66799	10/28/19	001124	14,842.00	CLEAN ENERGY			INVENTORY ORDER	23,627.38	
66800	10/28/19	075	1,317.40	COAST PAPER & SUPPLY INC.			INVENTORY ORDER	1.86	
66801	10/28/19	003034	1,887.24	COASTAL LANDSCAPING INC. DBA			INVENTORY ORDER	26.66	

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66802	10/28/19	9,045.03	508	COMPLETE COACH WORKS INC		96716	OUTFLOW OPS PLANTING	837.18	
66803	10/28/19	52.76	002814	CREATIVE BUS SALES, INC.		96717	OUTFLOW OPS PLANTING	640.56	
66804	10/28/19	3,676.95	003116	CUMMINS PACIFIC LLP		96573	RPR BUS # 2318	9,045.03	
						96570	COACH DOWN # PCI712	52.76	
						96571	INVENTORY ORDER	669.97	
						96572	INVENTORY ORDER	35.24	
						96653	RPR BUS # 2802	3.13	
						96654	CREDIT	-136.56	
						96655	RPR VEH # 2802	1,710.73	
						96656	INVENTORY ORDER	1,394.44	
66805	10/28/19	880.00	003381	DAN BOYLE & ASSOCIATES INC.		96658	JAN-SEPT 19 SVCS	880.00	
66806	10/28/19	11,554.31	003274	EAST BAY TIRE CO.		96661	SEPT19 TIRE DISPOSAL	106.52	
						96662	TIRES	2,096.21	
						96663	TIRES	1,080.88	
						96664	TIRES PC	377.23	
						96665	TIRES	1,048.10	
						96666	TIRES	2,096.21	
						96667	TIRES	107.77	
						96735	TIRES	1,572.15	
						96736	TIRES	96.00	
						96737	TIRES	1,048.10	
						96738	TIRES	931.66	
						96739	TIRES	993.48	
66807	10/28/19	41.36	E672	ESTRADA, URIEL		96734	CCDET/HDVIP TRAINING	41.36	
66808	10/28/19	6,175.20	432	EXPRESS SERVICES INC.		96579	10/7-10/13 TEMP SVC	1,280.00	
						96617	10/7-10/13 TEMP SVC	256.00	
						96618	9/30-10/6 TEMP SVC	768.00	
						96619	10/7-10/13 TEMP SVC	2,271.20	
						96682	10/1-10/6 TEMP SVC	1,600.00	
66809	10/28/19	63.41	001172	FERGUSON ENTERPRISES INC. #795		96580	RPR SUPPLIES	21.69	
						96581	RPR SUPPLIES	41.72	
66810	10/28/19	1,589.38	002962	FIS		96718	SEPT 19 MERCHANT FEE	1,589.38	
66811	10/28/19	16,468.01	002952	FLYERS ENERGY LLC		96668	9/1-9/15 FUEL	2,232.74	
						96669	9/16-9/30 FUEL	2,506.80	
						96670	9/15-9/30 FUEL PC	11,728.47	
66812	10/28/19	5,056.63	E1039	FRANCIS, RUFUS		96724	APTA 2019 CONF	5,056.63	
66813	10/28/19	78.34	647	GENFARE A DIV OF SPX CORP		96582	INVENTORY ORDER	78.34	
66814	10/28/19	16,850.00	002123	GIRO, INC.		96583	OPS HASTUS TRAINING	16,850.00	
66815	10/28/19	2,578.69	282	GRAINGER		96584	MAINT SUPPLIES	26.21	
						96585	INVENTORY ORDER	176.03	
						96592	INVENTORY ORDER	1,541.48	
						96671	BATTERY CHARGER	673.67	
						96672	SAFETY ITEMS	40.43	
						96673	MOPS FOR DETAILERS	120.87	
66816	10/28/19	49,678.10	003109	HANSON BRIDGETT LLP		96726	SEPT 19 RETAINER	24,000.00	
						96727	M 032117.006017	6,920.00	

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66817	10/28/19	1,335.34	003442	JOHNSON CONTROLS INC		96638	M 032117.006012	13,779.80	
66818	10/28/19	843.36	1117	KELLEY'S SERVICE INC.		96674	M 032117.006013	2,632.50	
						96729	M 032117.006014	2,345.80	
						96638	11/19-1/20 OPS	796.39	
						96639	11/19-01/20 MMF	538.95	
						96591	INVENTORY ORDER	212.12	
						96674	RPR VEH# 103	4.54	
						96675	INVENTORY ORDER	11.00	
						96676	INVENTORY ORDER	87.25	
						96677	INVENTORY ORDER	132.62	
						96678	LED LIGHT PROJECT	51.78	
						96679	INVENTORY ORDER	106.94	
						96680	CREDIT	-333.70	
						96681	CREDIT	-58.41	
						96692	INVENTORY ORDER	260.23	
						96709	RPR # PC203	310.58	
						96719	INVENTORY ORDER	58.41	
66819	10/28/19	566.06	036	KELLY-MOORE PAINT CO., INC.		96588	PAINT	270.74	
						96589	PAINT	89.02	
						96590	PAINT	250.81	
66820	10/28/19	221.85	T337	KHAN, BIRGITTA		96731	EXPENSE REIMBURSEMENT	-44.51	
66821	10/28/19	2,584.00	852	LAW OFFICES OF MARIE F. SANG	7	96633	CLM # 1136,2697,6778	221.85	
66822	10/28/19	185.76	003227	LOBNER, DON		96660	RPR SHOP AIR GUN	2,584.00	
66823	10/28/19	2,654.93	003391	MARK THOMAS & COMPANY INC		96659	SEPT 19 PAC STA DSGN	185.76	
66824	10/28/19	114.39	E1052	MARTINEZ, JESS		96626	TRAVEL REIMBURSEMENT	2,654.93	
66825	10/28/19	145.00	003249	MAXIMUM OIL SERVICE LLC		96641	WASTE OIL DISPOSAL	114.39	
66826	10/28/19	2,155.21	003273	MGP XI REIT LLC		96574	NOV 19 RENT CAPITOLA	145.00	
66827	10/28/19	1,159.93	001052	MID VALLEY SUPPLY INC.		96593	INVENTORY ORDER	2,155.21	
						96594	INVENTORY ORDER	1,143.10	
						96595	CREDIT	19.67	
66828	10/28/19	3,275.00	003361	MILLER MAXFIELD INC		96636	SEPT19 PUBLIC OUTRCH	-2.84	
66829	10/28/19	175.00	004	NORTH BAY FORD LINC-MERCURY		96683	RPR VEH# PC1111	3,275.00	
66830	10/28/19	3,003.39	009	PACIFIC GAS & ELECTRIC		96843	9/5-10/3 TWM SVT	175.00	
						96733	9/5-10/3 PAUL SWEET	66.12	
66831	10/28/19	659.35	023	PACIFIC TRUCK PARTS, INC.		96628	FTA FY17 5339(A)	2,937.27	
						96629	INVENTORY ORDER	38.96	
						96684	CREDIT	176.53	
						96685	CREDIT	-4.60	
66832	10/28/19	498.85	043	PALACE ART & OFFICE SUPPLY		96685	INVENTORY ORDER	-655.50	
66833	10/28/19	96.14	882	RANDY WEST		96634	OFFICE SUPPLIES	1,103.96	
66834	10/28/19	110.17	003024	RICOH USA, INC CA		96635	BUSINESS CARDS	498.85	
66835	10/28/19	685.00	003439	ROBERT WILLIAMSON		96708	10/01-10/31 OPS	96.14	
66836	10/28/19	5,891.00	003471	RUDOLPH A BOWMAN JR		96650	TANK INSPECTIONS	110.17	
66837	10/28/19	319.60	135	SANTA CRUZ AUTO PARTS, INC.		96687	INVENTORY ORDER PC	685.00	
								5,891.00	
								60.25	

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66838	10/28/19	50.55 079		SANTA CRUZ MUNICIPAL UTILITIES		96688	INVENTORY ORDER	182.16	
66839	10/28/19	240.00 001292		SANTA CRUZ RECORDS MNGMT INC		96689	INVENTORY ORDER	47.68	
66840	10/28/19	338.20 122		SCMTD PETTY CASH - OPS		96690	INVENTORY ORDER	29.51	
66841	10/28/19	116.66 570		SCMTD PETTY CASH - CUST SVC		96712	9/7-10/7 LOCAL JERK	50.55	
66841	10/31/19	-116.66 570		SCMTD PETTY CASH - CUST SVC		96615	10/02 SHREDDING SVC	240.00	
66842	10/28/19	2,500.00 002267		SHAW YODER ANTWIH		96637	REPLENISHMENT OPS	338.20	
66843	10/28/19	1,425.00 003292		SLINGSHOT CONNECTIONS LLP		96637	REPLENISHMENT	116.66	VOIDED
						96624	OCT 19 LEGISLATIVE	-116.66	**VOID
						96621	10/7-10/11 TEMP SVC	2,500.00	
						96622	9/30-10/4 TEMP SVC	570.00	
66844	10/28/19	319.55 115		SNAP-ON INDUSTRIAL		96691	BATTERY TSTR PRINTER	855.00	
66845	10/28/19	15,995.61 001075		SOQUEL III ASSOCIATES	7	96575	NOV 19 RENT RESEARCH	319.55	
66846	10/28/19	49.85 001232		SPECIALIZED AUTO AND		96693	PC 1105 SMOG	15,995.61	
66847	10/28/19	10,229.10 001976		SPORTWORKS NORTHWEST, INC.		96686	BIKE RACKS (4)	49.85	
						96742	INVENTORY ORDER	1,940.38	
						96743	INVENTORY ORDER	389.04	
						96744	INVENTORY ORDER	633.40	
						96745	BIKE RACKS/GILLIG	7,266.28	
						96746	CREDIT	-1,940.38	
						96746	BIKE RACKS	1,940.38	
						96596	INVENTORY ORDER	1,036.85	
						96597	INVENTORY ORDER	1,810.28	
						96598	INVENTORY ORDER	2,206.11	
						96599	LED CONVERSIONS	72.99	
						96600	INVENTORY ORDER	806.79	
						96601	INVENTORY ORDER	806.79	
						96602	INVENTORY ORDER	2,102.80	
						96603	COACH DOWN # 1301	327.69	
						96604	COACH DOWN # 1201	36.35	
						96605	COACH DOWN # 2318	622.23	
						96606	COACH DOWN # 2333	78.05	
						96607	RPR BUS# 9828	141.66	
						96608	FLYER WIPER CAMPAIGN	162.24	
						96609	RPR COACH #1302,2222	1,056.05	
						96610	FLYER WIPER CAMPAIGN	422.80	
						96612	FTA FY17 5339(A)	966.87	
						96613	FTA FY17 5339(A)	4,717.60	
						96614	FTA FY17 5339(A)	1,059.49	
						96694	INVENTORY ORDER	382.14	
						96695	INVENTORY ORDER	16.64	
						96696	CREDIT	-131.03	
						96697	INVENTORY ORDER	480.21	
						96698	RPR BUS# 2802	2,352.86	
						96699	WIPER CAMPAIGN	452.84	
						96700	COACH DOWN # 2318	41.84	
						96701	INVENTORY ORDER	24.38	

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66850	10/28/19	2,877.17 003231		THE HON COMPANY LLC		96702	INVENTORY ORDER	543.89	
66851	10/28/19	1,278.23 003242		THE JANEK CORPORATION		96703	INVENTORY ORDER	2,513.11	
66852	10/28/19	349.65 001800		THERMO KING OF SALINAS, INC		96704	INVENTORY ORDER	371.26	
66853	10/28/19	131.76 007		UNITED PARCEL SERVICE		96720	FTA FY17 5339(A)	153.98	
						96721	FTA FY17 5339(A)	1,782.35	
						96740	INVENTORY ORDER	806.79	
						96623	OFFICE FURNITURE	2,877.17	
						96586	RPR ELECTRONIC ITEMS	1,278.23	
						96705	INVENTORY ORDER	349.65	
						96706	10/3-10/8 FREIGHT	45.27	
						96707	9/30-10/2 FREIGHT	86.49	
						96625	INVENTORY ORDER	1,004.03	
						96631	INVENTORY ORDER	715.11	
						96711	INVENTORY ORDER	72.74	
						96732	9/13-10/12 BUS WIFI	912.24	
						96710	COACH DOWN # 1205	443.89	
						96747	JUL-SEPT19 SALES TAX	3,372.00	
						96857	REPLENISHMENT	116.66	
TOTAL			1,557,014.80	ACCOUNTS PAYABLE		263	TOTAL CHECKS	1,557,014.80	

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DATE: November 15, 2019

TO: Board of Directors

FROM: Alex Clifford, CEO/General Manager

SUBJECT: ACCEPT AND FILE THE MINUTES OF THE OCTOBER 25, 2019 METRO BOARD OF DIRECTORS MEETING AND THE NOVEMBER 8, 2019 METRO FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING

I. RECOMMENDED ACTION

That the Board of Directors Accept and File the Minutes of the October 25, 2019 Board of Directors Meeting and the November 8, 2019 Finance, Budget and Audit Standing Committee Meeting

II. SUMMARY

- Staff is providing minutes from the Santa Cruz Metropolitan Transit District (METRO) October 25, 2019 Board of Directors and November 8, 2019 Finance, Budget and Audit Standing Committee Meetings.
- Each meeting staff will provide minutes from the previous METRO Board and Committee meetings.

III. DISCUSSION/BACKGROUND

The Board requested that staff include, in the Board Packet, minutes from previous METRO Board and Committee meetings. Staff is enclosing the minutes from these meetings.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None.

V. ALTERNATIVES CONSIDERED

None.

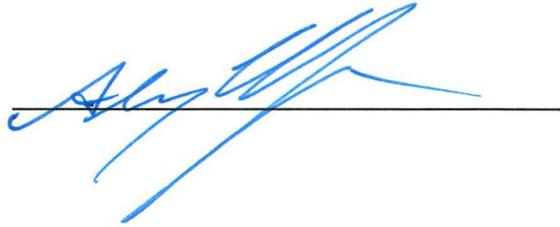
VI. ATTACHMENTS

Attachment A: Draft minutes for the Board of Directors Meeting of October 25, 2019

Attachment B: Draft minutes for the Finance, Budget and Audit Standing Committee Meeting of November 8, 2019

VII. APPROVALS

Alex Clifford, CEO/General Manager

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

Attachment A



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA MEETING MINUTES*
OCTOBER 25, 2019 – 9:00 AM
METRO ADMIN OFFICES
110 VERNON STREET, SANTA CRUZ, CA**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, October 25, 2019 at the METRO Admin Offices, 110 Vernon Street, Santa Cruz, CA.

The Board Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz METRO's Administrative offices at 110 Vernon Street, Santa Cruz, California. *Minutes are "summary" minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

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SECTION I: OPEN SESSION

CALL TO ORDER at 9:01 AM by Chair Bottorff.

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

Director Ed Bottorff	City of Capitola	
Director Trina Coffman-Gomez	City of Watsonville	<i>Arrived during closed session</i>
Director Aurelio Gonzalez	City of Watsonville	
Director John Leopold	County of Santa Cruz	
Director Donna Lind	City of Scotts Valley	
Director Cynthia Mathews	City of Santa Cruz	<i>Arrived during closed session</i>
Director Donna Meyers	City of Santa Cruz	<i>Arrived 9:04AM</i>
Director Bruce McPherson	County of Santa Cruz	
Director Larry Pageler	County of Santa Cruz	
Director Dan Rothwell	County of Santa Cruz	<i>Arrived 9:04AM</i>
Director Mike Rotkin	County of Santa Cruz	
Ex-Officio Dir. Alta Northcutt	Cabrillo College	<i>Arrived 9:10AM</i>
Ex-Officio Dir. Stephen Preston	UCSC	

Director Gonzalez and Ex-Officio Director Preston were absent.

STAFF PRESENT:

Alex Clifford
Julie Sherman

METRO CEO/General Manager
METRO General Counsel

Attachment A

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

None signed in

3 ANNOUNCEMENTS

Chair Bottorff introduced Mindy Esqueda and her Spanish Language interpretation services. Ms. Esqueda announced her services in Spanish for the assembly. Chair Bottorff also announced that Community Television of Santa Cruz County is televising the meeting with technician, Mr. Lynn Dunton.

1 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Julie Sherman, General Counsel, announced the three closed session items on the agenda, adding an announcement is anticipated when the meeting reconvenes.

Donna Meyers and Dan Rothwell arrived at 9:04AM

Directors Coffman-Gomez and Mathews arrived during the closed session.

Director Northcutt arrived at 9:10AM

2 RECESS TO CLOSED SESSION 9:04AM

SECTION II: CLOSED SESSION

3 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) – One Potential Case

4 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(a)(1) – Jane Doe v. Santa Cruz Metropolitan Transit District Case No. 19V02170

5 CONFERENCE WITH LABOR NEGOTIATORS (GOVERNMENT CODE SECTION 54957.6)

Agency Negotiators: Alex Clifford, CEO/General Manager
Jerri-Kay Philips, Labor Counsel

Employee Organizations: SEIU, Local 521

SECTION III: RECONVENE TO OPEN SESSION

6 REPORT OF CLOSED SESSION ITEMS

Counsel Sherman reported that the Board had received a report on labor negotiations with SEIU and will now discuss and consider the ratification of the Tentative Agreement (TA) reached with SEIU for approval.

Director Rotkin thanked both teams for their efforts through these negotiations to reach a good contract for the employees and the agency. The class and compensation study was not the best we have received at the district. However, based on the report received and the terms of the Tentative Agreement, the board has agreed to approve.

Attachment A

Director Leopold also acknowledged the staff and negotiating team. He believes the TA reflects they were listening to the employees and heard their concerns. He looks forward to moving on to regular business.

Chair Bottorff echoed his appreciation to the team.

Ex-Officio Director Northcutt, as a representative of Cabrillo College, thanked everyone for the negotiation outcome.

There was no public comment:

ACTION: MOTION TO APPROVE THE RATIFICATION OF THE SEIU TENTATIVE AGREEMENT AS PRESENTED.

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR LEOPOLD

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Leopold, Lind, Mathews, McPherson, Meyers, Pageler, Rothwell and Rotkin) Director Gonzalez was absent.

10 BOARD OF DIRECTORS COMMENTS

Hearing none, Chair Bottorff moved to the next agenda item

11 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

Speaking to the slide projected at the meeting, which portrayed the passing of Ms. Felipa de Leon, Mr. Daugherty acknowledged her contributions to METRO and the community.

Veronica Elsea added a few comments, noting Ms. De Leon often spoke passionately about METRO and service across the community when attending the MAC and other community meetings.

Director Mathews suggested Chair Bottorff write a note to the de Leon family on behalf of METRO.

After observing a moment of silence and hearing no further comments, Chair Bottorff moved to the next agenda item.

12 WRITTEN COMMUNICATIONS FROM MAC

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

13 LABOR ORGANIZATION COMMUNICATIONS

Michael Rios thanked his bargaining team and the management team for their efforts during the long negotiation process.

Joan Jeffries also thanked everyone for encouraging the continuing of efforts to hash things out, leading to the successful outcome today.

Olivia Martinez thanked her team, all of the members and the management for their efforts during the negotiations. The members care about service to the community, as evidenced by not striking. She acknowledged that the salary study did complicate the situation. She hopes to work closely with management to avoid grievances and arbitrations over the next three years. She also thanked the board for supporting and listening to the members.

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

Attachment A

14 ADDITIONAL DOCUMENTATION

News Clips were posted to the website and are available at the back of the room.

CONSENT AGENDA

- 14-01 ACCEPT AND FILE THE MINUTES OF THE SEPTEMBER 27, 2019 METRO BOARD OF DIRECTORS MEETING AND THE AUGUST 21, 2019 METRO ADVISORY COMMITTEE (MAC) MEETING
- 14-02 ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF SEPTEMBER 2019
- 14-03 ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF AUGUST 31, 2019
- 14-04 APPROVE: CONSIDERATION OF DECLARING VEHICLES AND/OR EQUIPMENT AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION
- 14-05 RECOMMENDED ACTION ON TORT CLAIMS
- 14-06 APPROVAL OF SEIU RECLASSIFICATION FOR ADMINISTRATIVE ASSISTANT TO ADMINISTRATIVE SPECIALIST IN THE ADMINISTRATION DEPARTMENT
- 14-07 CONSIDERATION OF DECLARATION OF AN EMERGENCY AND AUTHORIZATION FOR PURCHASE AND INSTALLATION OF GATES AT MAINTENANCE FACILITY FOR AN AMOUNT NOT TO EXCEED \$75,000

There was no public comment.

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED.

MOTION: DIRECTOR LEOPOLD

SECOND: DIRECTOR McPHERSON

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Leopold, Lind, Mathews, McPherson, Meyers, Pageler, Rothwell and Rotkin) Director Gonzalez was absent.

REGULAR AGENDA

15 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR

15 YEARS: Luis Rocha, Bonita Cramer, Esmeralda Arias, Alma Gutierrez, Paul Camacho, Israel Zaragoza, Brenda Roman, Miguel Escarcega, Jr., Robert Maldonado, Daniel Zaragoza

35 YEARS: Dennis Baldwin

Vice Chair Rotkin read brief bios of the employees and congratulated them, while Chair Bottorff presented the plaques.

Paul Camacho, Miguel Escarcega, Jr, Brenda Roman and Daniel Zaragoza thanked the board and the public for giving them the opportunity. They reminded the assembly that ParaCruz was a new entity when they were hired.

16 ORAL CEO UPDATE

CEO Clifford said there had been no new hires or promotions since the last board meeting. He provided a brief update on various federal and state funding programs.

Attachment A

CEO Clifford added commentary to the projected slides showing the recent zero emission training provided by Sunline. The plaques will be displayed around the agency.

CEO Clifford asked Jayme Ackemann, Marketing, Communications & Customer Service Director to speak to one of the options available for wrapping the new electric buses. Rewrapping offers the option to add advertisements in the future, etc. Ms. Ackemann is available for any feedback from the board. There was no board objection to the proposed artwork.

Director Coffman-Gomez suggested Wi-Fi be advertised on the buses. Isaac Holly, Director of IT and ITS, noted that while the buses will be capable of Wi-Fi, it will not be immediately available.

Director Mathews and CEO Clifford to discuss a possible presentation to the Santa Cruz City Council of Santa Cruz regarding METRO's work with electric vehicles.

There was no public comment.

17 CONSIDERATION OF A RESOLUTION TO ESTABLISH THE BOARD OF DIRECTORS MEETING SCHEDULE & LOCATIONS FOR THE 2020 CALENDAR YEAR

Alex Clifford, CEO/General Manager, introduced the agenda item and provided commentary to the two exhibits: Exhibit A: Friday meetings, Exhibit B: Wednesday meetings.

After discussion among the Board Members, the motion below was made.

Public comment:

Veronica Elsea, MAC Chair, expressed concern about being able to submit timely communication if the meeting date is changed.

ACTION: MOTION TO TABLE THE RESOLUTION TO ESTABLISH THE BOARD OF DIRECTORS MEETING SCHEDULE AND LOCATIONS FOR THE 2020 CALENDAR YEAR UNTIL THE NOVEMBER BOARD MEETING WHERE THE FIRST AND THIRD WEDNESDAYS AND FRIDAYS WILL BE ADDED AS OPTIONS.

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR LIND

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Leopold, Lind, Mathews, McPherson, Meyers, Pageler, Rothwell and Rotkin) Director Gonzalez was absent.

18 ORAL PACIFIC STATION UPDATE

Barrow Emerson, Planning and Development Director, provided an update on Pacific Station and funding therefor.

Director Mathews suggested Mr. Emerson reach out to the City about an additional possible joint project.

There was no public comment

15 ADOPTION OF AMENDMENT TO METRO'S DISCOUNT FARE POLICY TO INCLUDE A FREE FARE PROGRAM FOR LEGALLY BLIND INDIVIDUALS

Jayme Ackemann, Marketing, Communications & Customer Service Director, spoke to the agenda item, noting she plans to provide a status update in six months.

Attachment A

Public comment

Catherine Fisher, an attorney representing certain riders, said she maintains her position that the current TVMs violate ADA; and, still takes issue with the burden on the customer to avoid the medical certification requirement. However, they do support a free fare program as an interim solution but only if it's a true program. She suggests that the policy build on Operator training and requested the policy not be adopted as presented today.

Len Burns said he is not aware of any additional outreach occurring since the September board meeting. The draft policy is confusing, he does not need a card to certify that he is blind; it is obvious. He does not see why the rider should be inconvenienced in any way. He asked METRO to work with them through additional outreach to develop a policy acceptable to everyone.

Veronica Elsea, said she sees a revamped amendment, which is more confusing. She urged the Board to conduct additional outreach and not adopt the policy as written at this time.

Brandon Freeman thanked COO Aguirre and Ms. Ackemann for meeting with them on the issue. He noted the Operator training includes awareness of individuals as they board the bus. He has no further concerns with the policy as drafted.

Board comment:

Chair Bottorff asked if there are nuances or guidance the board/METRO should be aware of.

General Counsel Sherman recommended the board move forward with the policy and revisit in a few months, checking in with the community for comment as the policy is implemented. She reminded the assembly that the Board is entitled to make changes at any time if issues were to arise.

Ms. Ackemann said the card is not a requirement for individuals who can clearly be identified by Operators; these riders would be guaranteed the free fare. Rather, it is a protection for individuals who do not present as blind in the event an operator is unsure if they qualify for the program. Operators make every effort to work with the rider and accommodate their needs. METRO also has to be sensitive to abuse of the policy, which though very rare, could occur.

Ms. Ackemann reminded the assembly that extensive outreach was conducted in September. She did not understand that she was to conduct further outreach activities. General Counsel Sherman clarified that the revised policy was sent to the parties' attorney(s).

Vice Chair Rotkin recognized the requested changes made by public commenters have already been reflected in section 4.6.A and listed the three ways the visually impaired can ride free:

1. If they present as obviously blind;
2. They can get a card through a medical provider; and/or
3. They can get a card thru METRO staff

Vice Chair Rotkin also requested the language from 4.6.A be moved to 2.2 so that it is more prominent (leaving the exact wording to staff) and reminded the assembly that the policy is a temporary measure. METRO plans to utilize newer technology rather than replace the current TVMs.

Further comments were provided by other board members.

ACTION: MOTION TO ADOPT THE DISCOUNT FARE POLICY TO INCLUDE A FREE FARE PROGRAM WITH AN AMENDMENT TO THE LANGUAGE HIGHLIGHTING AND ENUNCIATING THE POLICY INTENT AND RETURN TO THE BOARD IN JANUARY/FEBRUARY 2020 AFTER METRO STAFF HAS MET WITH THE COMMUNITY TO SEE HOW THE PROGRAM IS WORKING.

Attachment A

Board of Directors Meeting Minutes
October 25, 2019
Page 7 of 7

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR PAGELER

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Leopold, Lind, Mathews, McPherson, Meyers, Pageler, Rothwell and Rotkin) Director Gonzalez was absent.

19 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, NOVEMBER 15, 2019 AT 9:00 AM, AT WATSONVILLE CITY CHAMBERS, 275 MAIN STREET, WATSONVILLE, CA, CA
Chair Bottorff announced the next meeting as above.

Chair Bottorff adjourned the meeting at 11:15AM

Respectfully submitted,

Gina Pye
Executive Assistant

DRAFT

9-03A.7

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Attachment B



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING
MINUTES
NOVEMBER 8, 2019 – 8:00AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

A regular meeting of the Finance, Budget and Audit Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, November 8, 2019 at the METRO Admin Offices, 110 Vernon Street, Santa Cruz, CA.

The Committee Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz METRO's Administrative offices at 110 Vernon Street, Santa Cruz, California. *Minutes are "summary" minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

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- 1 **CALL TO ORDER** at 8:05 AM by Board Vice Chair Rotkin.
- 2 **ROLL CALL:** The following Directors were **present**, representing a quorum:

Director Trina Coffman-Gomez
Director Donna Lind
Director Donna Meyers
Vice Chair Mike Rotkin

City of Watsonville AR 9:10AM
City of Scotts Valley
City of Santa Cruz
County of Santa Cruz

Alex Clifford
Julie Sherman
Angela Aitken

METRO CEO/General Manager
METRO General Counsel
METRO CFO

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

Angela Aitken, SCMTD

Kristina Mihaylova, SCMTD

- 3 **ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS – Distributed at the Meeting**
Updated Agenda Item 6.1, FY19 Preliminary Schedule of Reserve Account Balances
Updated Agenda Item 7, Consideration of Changes to the Reserve Fund Policy
Updated Agenda Item 8, UAL and OPEB presentation on Recommendations to Reduce Unfunded Liabilities
- 4 **ORAL AND WRITTEN COMMUNICATIONS TO THE FINANCE, BUDGET AND AUDIT STANDING COMMITTEE**
None.

9-03B.1

Attachment B

5 MONTHLY FINANCIAL UPDATE

Angela Aitken, Chief Financial Officer, provided commentary to the presentation, adding that the numbers presented at the board meeting next Friday, 11/15/19, would be slightly different due to a more accurate representation of fuel expenses as a result of closing the month of September.

Director Lind asked if METRO knows why Highway 17 ridership hasn't improved. CEO Clifford provided a variety of reasons. Barrow Emerson, Planning and Development Director, added that transportation costs are becoming a smaller percentage of a family's overall budget; and, that a number of details are provided in the Board ridership quarterly report. The Directors offered to share any information with their respective agencies to support METRO in increasing ridership. Jayme Ackemann, Marketing, Communications and Customer Service Director, spoke briefly of the marketing efforts METRO will be undertaking.

There was no public comment.

6 FY19 PRELIMINARY SCHEDULE OF RESERVE ACCOUNT BALANCES

Angela Aitken, Chief Financial Officer, spoke briefly about the FY19 preliminary schedule.

There was no public comment.

7 CONSIDERATION OF REVISIONS TO THE RESERVE FUND POLICY

Angela Aitken, CFO, spoke to the staff report, bringing the assembly's attention to the changes delineated in the redline version of the policy. Directors present recommended that the operations sustainability reserve board-approved balance be increased from two months to three months.

There was no public comment.

ACTION: MOTION TO RECOMMEND APPROVAL OF THE REVISIONS TO THE RESERVE FUND POLICY AS PRESENTED AND AN INCREASE IN THE OPERATIONS SUSTAINABILITY RESERVE FUND FROM TWO MONTHS TO THREE MONTHS

MOTION: DIRECTOR MEYERS

SECOND: DIRECTOR LIND

MOTION PASSED UNANIMOUSLY (Directors Lind, Meyers & Rotkin)

8 UAL AND OPEB PRESENTATION ON RECOMMENDATIONS TO REDUCE UNFUNDED LIABILITIES

Angela Aitken, CFO, spoke to the presentation and elaborated on the cause, risks, etc. of the two types of liabilities with attending Directors contributed suggestions and experiences.

In response to Vice Chair Rotkin's question, CFO Aitken assured the assembly that staff would return with the estimated actuarial costs and timeline at the next board meeting.

There was no public comment.

ACTION: MOTION TO RECOMMEND APPROVAL OF THE RECOMMENDATIONS TO ESTABLISH IN CONCEPT AN IRREVOCABLE SECTION 115 TRUST FOR PENSION (UAL) AND RETIREE MEDICAL (OPEB), BUT TO FIRST CONTRACT WITH AN ACTUARIAL TO RUN VARIOUS FINANCIAL SCENARIOS TO HELP REDUCE PENSION AND RETIREE

Attachment B

Finance, Budget and Audit Standing Committee Agenda
November 8, 2019
Page 3 of 3

MEDICAL LIABILITIES BY IDENTIFYING VARIOUS CONCEPTS FOR THE BOARD TO CONSIDER

MOTION: DIRECTOR MEYERS

SECOND: DIRECTOR LIND

MOTION PASSED UNANIMOUSLY (Directors Lind, Meyers & Rotkin)

Director Coffman-Gomez arrived at 9:10AM

9 APPROVAL OF NEW CAPITAL PROJECTS AND UPDATED 10[YEAR UNFUNDED CAPITAL NEEDS LIST

Barrow Emerson, Planning and Development Director, spoke to the staff report and elaborated on the continued pursuit of funding sources to replace our aging fleet. CEO Clifford provided an update on electric, CNG and hydrogen fueled options.

Referencing Table 1 in the staff report, CEO Clifford noted that the strategy has changed to focus METRO's funding efforts on fewer, larger opportunities.

There was no public comment.

ACTION: MOTION TO RECOMMEND APPROVAL OF THE NEW CAPITAL PROJECTS AND UPDATED 10 YEAR UNFUNDED CAPITAL NEEDS LIST AS PRESENTED

MOTION: DIRECTOR MEYERS

SECOND: DIRECTOR

MOTION PASSED UNANIMOUSLY (Directors Coffman-Gomez, Lind, Meyers & Rotkin)

10 ADJOURNMENT

Board Vice Chair Rotkin adjourned the meeting at 9:25 AM.

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

9-03B.3

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- ADDITIONAL MATERIALS DISTRIBUTED
AT COMMITTEE MEETING -

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 FY19 PRELIMINARY SCHEDULE OF RESERVE ACCOUNT BALANCES-AWAITING FINAL AUDIT
 AS OF 6/30/19

Fund Title	Explanation and Use:	Post Audit Balance at 6/30/18	ESTIMATED Additions/ (Withdrawals) in FY19	ESTIMATED Available Balance at 6/30/19	Board Adopted Minimum or Target Level	% Funded	Surplus / (Deficient)	Suggested Guidelines:	Board Adopted Recommendation:
Operating and Capital Reserve Fund (formerly - Operating / Capital Reserves)	Liquid and unrestricted assets that an organization can use to support its operations in the event of an unanticipated loss of revenue or increase in expenses. Includes Alternative Fuel Tax Rebates transferred from the Operating Budget and any excess revenues above actual expenses	\$ 2,322,517	\$ 1,952,017	\$ 4,274,534	N/A	N/A	N/A	Any use of Operating and Capital Reserves above CEO executive authority will be brought to the BOD for consideration. To be used as the local match for capital grants.	There is no Board Adopted Minimum Balance established; this fund shall not be used to support recurring operating expenditures.
Operations Sustainability Reserve Fund (formerly - Operating Reserves)	Funds set aside to protect the organization's essential services and funding requirements during periods of economic downturn or natural disasters. Target = two month's operating expenses (Payroll and Accounts Payable).	\$ 7,500,000	\$ -	\$ 7,500,000	\$ 7,500,000	100%	\$ -	GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.	Fund Operations Sustainability Reserve Fund to target level that equals two (2) months of the average operating expenses for the most current fiscal year's budget, to be adjusted annually through the budget process.
Cash Flow Reserve Fund (formerly - Cash Flow Reserves)	Funds set aside to "cash flow" capital and/or operating expenses incurred before receiving reimbursements from various funding sources (Annual FTA 5307 (& STIC), STA, etc).	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	100%	\$ -	Staff will manage flexibility of Cash Flow Reserve Fund, according to project levels and capital needs as they fluctuate from year to year.	Fund Cash Flow Reserve Fund to minimum or target levels; set annually through the budget process.
Workers Compensation Reserve Fund (formerly - Workers Compensation Reserves)	Funds set aside to finance the (discounted) long term portion of workers' compensation liability, as of the end of the fiscal year.	\$ 3,495,798	\$ (1,390,064) *	\$ 2,105,734	\$ 2,105,734	100%	\$ -	GASB #10 requires Santa Cruz METRO to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported workers' compensation claims.	Fund Workers' Comp Reserves to minimum or target levels; a bi-annual study of potential liability areas and risk shall be the basis for determining minimum reserves.
Liability Insurance Reserve Fund (formerly - Liability Insurance Reserves)	Funds set aside to pay the cost of outstanding liability and physical damage claims + proposed employment practices liability claims. (Self Insured Retention - SIR - \$250K each program)	\$ 767,262	\$ -	\$ 767,262	\$ 767,262	100%	\$ (0)	GASB #10 requires Santa Cruz METRO to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported liability and physical damage claims.	Fund Liability Insurance Reserves to minimum or target levels; calculated annually based on the 5-year rolling average of outstanding claims at fiscal year end + \$250K each SIR.
		\$ 17,085,577	\$ 561,953	\$ 17,647,530			\$ (0)		
* The significant decrease in the Workers' Comp 'Board Adopted Minimum or Target Level' from last year is driven primarily by favorable (claims) loss development and a reduction in the total number of open claims									

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DATE: November 8, 2019
TO: Finance, Budget & Audit Committee
FROM: Angela Aitken, CFO
SUBJECT: CONSIDERATION OF CHANGES TO THE RESERVE FUND POLICY

I. RECOMMENDED ACTION

That the Finance, Budget and Audit Standing Committee consider and recommend changes to the Board of Directors the proposed changes to the Reserve Fund Policy

II. SUMMARY

- At the January 23, 2015 Board of Directors (Board) meeting, the Board gave staff direction to create a formal policy on Reserve Funds that would ensure strong fiscal management.
- Santa Cruz Metropolitan Transit District (METRO) has created an Administrative Code to codify policies enacted by the Board.
- At the October 23, 2015 Board meeting, the Board adopted the current Reserve Fund Policy within the Administrative Code.
- Staff recommends that the Board adopt the proposed clarifying changes to the Reserve Fund Policy within the Administrative Code, so that it reflects the current responsibilities and practices of the Finance Department in relation to the use and replenishment of the Reserve Funds.
- Staff recommends that the Board change the Operations Sustainability Reserve Fund target minimum balance from two (2) months to three (3) months.

III. DISCUSSION/BACKGROUND

During FY15, the METRO Board was presented with, and discussed, the impending "Fiscal Cliff" and Structural Deficit via numerous workshop presentations to the Board. At the November 14, 2014 meeting, the Board received recommendations on how each reserve "bucket" should be established and funded. CEO, Alex Clifford, and CFO, Angela Aitken, talked through the various reserve "buckets", how they were each used, guidelines that were in place to follow, the funding status and deficit status of each "bucket", industry policy or guidelines, and then presented a recommendation on how and to what level each reserve "bucket" should be funded.

The Board came to a consensus on these Reserve Funds and was presented with the individual fund agreements via a presentation to the Board at the January 23,

2015 meeting. Direction was also given during the November 14, 2014 meeting to create a formal Reserve Funds Policy, with an objective to establish sound formal, fiscal reserve guidelines that will ensure strong fiscal management, guide future agency decisions, maintain the fiscal stability of the organization, and place the agency in a position to better respond to unanticipated fiscal challenges and risk.

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

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

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

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

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

Reporting of Fund Balances (defined as the excess of assets over liabilities) is guided by complying with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB 54 defines five separate components of fund balance, each of which identifies the extent to which METRO is bound to honor constraints on the specific purposes for which amounts can be spent:

- a. **Nonspendable** fund balance (not in spendable form, such as inventories, prepaids, long-term receivables, or non-financial assets held for resale).

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

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

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

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

METRO's reserve funds are as follows currently:

- **Operations Sustainability Reserve Fund**
 - a. Classified as a committed fund balance
 - b. Sometimes referred to as the "rainy day fund"
 - c. Target minimum is equal to two months of average operating expenses for the most current fiscal year's budget
 - d. The target minimum is \$7.5M
 - e. Should not be used for recurring expenses

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

- **Operating and Capital Reserve Fund**
 - a. Classified as an unassigned fund balance
 - b. Funded by carryover, alternative fuel tax credits, excess sales tax revenue, and other fungible revenues
 - c. No target minimum amount designated
 - d. The Operating and Capital Reserve Fund has no target minimum
 - This fund would be a source for various Capital purchases and for use as local match for State and Federal grants
 - a. Should avoid using for recurring expenses

- **Workers' Compensation Reserve Fund**
 - a. Classified as a committed fund balance
 - b. Target minimum amount will be based on a bi-annual study of potential liability areas and risk
 - c. The Workers' Compensation Reserve Fund target minimum is \$2.1M
 - d. Should not be used for recurring expenses

- **Liability Insurance Reserve Fund**
 - a. Classified as a committed fund balance
 - b. Target minimum amount will be calculated annually based on the 5-year rolling average of outstanding claims at fiscal year-end, and an analysis of other potential risk considerations
 - c. The Liability Insurance Reserve Fund target minimum is \$767K
 - d. Should not be used for recurring expenses

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

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

If the reserve fund cannot be replenished by the next annual fiscal year budget, a repayment plan not to exceed three years will be proposed for Board consideration. The Finance Department shall maintain Board-approved policies which may contain provisions that affect the creation, sufficiency, and management of the reserve funds.

This Policy is reviewed every other year, at minimum, by the Finance Department, or sooner if warranted by internal or external events or changes. The following clarification modifications to the Reserve Fund Policy are recommended to the Board of Directors by Staff:

- 1.7.1010 - Additional Definitions and Acronyms
- 1.7.206 - Purpose and Applicability
- 1.7.401 - Operations Sustainability Reserve Fund
- 1.7.502 - Cash Flow Reserve Fund, Board Policy
- 1.7.1102 - Administration of Policy

Staff is also recommending changing the Operations Sustainability Reserve Fund target minimum balance from two months to three months. This would change the target minimum from \$7.5M to \$11.25M.

By a 2/3 vote of the Board, the Board may amend or revise the Reserve Fund Policy or temporarily waive the provisions of the Policy to allow reserve funds to be used to resolve an emergency funding situation not covered under this Policy, or to temporarily bridge an operating budget funding gap.

METRO has created an Administrative Code to codify policies enacted by the Board. Staff recommends that the Board adopt the revised Reserve Fund Policy within the Administrative Code, so that it reflects the current responsibilities and practices of the Finance Department, in relation to the use and replenishment of the reserve funds.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Revising the Reserve Fund Policy, via the Administrative Code, will give guidance on how revenues above reoccurring expenses will be placed back into the reserve funds.

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

V. ALTERNATIVES CONSIDERED

- Do nothing is an alternative but not recommended. These changes are needed so that the Reserve Fund Policy reflects the current responsibilities and practices of the Finance Department, in relation to the use and replenishment of the reserve funds.

VI. ATTACHMENTS

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

Exhibit A: Reserve Fund Policy – Redline Version

Exhibit B: Reserve Fund Policy – Clean Version

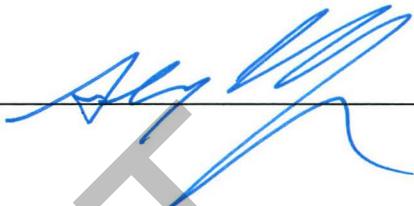
Prepared by: Angela Aitken, CFO

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



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

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

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

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

WHEREAS, on October 23, 2015 meeting, the Board of Directors created a formal policy on Reserves that will ensure strong fiscal management; and

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

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

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

PASSED AND ADOPTED this 8th Day of November, 2019 by the following vote:

AYES: Directors -

NOES: Directors –

Resolution No. _____
Page 2 of 2

ABSTAIN: Directors -

ABSENT: Directors -

ED BOTTORFF
Chairperson

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE SHERMAN
District Counsel

DRAFT

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADMINISTRATIVE CODE

TITLE I – ADMINISTRATION

CHAPTER 7

RESERVE FUND POLICY

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Article XII	Changes/Waivers to the Reserve Fund Policy

Article 1
General Requirements**Definitions**

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

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

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

- §1.7.102** BOARD shall mean the Board of Directors of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO).
- §1.7.103** GENERAL MANAGER shall mean the Chief Executive Officer (CEO) of Santa Cruz METRO appointed by the Board of Directors.
- §1.7.104** SANTA CRUZ METRO shall mean the Santa Cruz Metropolitan Transit District as established and operated under Part 10, Division 10 of the *California Public Utilities Code*.
- §1.7.105** NONSPENDABLE fund balance (not in spendable form such as inventories, prepaids, long-term receivables, or non-financial assets held for resale).
- §1.7.106** RESTRICTED fund balance (extremely enforceable limitations on use such as debt covenants, grantors, contributors, or laws and regulations of other governments).
- §1.7.107** COMMITTED fund balance (constrained to specific purposes by a formal action of the Board such as an ordinance, resolution, or policy).
- §1.7.108** ASSIGNED fund balance (limited to the Board's intent to be used for a specific purpose, but not Restricted or Committed).
- §1.7.109** UNASSIGNED fund balance (residual net resources, either positive or negative, in excess of the other four fund balance components). Unassigned amounts are available for any purpose with Board approval.
- §1.7.1010 Additional Definitions and Acronyms**

CARRYOVER – End of Fiscal Year favorable variance

FTA - Federal Transit Agency Administration

GASB – Governmental Accounting Standards Board

STA – State Transit Assistance

STIC –Small Transit Intensive Cities Program (FTA)

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

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

Article II

Purpose and Applicability

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

Article III

Goals

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

Article IV**Operations Sustainability Reserve Fund**

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

Article V**Cash Flow Reserve Fund**

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

§1.7.502 **Board Policy** - The Cash Flow Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund balance. The target minimum amount ~~to be~~ designated ~~to the~~ as Cash Flow Reserve Fund will be ~~set reviewed~~ annually ~~through~~ during the budget process. ~~Recommended changes to the target minimum will be communicated when the Schedule of Reserve Account Balances is presented to the Finance, Budget, and Audit Committee and the Board. The target minimum amount~~ ~~and~~ is calculated ~~annually~~ based on a review of all current reimbursable grants, a revenue flow analysis, and invoice payments. In tight or difficult financial times, a fully funded Operations Sustainability Reserve Fund can double as the Cash Flow Fund. The Board will attempt to fully fund the Cash Flow Reserve Fund within three-years of the adoption of this policy. The Cash Flow Reserve Fund shall not be used to support recurring operating expenditures.

Article VI

Operating and Capital Reserve Fund

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

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

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

Article VII**Workers' Compensation Reserve Fund**

- §1.7.701** The Workers' Compensation Reserve Fund is intended to provide funds to meet expenses associated with Santa Cruz METRO's self-insurance programs, losses that exceed insurance coverage, as well as deductible costs or losses not covered by insurance. The Workers' Compensation Reserve Fund shall be maintained at a level that will adequately indemnify the agency against loss. A bi-annual study of potential liability areas and risk shall be the basis for determining minimum reserves.
- §1.7.702** **Board Policy** - The Workers' Compensation Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund balance. The Workers' Compensation Reserve Fund will be calculated bi-annually after an actuarial review has been performed. Annually, the Workers' Compensation Reserve Fund level will be included in the annual fiscal budget process. The Board will attempt to fully fund the Workers' Compensation Reserve Fund within two years of the adoption of this policy. The Workers' Compensation Reserve fund shall not be used to support recurring operating expenditures.

Article VIII**Liability Insurance Reserve Fund**

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

Article IX**Funding and Accounting for Reserve Funds**

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

Article X**Reporting, Monitoring and Replenishing of Reserves**

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

Article XI**Administration of Policy**

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

Article XII**Changes/Waivers to the Reserve Fund Policy**

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

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADMINISTRATIVE CODE

TITLE I – ADMINISTRATION

CHAPTER 7

RESERVE FUND POLICY

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Article 1

General Requirements

Definitions

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

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

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

- §1.7.102** BOARD shall mean the Board of Directors of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO).
- §1.7.103** GENERAL MANAGER shall mean the Chief Executive Officer (CEO) of Santa Cruz METRO appointed by the Board of Directors.
- §1.7.104** SANTA CRUZ METRO shall mean the Santa Cruz Metropolitan Transit District as established and operated under Part 10, Division 10 of the *California Public Utilities Code*.
- §1.7.105** NONSPENDABLE fund balance (not in spendable form such as inventories, prepaids, long-term receivables, or non-financial assets held for resale).
- §1.7.106** RESTRICTED fund balance (extremely enforceable limitations on use such as debt covenants, grantors, contributors, or laws and regulations of other governments).
- §1.7.107** COMMITTED fund balance (constrained to specific purposes by a formal action of the Board such as an ordinance, resolution, or policy).
- §1.7.108** ASSIGNED fund balance (limited to the Board's intent to be used for a specific purpose, but not Restricted or Committed).
- §1.7.109** UNASSIGNED fund balance (residual net resources, either positive or negative, in excess of the other four fund balance components). Unassigned amounts are available for any purpose with Board approval.
- §1.7.1010** **Additional Definitions and Acronyms**

CARRYOVER – End of Fiscal Year favorable variance

FTA - Federal Transit Administration

GASB – Governmental Accounting Standards Board

STA – State Transit Assistance

STIC –Small Transit Intensive Cities Program (FTA)

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

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

Article II**Purpose and Applicability**

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

Article III**Goals**

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

Article IV**Operations Sustainability Reserve Fund**

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

Article V**Cash Flow Reserve Fund**

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

§1.7.502 **Board Policy** - The Cash Flow Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund balance. The target minimum amount designated to the Cash Flow Reserve Fund will be reviewed annually during the budget process. Recommended changes to the target minimum will be communicated when the Schedule of Reserve Account Balances is presented to the Finance, Budget, and Audit Committee and the Board. The target minimum amount is calculated based on a review of all current reimbursable grants, a revenue flow analysis, and invoice payments. In tight or difficult financial times, a fully funded Operations Sustainability Reserve Fund can double as the Cash Flow Fund. The Board will attempt to fully fund the Cash Flow Reserve Fund within three-years of the adoption of this policy. The Cash Flow Reserve Fund shall not be used to support recurring operating expenditures.

Article VI

Operating and Capital Reserve Fund

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

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

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

Article VII**Workers' Compensation Reserve Fund**

- §1.7.701** The Workers' Compensation Reserve Fund is intended to provide funds to meet expenses associated with Santa Cruz METRO's self-insurance programs, losses that exceed insurance coverage, as well as deductible costs or losses not covered by insurance. The Workers' Compensation Reserve Fund shall be maintained at a level that will adequately indemnify the agency against loss. A bi-annual study of potential liability areas and risk shall be the basis for determining minimum reserves.
- §1.7.702** **Board Policy** - The Workers' Compensation Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund balance. The Workers' Compensation Reserve Fund will be calculated bi-annually after an actuarial review has been performed. Annually, the Workers' Compensation Reserve Fund level will be included in the annual fiscal budget process. The Board will attempt to fully fund the Workers' Compensation Reserve Fund within two years of the adoption of this policy. The Workers' Compensation Reserve fund shall not be used to support recurring operating expenditures.

Article VIII**Liability Insurance Reserve Fund**

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

Article IX**Funding and Accounting for Reserve Funds**

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

Article X**Reporting, Monitoring and Replenishing of Reserves**

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

Article XI**Administration of Policy**

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

Article XII**Changes/Waivers to the Reserve Fund Policy**

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

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**Pension (UAL)
and
Retiree Medical (OPEB)
Liabilities
Recommendations to Reduce Liabilities**

Santa Cruz METRO Board of Directors

November 8, 2019

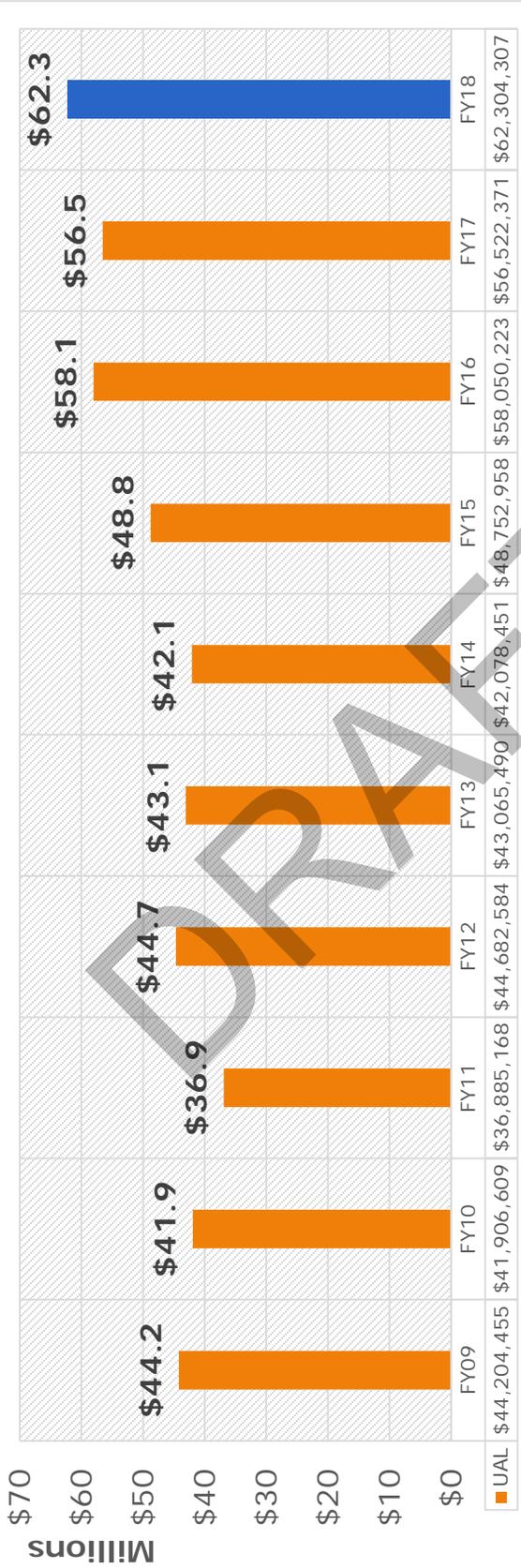
Angela Aitken, Chief Financial Officer

Overview of Today's Presentation

- Pension Liability (UAL): Overview and Updates
- Retiree Medical Liability (OPEB): Overview and Updates
- What can we do to reduce the liabilities?
- What have we done so far to reduce the liabilities?
- What do we recommend to further reduce the liabilities?
- Questions

Pension Liability (UAL): Overview & Updates

(as per CalPERS Actuarial Valuation Report as of June 30, 2018)



	June 30, 2017	June 30, 2018
1. Present Value of Projected Benefits	\$197,740,176	\$211,046,469
2. Entry Age Normal Accrued Liability	\$173,211,950	\$185,503,758
3. Market Value of Assets (MVA)	\$116,689,579	\$123,199,451
4. Pension Liability (UAL) (2-3) *	\$56,522,371	\$62,304,307
5. Funding Ratio (3/2)	67.4%	66.4%

* UAL is the gap between funds available and funds needed for retiree benefits.



Employer Contributions: Normal Cost & UAL
Santa Cruz METRO: Projections FY21 – FY26
 (as per CalPERS Actuarial Valuation Report as of June 30, 2018)

	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal FY19) *					
	Required Contribution					
Fiscal Year	FY21	FY22	FY23	FY24	FY25	FY26
Normal Cost (% of Payroll)	10.448%	10.4%	10.4%	10.4%	10.4%	10.4%
Normal Cost \$ Payment (A)	\$2,071,638	\$2,118,829	\$2,177,097	\$2,236,967	\$2,298,484	\$2,361,692
UAL Payment (B)	\$4,586,794	\$5,052,000	\$5,437,000	\$5,674,000	\$5,955,000	\$5,837,000
Projected Payroll (2.75% growth)	\$19,828,082	\$20,373,354	\$20,933,622	\$21,509,297	\$22,100,803	\$22,708,574
Total Contribution (Illustrative only based on projected payroll) (A+B)	\$6,658,432	\$7,170,829	\$7,614,097	\$7,910,967	\$8,253,484	\$8,198,692
Total Contribution as a % of Payroll	33.6%	35.2%	36.4%	36.8%	37.4%	36.2%

*The Preliminary Rate of Return for FY19 is **6.7%**.

Retiree Medical Liability (OPEB): Overview & Updates

(as of June 30, 2019)



METRO – OPEB Funding Status:	as of June 30, 2018	as of June 30, 2019
1. Total OPEB Liability (TOL)	\$106,945,439	\$114,516,198
2. Fiduciary Net Position (Value of Trust Assets) (Create an Irrevocable Trust)	\$0	\$0
3. Net Retiree Medical Liability OPEB Liability * (NOL) (1- 2)	\$106,945,439	\$114,516,198

* Net OPEB Liability is the gap between funds available and funds needed for retiree benefits.



What can we do to reduce the liabilities?

- Things we have done so far to reduce the liabilities:
 - 😊 Understand the two liabilities and make them visible to the public: **DONE**
 - 😊 Approve budget plans to set aside funds to reduce the liabilities: **DONE**
 - 😊 Prepay the Pension (UAL) portion for the Fiscal Year, before July 31st: **DONE**
 - 😊 Closely monitor and control personnel costs: **DONE**
- What do we recommend to further reduce our liabilities:
 - Make Additional Discretionary Payments (ADPs) toward paying down UAL
 - Work with CalPERS to establish Fresh Start UAL Amortization
 - Establish and prefund an Irrevocable Section 115 Trust for UAL and OPEB
 - Contract with an actuarial to run various financial scenarios

What have we done, so far?

Understand the Liabilities and Make them Visible to the Public:
Presentations to Board Members, Staff and Public at Finance Committee and Board Meetings in 2019

Approve Budget Plans to Set Aside Funds to Reduce the Liabilities:
Board Approved (June 2019) transfers of \$2M*/Year to a dedicated reserve fund

(*The exact amount of the transfers depends on the availability of excess funds in the operating budget at year-end, unplanned / unbudgeted expense could reduce /eliminate the transfers)

Prepay the Pension Liability UAL Portion for the Year in FY20:
\$4,044,788 Paid in July 2019
= \$144,064 Savings for the Year

Closely Monitor and Control Personnel Costs:

Average Labor Cost Increase for the last 5 Years (FY15-FY19) = **0.4%**;

As of Fall Negotiations with Unions:

- Negotiated **5% employee contribution for any medical plan** for SEIU and SMART FR, effective Jan 2021; **3%** for SMART PC, effective Jan 2022;
- Negotiated **increase in the quarterly payments** for those METRO employees **waiving our medical insurance program** (from \$300 to \$1,000/Qtr.)



What Do We Recommend?

Make Additional Discretionary Pension Liability (UAL) Payments:

- ✓ Payments can be made at a dedicated amount
- ✓ Allows for budgeting flexibility
- ✓ Can dedicate one-time funding or new revenue
- ✓ **Any additional payments made to the principal reduces the amount of interest paid in the future**

\$1M paid today reduces the amount of total interest paid by **\$1.6M**

\$1M paid every year for the next five years = **\$6.8M** of saved interest payments (as per CalPERS actuarial estimate based on our 2017 Valuation Report)

OR

Fresh Start (Full or Partial) Pension Liability (UAL) Amortization:

- ✓ Must pay off faster than existing amortization schedule
- ✓ Create new minimum payment
- ✓ Significant long-term savings
- ✓ **Irrevocable (Full)**
- ✓ No Irrevocable election (Partial)

15 Year Amortization = \$16M Estimated Savings

10 Year Amortization = \$32M Estimated Savings
(as per CalPERS Annual Valuation Report as of June 30, 2018)



What Do We Recommend?

Establish and Pre-Fund Irrevocable Section 115 Trusts for Pension (UAL) and Retiree Medical (OPEB):

- ✓ Contributions are restricted and cannot be used for other purposes
- ✓ Improved Credit Rating
- ✓ Reduction of Net Pension and Retiree Medical Liabilities
- ✓ There are costs associated with funding and managing a trust

Contract with an Actuarial to Run Various Financial Scenarios to Help Reduce Pension and Retiree Medical Liabilities:

- ✓ They would incorporate changes to our Employee medical benefits currently offered
- ✓ They would analyze:
 - ✓ benefits of additional contributions to both liabilities
 - ✓ how those contributions are implemented to achieve maximum savings
 - ✓ benefits of creating the Trusts to pay towards both liabilities



Questions

DRAFT





DATE: November 15, 2019
TO: Board of Directors
FROM: Wondimu Mengistu, Grants/Legislative Analyst
SUBJECT: ACCEPT AND FILE QUARTERLY STATUS REPORT ON GRANT APPLICATIONS AND ACTIVE GRANTS FOR THE FIRST QUARTER OF FY20

I. RECOMMENDED ACTION

That the Board of Directors receive and file the quarterly report on grant applications and active grants. This is for information only. No action is required.

II. SUMMARY

- During the first quarter (Q1) of FY20 (July 1-September 30, 2019), the Santa Cruz County Regional Transportation Commission (RTC) awarded Santa Cruz Metropolitan Transit District (METRO) \$200,000 to purchase three ParaCruz replacement vans.
- RTC approved METRO's request to allocate its population share (PUC 99313) of its FY19/20-FY21/22 State Transit Assistance (STA) and 100% of the region's population share (PUC 99313) of its FY19/20-FY21/22 SB1-State Transit Assistance State of Good Repair (SGR) allocations to METRO.
- Previously awarded grant-funded projects are underway to purchase vehicle replacements and upgrade facilities.
- A list of METRO's active grants (Attachment A) is provided quarterly to apprise the Board of grant funding status.
- No action is required; this report is for information only.

III. DISCUSSION/BACKGROUND

During Q1 of FY20, the RTC awarded METRO \$200,000 from the Surface Transportation Block Grant Program to replace three 2011 paratransit vehicles that have over 200,000 miles each, well over the FTA's useful life thresholds.

At its September 5, 2019 meeting, the RTC approved METRO's request to allocate \$100,000 per year of the RTC's (PUC 99313) FY19/20-FY21/22 State Transit Assistance (STA) allocation to Community Bridges Lift Line and to allocate the

balance of the RTC's FY19/20-FY21/22 share of STA and 100% of the RTC's (PUC 99313) of FY19/20-FY21/22 SB1-State Transit Assistance State of Good Repair (SGR) funds to METRO.

RTC's September 5th action also holds in abeyance for three years a 2017 RTC policy that would have gradually reduced direct allocations of the RTC's population share (PUC 99313) of STA and SGR funds to METRO from 100% in FY18/19 to 85% in FY19/20, 80% in FY20/21, and 75% in FY21/22. METRO will receive approximately \$1.5 million over the three years from these sources. The SGR funds and a portion of STA funds will be transferred to METRO's Bus Replacement Plan to procure replacement buses that have exceeded their useful life.

Active, Pending and Future Grants

This staff report appraises the Board of active (Attachment A), pending and future grants which fund METRO's operations and capital improvements.

Active operating and capital improvement grants total \$63,050,475 in formula and \$15,553,623 in competitive funds. Of this amount, \$16,590,493 is to replace and refurbish buses. The remaining awarded funds are for operating assistance and capital improvement projects.

Currently, there are no pending grant applications.

METRO staff continuously seeks grant funds for operating assistance and capital improvements. During the next three months, staff will prepare grant applications for Caltrans' Federal Transit Administration (FTA) Section 5339 Discretionary Bus Program, Transit and Intercity Rail Capital Program (TIRCP) and the FY19 FTA 5339(a) Buses and Bus Facilities Formula Program.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Current active grants (Attachment A) of \$78,604,098 for METRO's operations and capital improvements projects. The Operating and Capital Budgets will be amended as necessary when grants are awarded.

V. ALTERNATIVES CONSIDERED

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

VI. ATTACHMENTS

Attachment A: Active Grants as of November 2019

Prepared By: Wondimu Mengistu, Grants/Legislative Analyst

VII. APPROVALS

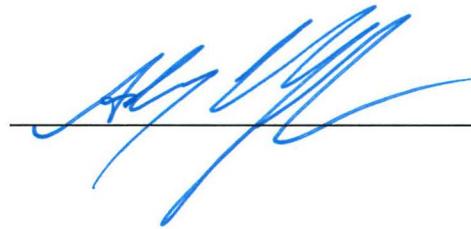
Barrow Emerson, Planning
and Development Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



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Attachment A

Santa Cruz METRO Active Grant as of 11/15/19

#	Project Description	Funding Source	\$ Budget Total Project	Project % Complete
	Competitive Grant			
	Formula Grant			
Operating Projects				
1	FY19 Urban transit operati	FY19 FTA 5307 Urban Operating Assistance Formula Award: 5/28/19	\$ 7,060,410	100%
2	FY19 Rural transit operation	FY19 FTA 5311 Rural Operating Assistance Formula administered by Caltrans Award: 7/1/19	\$ 474,936	100%
3	FY18 Urban Transit Operations	FY18 FTA 5307 Urban Operating Assistance Formula Award: 6/21/19	\$ 6,794,772	100%
4	Operate Watsonville Circulator	FY18 Air District 2018 AB2766 Program Award: 1/18/18	\$ 678,111	5%
5	FY20 operating assistance	FY20 SCCRTC Transportation Development Act-Local Transportation Fund (TDA-LTF) Award: 5/2/19	\$ 7,912,960	25%
6	FY20 operating and capital assistance	FY20 SCCRTC Transportation Development Act-State Transit Assistance (TDA-STA) Award: 5/2/19	\$ 4,804,379	25%
End of Operating Projects				
Capital Projects				
7	1 CNG Replacement Bus	FY13-17 Caltrans Discretionary FTA 5339 Program Award: 4/4/2018	\$ 658,889	50%
8	3 ParaCruz Vans Replacement	SCCRTC FY19 Surface Transportation Block Grant program Award: 9/5/19	\$ 222,940	5%
9	4 40' CNG replacement buses.	FTA FY17 5339(b) Bus and Bus Facilities Competitive Program Award: 2/8/19	\$ 2,635,548	90%
10	Vouchers for 4 ZEBs	CALSTART Heavy-duty zero-emission Vehicle Incentive Program (HVIP) for 4 ZEBs Application: 6/25/19	\$ 600,000	50%
11	Various FY19 Capital Improvments	FTA FY18 5339(a) Bus and Bus Facilities Formula Program Award: 7/9/19	\$ 596,725	10%
12	Charging Infrastructure	FY19 Low Carbon Transit Operations Program (LCTOP) Award: 6/28/19	\$ 646,496	25%

Attachment A

Santa Cruz METRO Active Grant as of 11/15/19

#	Project Description	Funding Source	\$ Budget Total Project	Project % Complete
	Competitive Grant			
	Formula Grant			
13	Bus Mid-Life Overhauls (4)	FTA FY17 5339(a) Bus and Bus Facilities Formula Program Award: 7/9/19	\$ 160,000	50%
14	Fuel Management System	FTA FY17 5339(a) Bus and Bus Facilities Formula Program Award: 7/9/19	\$ 180,000	5%
15	Golf Club Fire Escape	FTA FY17 5339(a) Bus and Bus Facilities Formula Program Award: 7/9/19	\$ 97,523	5%
16	Watsonville Mural	FY18 Arts Council of Santa Cruz Award: 9/17	\$ 6,600	25%
17	1 Electric Bus for Watsonville DAC	FY17 and FY18 Low Carbon Transit Operations Program (LCTOP) Award: 6/30/18	\$ 1,094,945	50%
18	1 Electric Bus for Watsonville DAC	FY16 Low Carbon Transit Operations Program (LCTOP) Award: 3/31/16.	\$ 1,094,945	50%
19	2 ZEBs	CTC FY18 Local Partnership Program CTC FY19 STIP Award: 10/17/18	\$ 2,189,891	50%
20	Refurbish 4 buses	CTC FY19 STIP Award: 10/17/18	\$ 1,316,493	50%
21	Automatic Vehicle Locator	CTC FY19 STIP Application: 8/25/17 Award: 10/17/18	\$ 1,581,385	25%
22	Comprehensive Security and Surveillance to purchase CCTV, lighting, generator replacement	FY17 Proposition 1B California Transit Security Program Award: 6/15/17	\$ 352,404	75%
23	1 CNG Bus	SCCRTC FY17 Surface Transportation Block Grant program Award: 6/30/17	\$ 658,887	50%
24	11 ParaCruz Vans	FTA FY15/FY16 5339(a) Bus and Bus Facilities Formula Program Award: 8/14/17	\$ 953,076	100%

Attachment A

Santa Cruz METRO Active Grant as of 11/15/19

#	Project Description	Funding Source	\$ Budget Total Project	Project % Complete
	Competitive Grant			
	Formula Grant			
25	Facilities: Vernon landscaping	FTA FY15/FY16 5339(a) Bus and Bus Facilities Formula Program Award:8/14/17	\$ 9,200	100%
26	Facilities: WTC Landscaping	FTA FY15/FY16 5339(a) Bus and Bus Facilities Formula Program Award:8/14/17	\$ 30,000	100%
27	Fleet fire escape. Construction support	FTA FY15/FY16 5339(a) Bus and Bus Facilities Formula Program Award:8/14/17	\$ 34,180	100%
28	3 Electric replacement buses for Highway 17 Express	FTA FY16 5339(c) LoNo On hold Award:8/21/17	\$ 4,936,512	10%
29	Pacific Station right-of-way acquisition and Construction	FY15 Public Transportation Modernization, Infrastructure and Service Enhancement Act (PTMISEA) Award: 9/10/15	\$ 1,551,333	0%
30	Pacific Station Roof Construction	FY15 Public Transportation Modernization, Infrastructure and Service Enhancement Act (PTMISEA)	\$ 350,000	0%
31	One ParaCruz Expansion Van for Elderly/Disabled program beyond ADA requirements.	FY15 Caltrans FTA 5310 Elderly & Handicapped mobility program Award:10/9/16	\$ 68,367	100%
32	Propane Mule	FY14 FTA 5339a Formula Program Award:8/4/17	\$ 60,000	100%
33	Bus Mid-Life Overhaul, 7 @ \$39,513.70 ea.	FY14 FTA 5339a Formula Program Award:8/4/17	\$ 276,596	100%
34	Bucket truck	FY14 FTA 5339 Formula Program Award:8/4/17	\$ 97,814	100%
35	Bus Repaint, 36 @ 3,628.10 ea.	FY14 FTA 5339 Formula Program Complete	\$ 131,834	100%
36	Scissor Lift	FY14 FTA 5339 Formula Program Award:8/4/17	\$ 17,548	100%

Attachment A

Santa Cruz METRO Active Grant as of 11/15/19

#	Project Description	Funding Source	\$ Budget Total Project	Project % Complete
37	MetroBase: Judy K. Souza Operations Facility construction	FY12 Proposition 1B State and Local Partnership Program (SLPP) California Transportation Commission Award:10/9/13	\$ 11,624,000	100%
38	MetroBase development, Judy K. Souza Operations Facility	FY10 - 13, FY15 Public Transportation Modernization, Infrastructure and Service Enhancement Act (PTMISEA) Award:10/25/16	\$ 15,096,394	100%
39	Pacific Station expansion and renovation architectural services	FY08 FTA 5309 CA-04-0102 Award:9/12/08	\$ 612,500	90%
40	Pacific Station expansion and renovation architectural services	FY06 FTA 5309 CA-04-0021 Award:2/14/07	\$ 495,000	90%
		Total	\$ 78,604,098	
End of Active Grants				



DATE: November 15, 2019
TO: Board of Directors
FROM: Daniel L. Zaragoza, Operations Manager, Paratransit Division
SUBJECT: ACCEPT AND FILE THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST AND SEPTEMBER 2019

I. RECOMMENDED ACTION

That the Board of Directors accept and file the quarterly METRO ParaCruz Operations Status Report for July, August and September 2019

II. SUMMARY

- Summary review of monthly operational statistics for ParaCruz:
Comparing the monthly statistics of FY19 to the monthly statistics of FY20:
 - In July, the number of ParaCruz rides increased by 103
 - In August, the number of ParaCruz rides increased by 48
 - In September, the number of ParaCruz rides increased by 502
- Summary of monthly operational information about ParaCruz:
 - July number of total ParaCruz rides: 5,908
 - August number of total ParaCruz rides: 5,985
 - September number of total ParaCruz rides: 6,600

III. DISCUSSION/BACKGROUND

Comparing June 2019 statistics to July 2019, ParaCruz rides increased by 134. Comparing July 2019 statistics to August 2019, ParaCruz rides decreased by 77. Comparing August 2019 statistics to September 2019, rides increased by 615.

ParaCruz is currently funded for 30 Paratransit Operators; one of these positions is vacant, three new Operators are now in service.

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

IV. COORDINATION

This staff report has been coordinated with statistics provided by the Finance and Fleet Departments. The Eligibility Coordinator and Candis Almanza, Paratransit Supervisor, provided additional data.

V. FINANCIAL CONSIDERATIONS/IMPACT

There are no financial considerations for this report.

VI. ATTACHMENTS

Attachment A: ParaCruz On-time Performance Charts for July, August and September 2019.

Attachment B: Comparative Operating Statistics Tables for July, August and September.2019

Attachment C: Number of Rides Comparison Chart

Attachment D: Total Ride vs. Shared Ride Chart

Attachment E: Annual Miles Comparison Chart

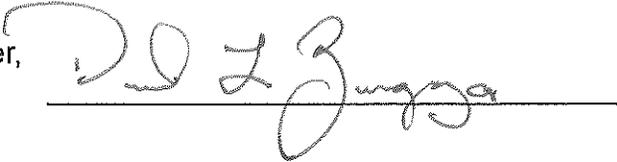
Attachment F: Monthly Assessments

Attachment G: Top Ride Destinations for July, August and September 2019.

Prepared by: Daniel Zaragoza, Operations Manager, Paratransit Division

VII. APPROVALS

Daniel Zaragoza, Operations Manager,
Paratransit Division

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Alex Clifford, CEO/General Manager

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Attachment A

ParaCruz On-time Performance Report for July 2019.

	July 2018	July 2019
Total pick ups	5,805	5,908
Percent in “ready window” *	81.40%	91.76%
1 to 5 minutes late	6.08%	2.64%
6 to 10 minutes late	4.20%	1.88%
11 to 15 minutes late	2.96%	1.54%
16 to 20 minutes late	2.08%	.83%
21 to 25 minutes late	1.31%	.41%
26 to 30 minutes late	.88%	.41%
31 to 35 minutes late	.59%	.29%
36 to 40 minutes late	.34%	.08%
41 or more minutes late (excessively late/missed trips)	.16%	.17%
Total beyond “ready window”	18.60%	8.24%

*Target: 90%

On-time Performance

During July, ParaCruz' on time performance decreased by 2.55% from last month. Ridership increased from last month. ParaCruz hired four new Operators who have begun their training. ParaCruz had three Operators on long-term disability. The total number of available working ParaCruz Operators is now 23 per weekday, not including Operators on annual leave.

A Customer Service Report is either a compliment, comment or a complaint.

During the month of July 2019, ParaCruz received six Customer Service Reports. Five of the reports were valid complaints: three for late rides, one for half an hour hold to schedule a ride and one for an Operator not stopping at railroad tracks. One was not valid: a person wanting paratransit transportation from Santa Cruz to Orange County.

Attachment A

ParaCruz On-time Performance Report for August 2019.

	August 2018	August 2019
Total pick ups	5,937	5,985
Percent in “ready window”	84.77%	94.00%
1 to 5 minutes late	5.56%	1.89%
6 to 10 minutes late	3.37%	1.49%
11 to 15 minutes late	2.46%	.79%
16 to 20 minutes late	1.45%	.62%
21 to 25 minutes late	.86%	.40%
26 to 30 minutes late	.67%	.23%
31 to 35 minutes late	.49%	.28%
36 to 40 minutes late	.30%	.17%
41 or more minutes late (excessively late/missed trips)	.07%	.13%
Total beyond “ready window”	15.23%	6.00%

*Target: 90%

On-time Performance

During August, ParaCruz’ on time performance increased by 2.24% from last month. Ridership increased from last month. ParaCruz has one Operator on long-term disability. The total number of available working ParaCruz Operators is 25 per weekday, not including Operators on annual leave.

A Customer Service Report is either a compliment, comment, or a complaint.

During the month of August 2019, ParaCruz received four Customer Service Reports. Three were compliments for ParaCruz Operators. One was not valid: a person wanting to make a same day change to a ride.

Attachment A

ParaCruz On-time Performance Report for September 2019.

	September 2018	September 2019
Total pick ups	6,098	6,600
Percent in “ready window”	81.88%	95.86%
1 to 5 minutes late	6.36%	1.42%
6 to 10 minutes late	4.48%	1.33%
11 to 15 minutes late	2.64%	.70%
16 to 20 minutes late	1.75%	.39%
21 to 25 minutes late	1.00%	.14%
26 to 30 minutes late	.80%	.03%
31 to 35 minutes late	.54%	.06%
36 to 40 minutes late	.30%	.03%
41 or more minutes late (excessively late/missed trips)	.25%	.03%
Total beyond “ready window”	18.12%	4.14%

*Target: 90%

On-time Performance

During September, ParaCruz’ on time performance increased by 1.86 % from last month. June had an increase in ridership from last month. ParaCruz has one Operator on long- term disability. The new Operator trainees have completed training and are now in service. The total number of available working ParaCruz Operators is 26 per weekday, not including Operators on annual leave.

A Customer Service Report is either a compliment, comment, or a complaint.

During the month of September 2019, ParaCruz received eight Customer Service Reports. Four were valid: a person reported a damaged walker, a person was not called by ParaCruz Dispatch and was no-showed, a person who called needed to talk to a Spanish speaking staff member and one was not available, and, one for a late ride. One was an Operator compliment. Three were not valid: a person alleging that a ParaCruz vehicle damaged his driveway, a picture from 2015 shows that the damage was already there. A person complained that another passenger was speaking loudly in the vehicle she traveled in. A person complained that the Operator did not knock on her door before leaving; video shows that the Operator knocked on door several times.

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Attachment B

Comparative Operating Statistics through July 2019.

	July 2018	July 2019	FY 19	FY 20	Performance Averages	Performance Goals
Requested	6,500	6,817	6,500	6,817	7,027	
Performed	5,805	5,908	5,805	5,908	6,133	
Cancel	21.05%	22.91%	21.05%	22.91%	23.00%	
No Shows	3.48%	4.02%	3.48%	4.02%	3.77%	Less than 3%
Total miles	48,549	47,260	48,549	47,260	49,503	
Av trip miles	6.34	5.93	6.34	5.93	6.04	
Within ready window	81.40%	91.76%	81.40%	91.76%	85.73%	90.00% or better
Call center volume	5,173	5,807	5,173	5,807	N/A	New phone system 1/6/18
Hold times less than 2 minutes	96.10%	93.88%	96.10%	93.88%	N/A	Greater than 90%
Distinct riders	668	653	668	653	681	
Most frequent rider	56 rides	50 rides	56 rides	50 rides	59 rides	
Shared rides	66.0%	61.80%	66.0%	61.8%	64.36%	Greater than 60%
Passengers per rev hour	1.93	1.85	1.93	1.85	1.94	Greater than 1.6 passengers/hour
Rides by supplemental providers	N/A	N/A	N/A	N/A	N/A	No more than 25%
Vendor cost per ride	N/A	N/A	N/A	N/A	N/A	
Rides < 10 miles	61.88%	63.88%	61.88%	63.88%	63.52%	
Rides > 10 miles	38.12%	36.12%	38.12%	36.12%	36.48%	
Denied Rides	0	0	0	0	0	Zero
Missed Trips	9	10	9	10	16	
Excessively Long Trips	2	0	2	0	2	New Stat Jan 2017
# Trips at Base Fare	3,625	3,625	3,625	3,625	3,848	
# Trips > Base Fare	1,079	1,160	1,079	1,160	1,092	

Attachment B

Comparative Operating Statistics through August 2019.

	August 2018	August 2019	FY 19	FY 20	Performance Averages	Performance Goals
Requested	6,598	6,700	13,098	13,517	7,035	
Performed	5,937	5,985	11,742	11,893	6,137	
Cancels	20.23%	20.99%	20.64%	21.96%	23.07%	
No Shows	4.14%	4.00%	3.81%	4.01%	3.76%	Less than 3%
Total miles	50,216	48,213	98,674	95,473	49,336	
Av trip miles	6.29	5.86	6.25	5.90	6.18	
Within ready window	84.77%	94.00%	83.10%	92.89%	83.95%	90.00% or better
Call center volume	5,601	5,471	10,774	11,278	N/A	information not available
Hold times less than 2 minutes	93.48%	92.87%	94.08%	92.88%	N/A	information not available
Distinct riders	698	686	883	863	673	
Most frequent rider	73 rides	57 rides	125 rides	90 rides	59 rides	
Shared rides	61.3%	55.9%	63.5%	58.9%	64.11%	Greater than 60%
Passengers per rev hour	1.85	1.76	1.89	1.80	1.92	Greater than 1.6 passengers/hour
Rides by supplemental providers	N/A	N/A	N/A	N/A	N/A	No more than 25%
Vendor cost per ride	N/A	N/A	N/A	N/A	N/A	
Rides < 10 miles	62.88%	64.85%	62.38%	64.37%	63.29%	
Rides > 10	37.12%	35.15%	37.62%	35.63%	36.71%	
Denied Rides	0	0	0	0	0	Zero
Missed Trips	4	8	13	18	15	N/A
Excessively Long Trips	2	2	6	2	2	New Stat Jan 2017
# Trips Base Fare	3,682	3,786	7,307	7,411	3,836	
# Trips > Base Fare	1,078	997	2,157	2,157	1,102	

Attachment B

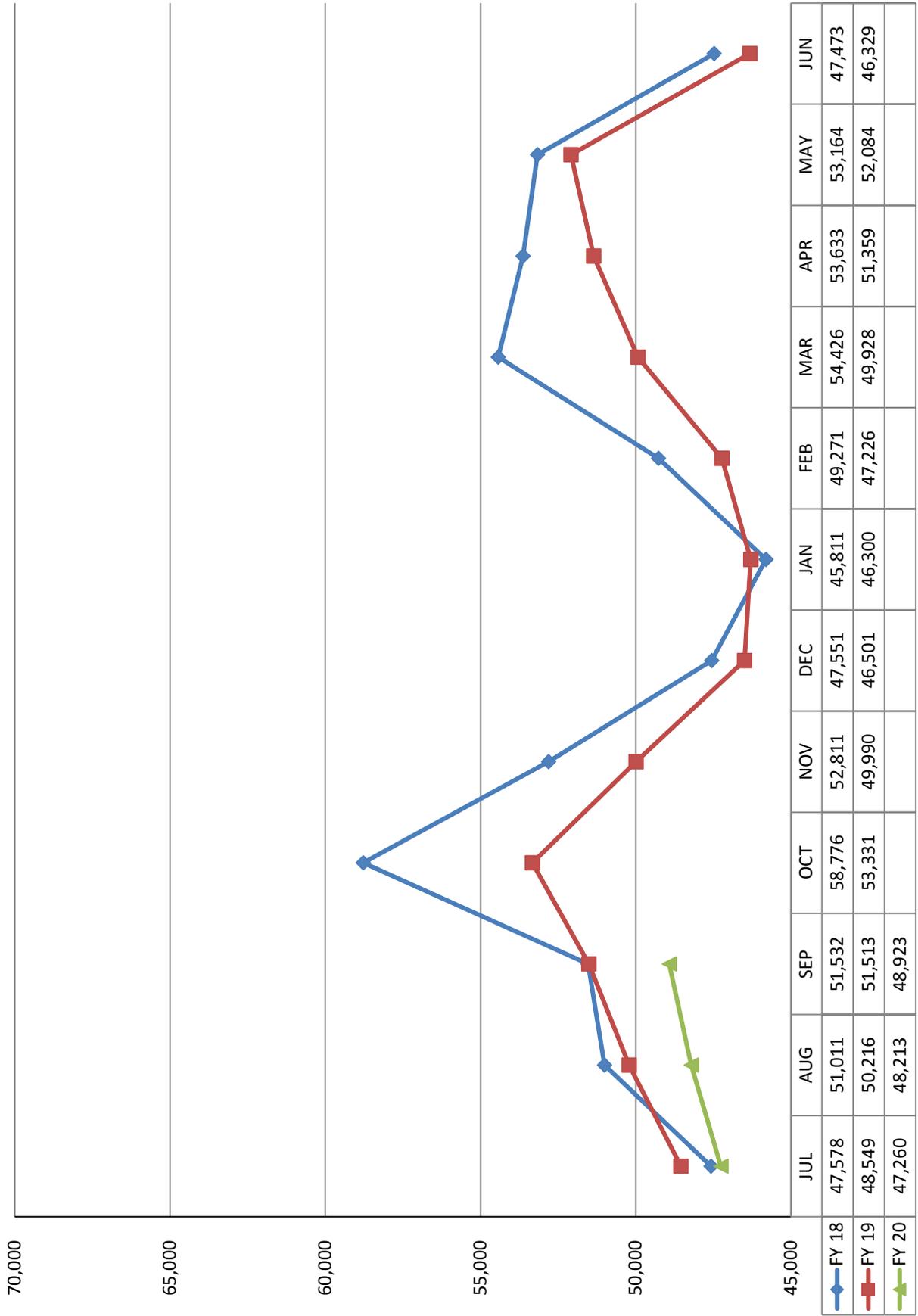
Comparative Operating Statistics through September 2019.

	September 2018	September 2019	FY 19	FY 20	Performance Averages	Performance Goals
Requested	6,916	7,480	20,014	20,997	7,082	
Performed	6,098	6,600	17,840	18,493	6,179	
Cancels	21.79%	22.54%	21.04%	22.17%	23.13%	
No Shows	3.64%	3.66%	3.75%	3.89%	3.76%	Less than 3%
Total miles	51,513	48,923	150,181	144,395	49,120	
Av trip miles	6.28	5.36	6.30	5.71	5.92	
Within ready window	81.88%	95.86%	82.68%	93.95%	87.66%	90.00% or better
Call center volume	5,387	5,781	16,161	17,059	N/A	information not available
Hold times less than 2 minutes	94.59%	94.53%	94.72%	93.76	N/A	information not available
Distinct riders	680	713	1,726	1,032	683	
Most frequent rider	59 rides	55 rides	1,445 rides	134 rides	57 rides	
Shared rides	65.9%	60.5%	64.2%	59.4%	63.46%	Greater than 60%
Passengers per rev hour	1.90	1.89	1.90	1.83	1.94	Greater than 1.6 passengers/hour
Rides by supplemental providers	N/A	N/A	N/A	N/A	N/A	No more than 25%
Vendor cost per ride	N/A	N/A	N/A	N/A	N/A	
Rides < 10 miles	61.95%	69.94%	62.24%	64.57%	64.35%	
Rides > 10	38.05%	35.06%	37.76%	35.43%	35.65%	
Denied Rides	0	0	0	0	0	Zero
Missed Trips	15	2	28	20	16	N/A
Excessively Long Trips	1	0	7	2	1.83	New Stat Jan 2017
# Trips Base Fare	3,837	4,180	11,144	11,591	3,885	
# Trips > Base Fare	1,111	1,119	3,268	3,276	1,086	

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Attachment C

Annual Miles Comparison

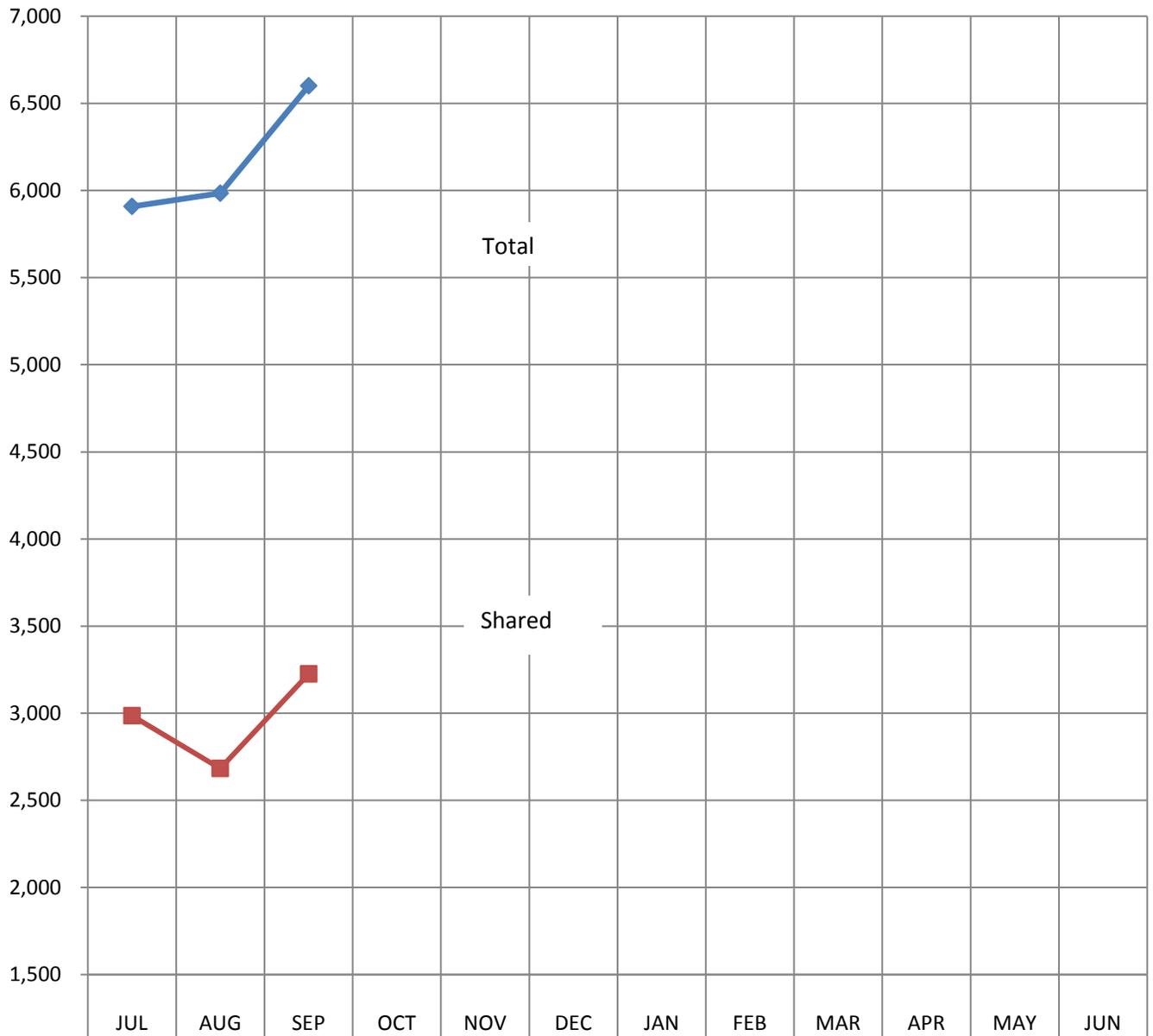


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Attachment D

Total Ride vs. Shared Ride Count

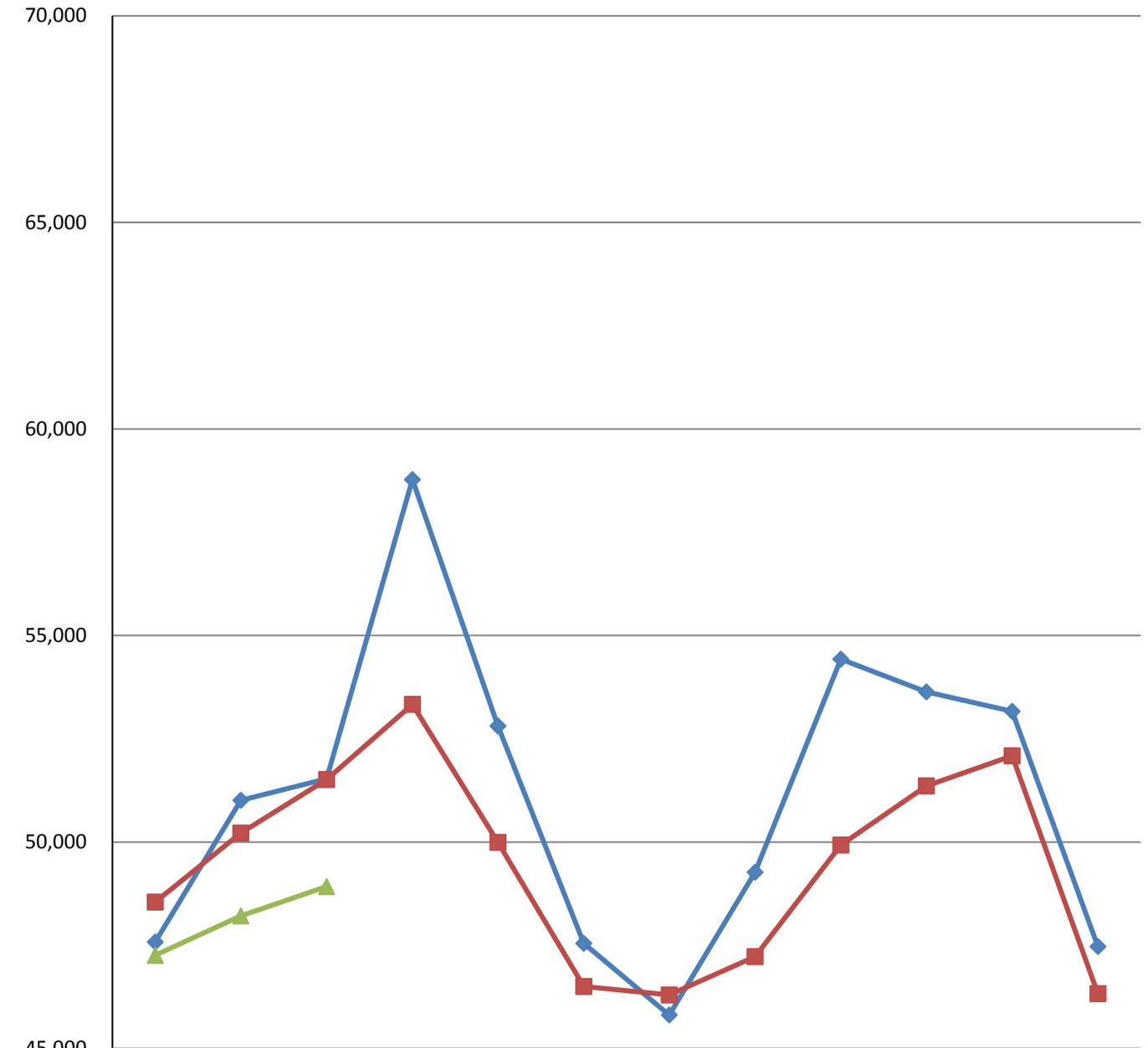


Total Rides	5,908	5,985	6,600									
Shared Rides	2,985	2,683	3,225									

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Attachment E

Annual Miles Comparison



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Attachment F

Monthly Assessments

MONTHLY ASSESSMENTS						
	UNRESTRICTED	RESTRICTED CONDITIONAL	RESTRICTED TRIP BY TRIP	TEMPORARY	DENIED	TOTAL
OCTOBER 2018	36	0	0	0	0	36
NOVEMBER 2018	26	1	0	0	0	27
DECEMBER 2018	17	0	0	0	0	17
JANUARY 2019	21	1	2	0	0	23
FEBRUARY 2019	10	0	0	1	0	11
MARCH 2019	30	0	1	0	0	31
APRIL 2019	17	1	2	3	2	25
MAY 2019	27	1	0	2	0	30
JUNE 2019	13	0	1	1	1	16
JULY 2019	16	0	0	2	0	18
AUGUST 2019	25	1	0	5	0	31
SEPTEMBER 2019	27	1	0	2	0	30

Number of Eligible Riders for the month of July 2019 = 3,597

Number of Eligible Riders for the month of August 2019 = 3,715

Number of Eligible Riders for the month of September 2019 = 3,644

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Attachment G

Top Ride Destinations

LOCATION	JULY	AUGUST	SEPTEMBER	TOTAL
Cabrillo College Stroke Center	242	72	347	661
Satellite Dialysis - Capitola	142	173	160	475
Satellite Dialysis - Watsonville	81	86	75	242
Palo Alto Medical Foundation- Soquel Ave. Location	82	52	77	211
Dominican Rehab Center Fredrick St. Facility	82	52	77	185
Dominican Hospital	67	53	49	169
Soquel High School Special Education	36	23	54	113
Watsonville Community Hospital	42	37	30	109
Mid-County Senior Center	36	34	39	109
In Shape Gym - Capitola	35	34	31	100
Dominican Rehab Center Madrone St. Facility	24	26	30	80
Santa Cruz Office of Education	5	24	33	62

Number of rides for the month of July 2019 = **5,908**

Number of rides for the month of August 2019 = **5,985**

Number of rides for the month of September 2019 = **6,600**

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DATE: November 15, 2019
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: METRO SYSTEM RIDERSHIP REPORTS FOR THE FIRST QUARTER OF FY20

I. RECOMMENDED ACTION

Accept and file the METRO system ridership report for the first quarter of FY20

II. SUMMARY

- FY20 Q1 total ridership increased 3.4% (+26,462) compared to FY19 Q1
- Non-student ridership increased 0.2% (+831)
- Highway 17 ridership decreased 1.8% (-1,205)
- UCSC ridership increased 11.8% (+31,328)
- Cabrillo College ridership decreased 2.2% (-1,492)

III. DISCUSSION/BACKGROUND

This report contains ridership summaries and ridership by route for Santa Cruz Metropolitan Transit District (METRO) fixed route bus service for the first quarter (Q1) of FY20 (July 1 – September 30, 2019). Quarterly ridership reports keep the Board of Directors apprised of METRO's ridership statistics and ridership trends:

- Attachment A shows system-wide and college student ridership statistics for Q1 of FY20 and makes year-over year comparisons with ridership statistics.
- Attachment B shows the average ridership and pass/fare usage per route and system-wide.

FY20 Q1 total fixed-route ridership increased 3.4% compared to FY19 Q1.

Reason(s) include:

- Local ridership increased 3.8%. Ridership on local routes was 92.5% of total fixed route ridership.
- Non-Student ridership on METRO's local system increased 0.2%. Non-students were 56.4% of all local ridership this quarter.
 - Prior to the start of Q1 in FY20, the American Public Transportation Association (APTA) recorded a national ridership increase of 0.5%, as compared to the prior year.

- Bay Area gas prices are up 8.0% year-over-year, discouraging the use of personal vehicles and encouraging alternative means of transportation, such as transit.
- New Vehicle Registrations declined 5.6% in the first quarter of FY20, according to the New Car Dealers Association. There is an inverse relationship between car ownership and transit use. If this trend continues, transit ridership could increase.
- Student pass usage increased 8.9%
 - Total UCSC ridership increased 11.8%
 - Q1 of FY20 had one additional weekday class day for Cabrillo and UCSC students, increasing ridership totals. However, average weekday and weekend UCSC ridership still grew 12.3% and 4.0%, respectively.
 - UCSC summer enrollment in Q1 of FY20 increased 14.0%
 - Cabrillo ridership decreased 2.1%
 - This is the third consecutive quarter with decreased Cabrillo ridership since the implementation of the Cabrillo Bus Pass in Q1 of FY17.
 - Cabrillo College reported enrollment for the spring 2019 semester decreased 8.6%. METRO lacks the current fall enrollment data to present here.
- Highway 17 ridership decreased 1.8%. Ridership on the commuter route was 7.5% of total fixed route ridership.
 - Increased telecommuting results in less riders utilizing transit daily.
 - An on-board survey conducted in the spring of FY19 indicated that, 24.8% of Hwy 17 riders utilize the service only 1-3 days per week.
 - Greater use of this commuter service by full or part-time students who do not need to commute daily
 - 52.4% of survey respondents on the Highway 17 identified themselves as full or part-time students.

Quarterly discounted ridership decreased 0.4% [Passes +1.2% and Cash -3.0%]

Reason(s) include:

- ParaCruz ridership increased 3.5% compared to Q1 of FY20

Regular pass and cash fares decreased 0.1% [Passes +2.6% and Cash -2.2%].

Reason(s) include:

- Loss of discretionary riders.
- Slower speeds due to street and highway congestion.

- Caltrans Average Annual Daily Traffic Counts show that the volume of cars on Highway 1 and Highway 17 increased by 16% and 7%, respectively, over the last 3 years.
- METRO is in the process of implementing improvements to its service, such as a smartphone app to provide real-time location of buses and the ability to purchase Highway 17 Express bus passes online.

Attachment B shows average ridership per trip for all weekday and weekend routes in Q1 of FY20. System-wide, there are 24 riders (+22.2%) on the average weekday trip and an average of 22 (9.1%) riders per trip on weekends.

- The weekday route with the highest ridership average is Route 15
 - This route serves UCSC via Laurel West.
 - This high ridership level per trip is largely due to the implementation of articulated buses on many of these trips. The route 15, like the route 20D and 22, runs only during the UCSC school year. This results in consistently high trip loads, as the service only runs when demand is highest.
- The weekend route with the highest ridership average is route 20.
 - This route serves UCSC via West Side.
 - In the summer, this is the only route that serves the West Side. During the UCSC school year, METRO also runs the 20D to supplement service in this area. Without the 20D running in the summer, those riders who live or work in the West Side have only the route 20 to rely upon, increasing the trip averages.
- The weekday and weekend route with the lowest ridership average is Route 79.
 - This route serves Pajaro/East Lake. There are plans to review the ridership patterns of this route following the on-board survey conducted in April 2019, in conjunction with upcoming planning for the implementation of the Watsonville Circulator in 2020, to understand how to improve service for Watsonville riders.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Revenue derived from passenger fares and passes is reflected in the FY20 operating budget.

V. ALTERNATIVES CONSIDERED

There are no alternatives to consider.

VI. ATTACHMENTS

Attachment A: Quarterly System Ridership Summary for FY20 Q1 (July 1 – September 30, 2019)

Attachment B: Quarterly Average Ridership by Route Report for FY20 Q1 (July 1 – September 30, 2019)

Prepared by: Cayla Hill, Planning Analyst

VII. APPROVALS

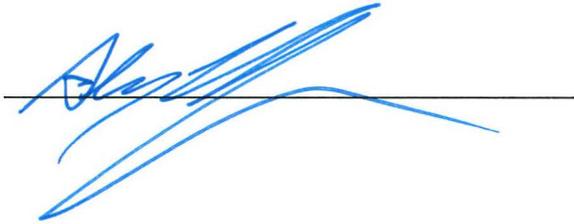
Barrow Emerson,
Planning and Development Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



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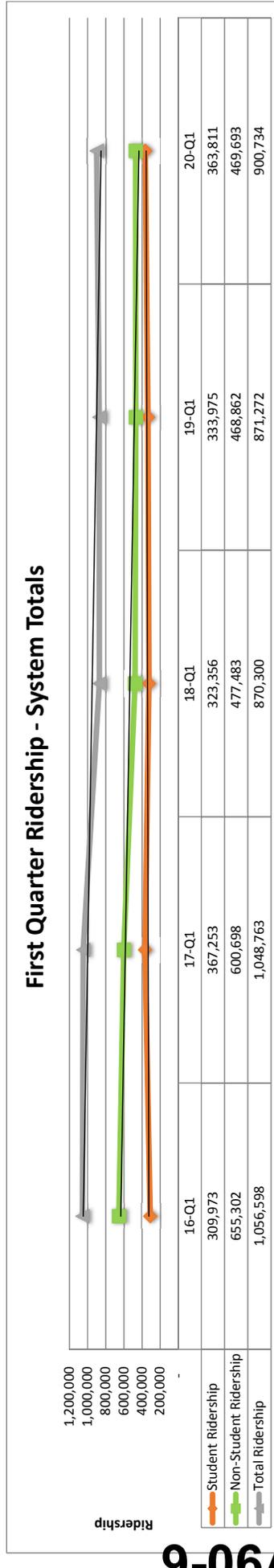
Quarterly System Ridership Summary

FY20 Q1 (July 1 - September 30, 2019)

Calendar Operating Days		Discounted Pass Usage (Senior/Disabled)				Regular Pass Usage					
	This Year	Last Year	Quarterly Totals (Q4)		This Year	Last Year	Difference	% Change	Quarterly Totals (Q4)		
			FY20 Q1	FY19 Q1					Last Year	Difference	% Change
Weekdays	64	63	104,430	103,182	1,248	1.2%		137,416	134,304	3,112	2.3%
Weekends	28	29						31,953	29,814	2,139	7.2%
UCSC School Days *	3	2						7,482	7,590	(108)	-1.4%
Cabrillo School Days **	25	24						2,216	2,867	(651)	-22.7%
Total Pass Usage								179,067	174,575	4,492	2.6%

Discounted Cash Usage (Senior/Disabled)				Regular Cash Usage			
	This Year	Last Year	% Change	This Year	Last Year	Difference	% Change
Local Single Cash Fare	56,018	57,646	-2.8%	162,278	162,495	(217)	-0.1%
Hwy 17 Single Cash Fare	5,602	5,871	-4.6%	29,529	33,529	(4,000)	-11.9%
Total Cash Usage	61,620	63,517	-3.0%	191,807	196,024	(4,217)	-2.2%

System Totals				Student Pass Totals			
	FY20 Q1	FY19 Q1	% Change	This Year	Last Year	Difference	% Change
Local Fixed Route	833,504	802,837	3.8%	296,281	264,953	31,328	11.8%
Highway 17 Express	67,230	68,435	-1.8%	67,530	69,022	(1,492)	-2.2%
System Total	900,734	871,272	3.4%	363,811	333,975	29,836	8.9%



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Quarterly Average Ridership by Route Report

Route	Corridor	July 1, 2019 - September 30, 2019				Average Weekday Ridership per Trip				Average Weekend Ridership per Trip			
		Total Riders	UCSC Riders %	Cabrillo Riders %	Discount Fares and Passes %	Regular Passes %	Total Riders	UCSC Riders %	Cabrillo Riders %	Discount Fares and Passes %	Regular Passes %		
UCSC													
10	UCSC via High St.	36	88%	1%	3%	6%	25	85%	1%	7%	5%		
15	UCSC via Laurel West	76	97%	0%	1%	1%							
16	UCSC via Laurel East	45	91%	1%	3%	3%	31	89%	1%	3%	4%		
19	UCSC via Lower Bay	41	87%	1%	4%	4%	28	84%	2%	6%	6%		
20	UCSC via West Side	43	79%	2%	6%	7%	33	80%	2%	6%	8%		
20D	UCSC via West Side Supp.	52	97%	0%	0%	1%							
22	UCSC/Coastal Science Campus	55	99%	0%	0%	0%							
Intercity													
35/35A	Santa Cruz/Scotts Valley/SLV	17	5%	5%	24%	34%	20	3%	4%	31%	33%		
69A	Capitola Road/Watsonville	27	5%	6%	31%	23%	23	7%	5%	30%	26%		
69W	Cap. Road/Cabrillo/Watsonville	30	6%	19%	24%	22%	25	7%	8%	28%	27%		
71	Santa Cruz to Watsonville	30	4%	16%	26%	22%	26	3%	7%	32%	27%		
91X	Santa Cruz/Watsonville Express	15	3%	41%	15%	17%							
Rural													
40	Davenport/North Coast	15	1%	1%	9%	56%							
41	Bonny Doon	8	20%	8%	19%	29%							
42	Davenport/Bonny Doon	14	22%	3%	22%	23%	14	15%	3%	35%	30%		
Local													
3	Mission/Beach	9	25%	5%	30%	26%	8	36%	4%	33%	19%		
4	Harvey West/Emeline	16	6%	3%	45%	36%							
55	Rio Del Mar	14	2%	36%	30%	18%	10	2%	18%	53%	16%		
66	Live Oak via 17th	14	11%	6%	33%	25%	13	11%	5%	38%	27%		
68	Like Oak via Broadway/Portola	12	12%	7%	32%	24%	10	14%	6%	35%	22%		
72	Watsonville Hospital/Pinto Lake	14	1%	9%	36%	21%	8	0%	7%	42%	26%		
74S	PVHS/Watsonville Hospital	14	0%	3%	9%	27%							
75	Green Valley Road	15	0%	8%	41%	23%	14	1%	4%	46%	28%		
79	Pajaro/East Lake	6	1%	12%	34%	28%	5	0%	7%	34%	43%		
Highway 17													
Hwy 17	Hwy 17 Express	14	-	-	10%	51%	18	-	-	9%	36%		
Avg. Ridership per Trip		24	34%	8%	18%	19%	22	29%	4%	22%	22%		

22 Calendar School Days of SJSU
 25 Calendar School Days of Cabrillo
 3 Calendar School Days of UCSC

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DATE: November 15, 2019
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
SUBJECT: ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF SEPTEMBER 30, 2019

I. RECOMMENDED ACTION

That the Board of Directors accept and file the Year to Date Monthly Financial Report as of September 30, 2019

II. SUMMARY OF ISSUES

- An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.
- This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of September 30, 2019."
- Staff recommends that the Board of Directors accept and file the attached report.

III. DISCUSSION/BACKGROUND

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of September 30, 2019. The fiscal year has elapsed 25%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of September 30, 2019

Slide 2

FY20 Operating Revenue and Expenses for the Month Ending September 30, 2019

- Operating Revenues for the month are favorable by \$165K
- Operating Expenses
 - Labor Regular - favorable by \$116K
 - Labor OT - unfavorable by \$144K

- Fringe Benefits – favorable by \$156K
- Non-Personnel - favorable by \$8K
- Total Operating Expenses – favorable by \$138K
- Transfers – favorable by \$33K
- Operating Balance – favorable by \$270K

Slide 3

FY20 Operating Revenue and Expenses Year to Date as of September 30, 2019

- Operating Revenues for the month are favorable by \$305K
- Operating Expenses
 - Labor Regular - favorable by \$369K
 - Labor OT - unfavorable by \$354K
 - Fringe Benefits – favorable by \$457K
 - Non-Personnel - unfavorable by \$88K
- Total Operating Expenses – favorable by \$384K
- Transfers – favorable by \$32K
- Operating Balance – favorable by \$657K

Slide 4

FY20 Operating Revenue by Major Funding Source - Year to Date as of September 30, 2019

- Passenger Fares- actual is \$2,589K while budget is \$2,592K
- Sales Tax Revenue (including Measure D)- actual is \$6,492K while budget is \$6,281K
- Other Revenue- actual is \$294K while budget is \$198K
- TDA – actual and budget are both \$1,883K
- Federal Op Assistance – actual is \$4,442K while budget is \$4,441K
- STIC – Op Assistance – actual and budget are both \$2,619K

Favorable/ (Unfavorable) Revenue Variance to Budget Year to Date as of September 30, 2019 are as follows:

- Passenger Fares variance to budget is unfavorable by \$3K primarily due to:
 - Special Transit Fares and Highway 17 Fares under budget.
- Sales Tax Revenue variance to budget is favorable by \$211K (higher than anticipated receipts).

- Other Revenue variance to budget is favorable by \$96K primarily due to Interest income (average cash balance at the County Treasury being much higher than budgeted).

Slide 5

FY20 Operating Expenses by Major Expense Category Year to Date as of September 30, 2019

- Labor - Regular- actual is \$4,000K while budget is \$4,369K
- Labor – OT - actual is \$820K while budget is \$466K
- Fringe Benefits - actual is \$8,305K (*of which \$4,485K is the Retirement Expense YTD due to prepayment of the CalPERS UAL in FY20*) while budget is \$8,762K
- Services - actual is \$1,080K while budget is \$995K
- Mobile Materials & Supplies - actual is \$714K while budget is \$665K
- Other Expenses - actual is \$660K while budget is \$705K.

Favorable/ (Unfavorable) Expense Variance to Budget Year to Date as of September 30, 2019 are as follows:

- Labor – Regular variance to budget is favorable by \$369K due to:
 - Vacant funded positions
 - Extended unpaid leaves of absence
- Labor – OT variance to budget is unfavorable by \$354K due to vacant positions and extended leaves of absence in various departments.
- Fringe Benefits variance to budget is favorable by \$457K primarily due to lower medical and retirement costs YTD.
- Services variance to budget is unfavorable by \$85K primarily due to Temp Help (offset by savings in Personnel Expenses) and Prof & Tech Fees over budget.
- Mobile Materials & Supplies variance to budget is unfavorable by \$49K due to Rev Vehicle Parts over budget.
- Other Expenses variance to budget is favorable by \$45K primarily due to Miscellaneous expenses (Employee Training).

Slide 6

FY20 Transfers Year to Date as of September 30, 2019

- Transfer to Capital Budget (2016 Net Sales Tax Measure D)- actual is \$544K while budget is \$512K.
- Transfer to Capital Budget (2016 Net Sales Tax Measure D) variance to budget is favorable by \$32K.

Slide 7

FY20 Capital Budget Spending Year to Date (by Funding Source) as of September 30, 2019

- Total Capital Spending year to date is \$859K; FY20 budget is \$21.4M
 - Low Carbon Transit Operations Program (LCTOP) spending is \$25K
 - Operating and Capital Reserve Fund spending is \$20K
 - Federal Capital Grants (FTA) spending is \$46K
 - Transfers from Operating Budget (Measure D) spending is \$198K
 - State – PTMISEA (1B) spending is \$70K
 - Surface Transportation Block Grant (STBG) spending is \$500K

Slide 8

FY20 Capital Budget Spending Year to Date as of September 30, 2019

- Total Capital Projects spending year to date is \$859K; FY20 budget is \$21.4M
 - Fleet & Maintenance Equipment spending is \$4K for the following project:
 - Heavy Duty Opacity Smoke Meter
 - Office Equipment spending is \$4K for the following project:
 - Workstations & Cubicles (HR)
 - Construction Related Projects spending is \$7K for the following projects:
 - Pacific Station/Metro Center – Conceptual Design/MOU
 - IT Projects spending is \$13K for the following projects:
 - Cameras on Buses #2
 - Revenue Vehicle Replacements spending is \$831K for the following projects:
 - Electric Bus (3) – Infrastructure & Project Management (FTA 5339c FY16)
 - VTA Bus Transfer – Decommission & Retrofit
 - CNG Bus (1) – (STBG FY17 – via SCCRTC)
 - Year 3 of 6 – Capitalized Lease – Principal only (3 New Flyer Buses)
 - Mid-Life Bus Engine Overhaul (4) (FTA 5339a FY17)

Slide 9

(Cover Sheet) - Additional Information

Slide 10

Additional Information for the Month of September 2019

- Unemployment Rate % in Santa Cruz County is 3.1%
- \$ Gasoline per Gallon for the San Francisco-Oakland-San Jose area is \$3.66;
\$ Diesel is \$3.92
- Ridership YTD as of September 2019 changed as follows, year-over-year (FY19 – FY20):
 - 3.4% increase in Total ridership
 - 1.8% decrease in Highway 17 ridership
 - 3.8% increase in Local ridership
 - 8.5% increase in UCSC ridership
 - 1.7% decrease in Cabrillo ridership
 - 2.0% increase in Non-Student ridership
- Enrollment Information, year-over-year (2018/19 – 2019/20):
 - UCSC: 3 Quarter Average (On-campus) enrollment increase 2.2%
 - Cabrillo: Fall/Spring enrollment information is still pending

Slide 11

FY20 Operating Revenue, Expenses, and Transfers Year to Date as of October 31, 2019: Preliminary

- Revenue – unfavorable by \$98K
- Operating Expenses:
 - Personnel Expenses - favorable by \$304K
 - Non-Personnel - unfavorable by \$13K
- Total Operating Expenses - favorable by \$291K
- Transfers – unfavorable by \$133K
- Operating Balance – favorable by \$60K

Slide 12

FY20 Operating Revenue, Expenses, and Transfers Year to Date as of June 30, 2020: Preliminary (reflects Actual Data for the First Quarter and Projections for the Second, Third and Forth Quarters)

- Revenue – favorable by \$658K
- Operating Expenses:
 - Personnel Expenses - favorable by \$544K
 - Non-Personnel - unfavorable by \$39K

- Total Operating Expenses - favorable by \$505K
- Transfers – favorable by \$1,163K
- Operating Balance – No variance to budget.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Favorable budget variances in Operating Revenues and Expenses contributed to higher than anticipated Transfer to Capital Budget and favorable budget variance in Operating Balance, Year to Date as of September 30, 2019.

V. ALTERNATIVES CONSIDERED

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

VI. ATTACHMENTS

Attachment A: Year to Date Monthly Financial Report as of September 30, 2019 Presentation

Prepared by: Kristina Mihaylova, Sr. Financial Analyst

VII. APPROVALS

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



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Year to Date Monthly Financial Report as of September 30, 2019

Santa Cruz METRO Board of Directors

November 15, 2019

Angela Aitken, Chief Financial Officer

FY20 Operating Revenue and Expenses

For the Month Ending September 30, 2019

25% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$3,273	\$3,109	\$165
Operating Expenses:			
Labor - Regular	\$1,340	\$1,456	\$116
Labor - Overtime	\$299	\$155	(\$144)
Fringe Benefits	\$1,416	\$1,572	\$156
Non-Personnel Expenses	\$781	\$789	\$8
Total Operating Expenses:	\$3,835	\$3,973	\$138
Transfers:	(\$204)	(\$171)	\$33
Operating Balance:			\$270

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FY20 Operating Revenue and Expenses

Year to Date as of September 30, 2019

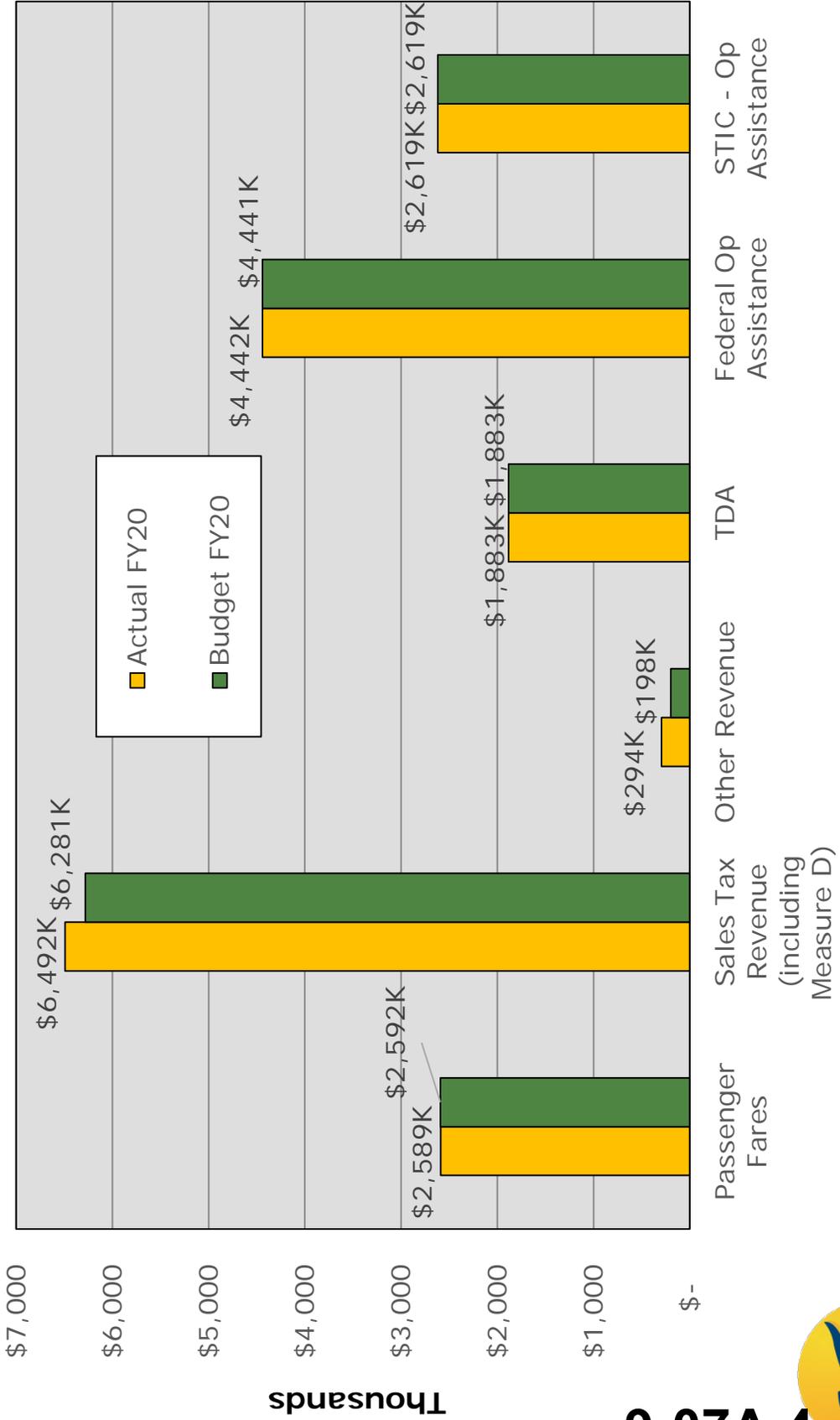
25% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$18,319	\$18,014	\$305
Operating Expenses:			
Labor - Regular	\$4,000	\$4,369	\$369
Labor - Overtime	\$820	\$466	(\$354)
Fringe Benefits	\$8,305	\$8,762	\$457
Non-Personnel Expenses	\$2,454	\$2,366	(\$88)
Total Operating Expenses:	\$15,579	\$15,963	\$384
Transfers:	(\$544)	(\$512)	\$32
Operating Balance:			\$657

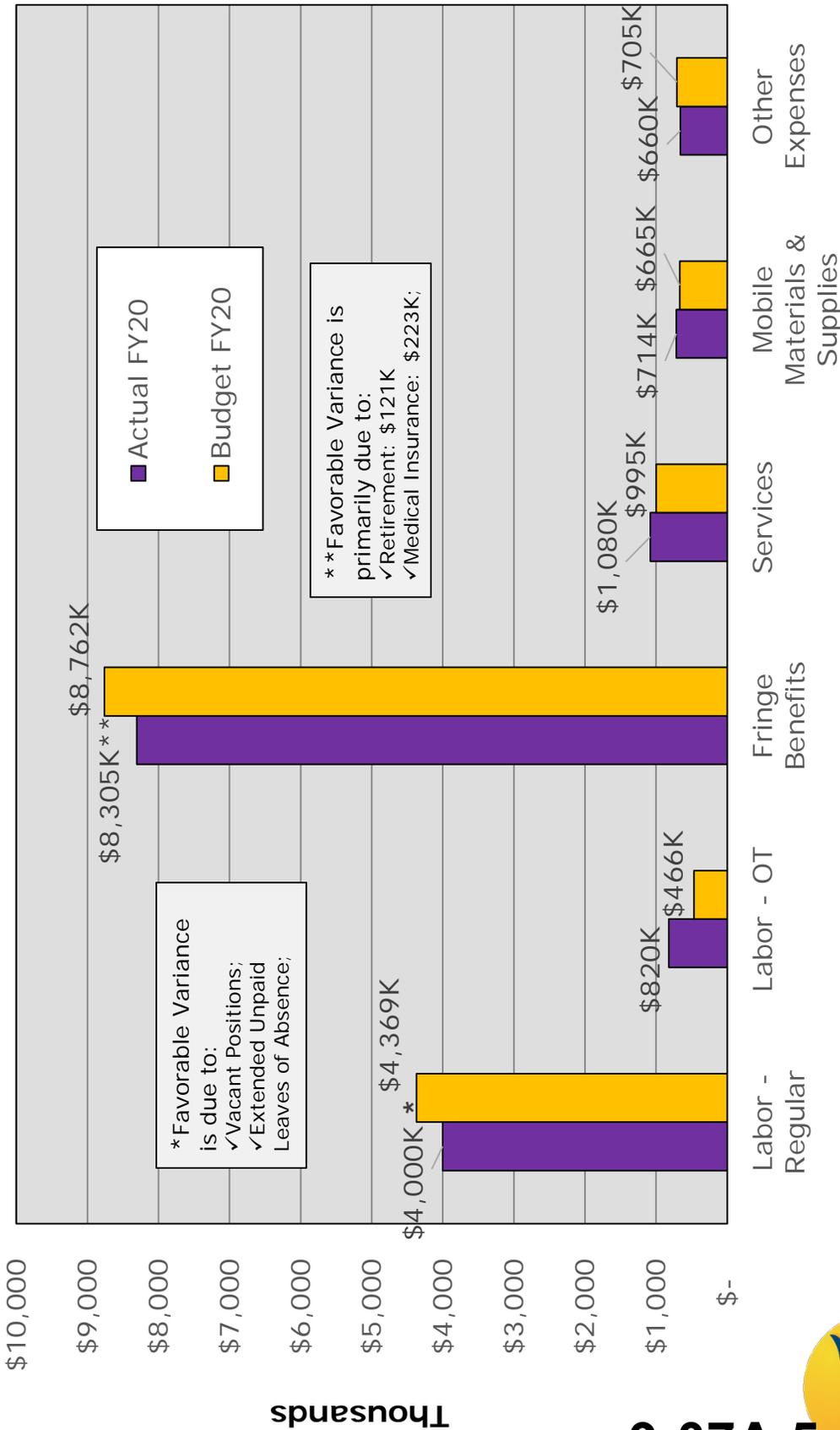
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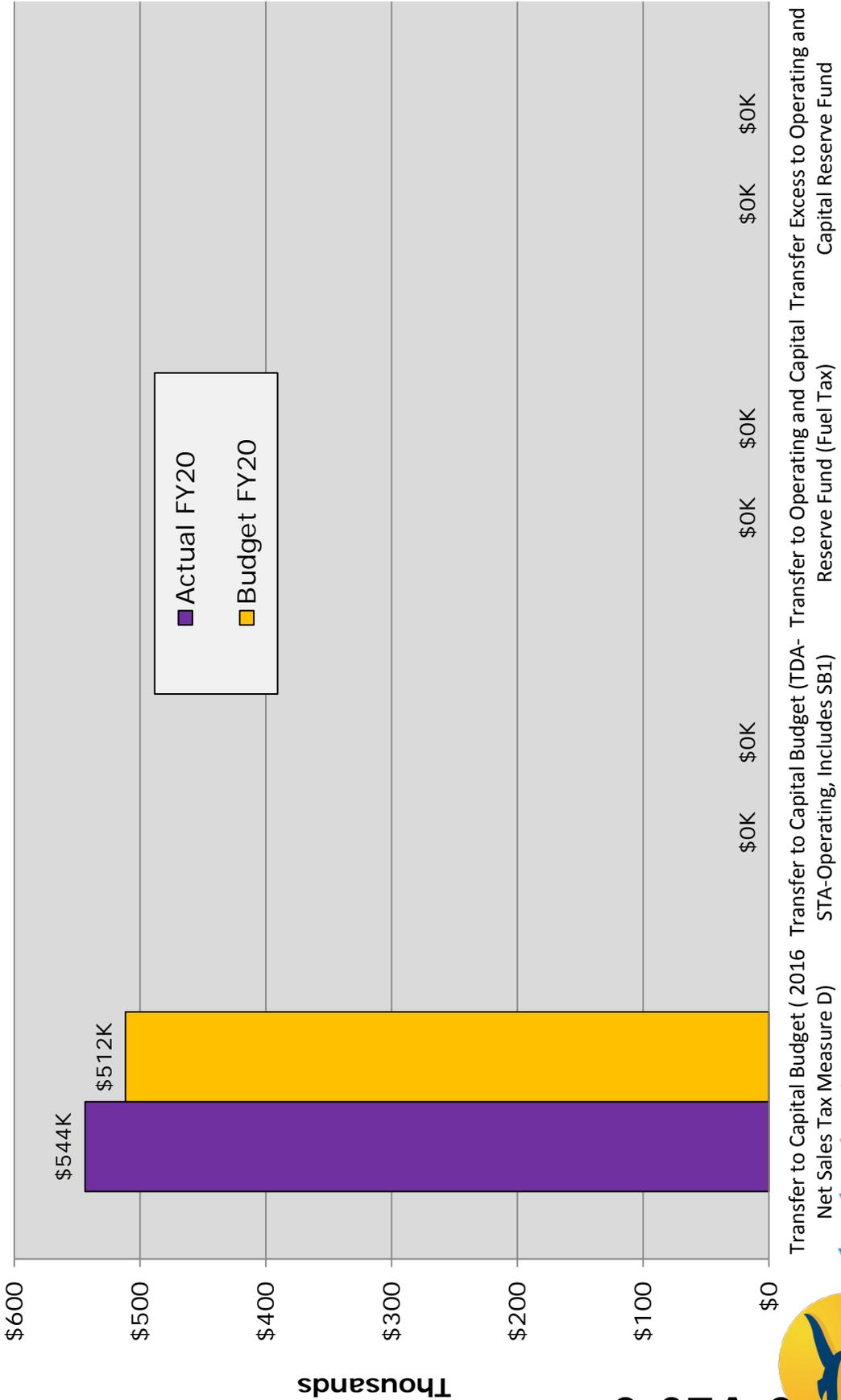
FY20 Operating Revenue by Major Funding Source
Year to Date as of September 30, 2019
 25% of Fiscal Year Elapsed



FY20 Operating Expenses by Major Expense Category
Year to Date as of September 30, 2019
25% of Fiscal Year Elapsed



FY20 Transfers
Year to Date as of September 30, 2019
25% of Fiscal Year Elapsed



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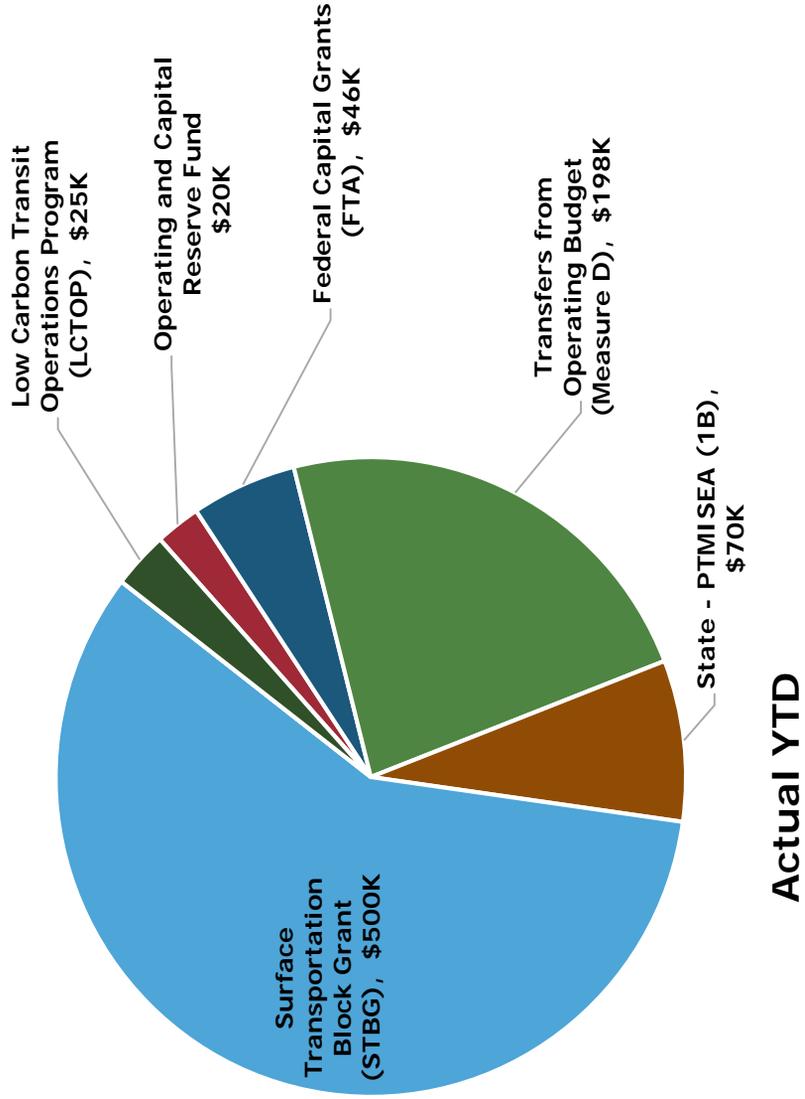


FY20 Capital Budget:

Spending Year to Date (by Funding Source) as of September 30, 2019

25% of Fiscal Year Elapsed

	Actual YTD	Total FY20 Budget	% Spent YTD
Total Capital Funding:	\$858,785	\$21,458,920	4%

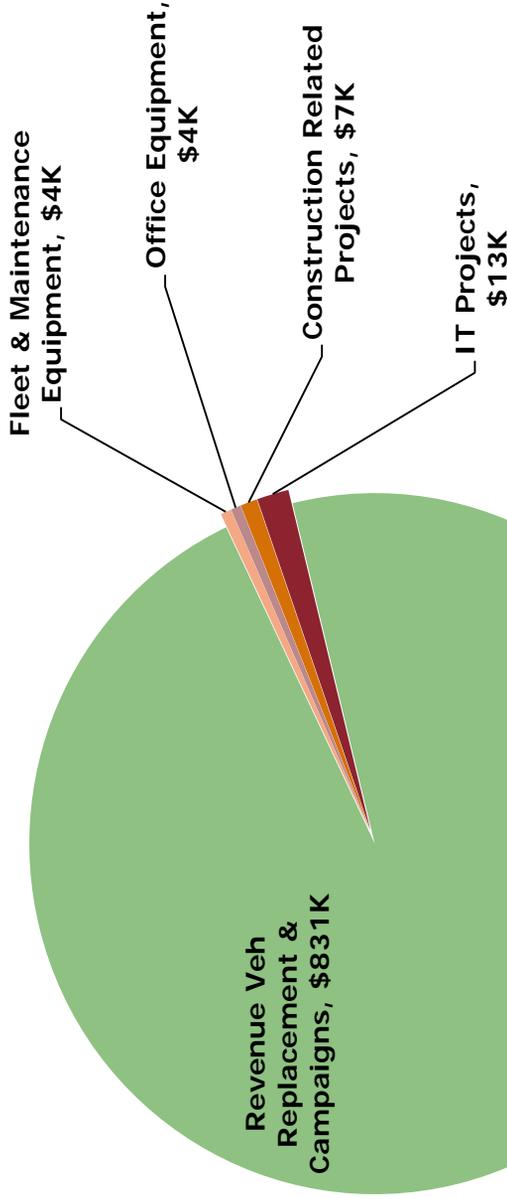


FY20 Capital Budget:

Spending Year to Date as of September 30, 2019

25% of Fiscal Year Elapsed

	Actual YTD	Total FY20 Budget	% Spent YTD
Total Capital Projects:	\$858,785	\$21,458,920	4%



Actual YTD

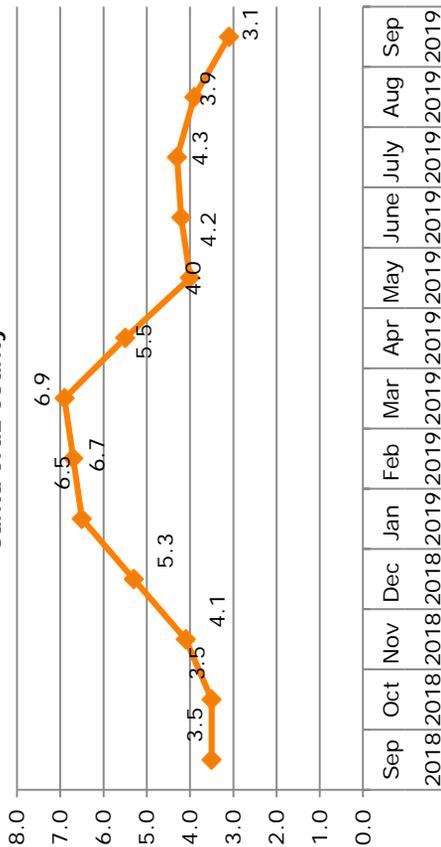
Additional Information

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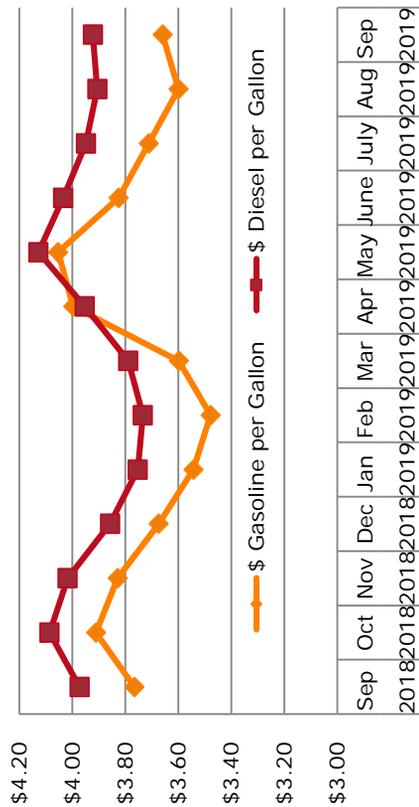


Economic Indicators & Ridership:

Unemployment Rate %
Santa Cruz County



\$ Diesel/Gasoline per Gallon
San Francisco – Oakland – San Jose



FY19-20 Ridership: September YTD

Ridership	FY19	FY20	% Change
Total	871,294	900,734	3.4%
Hwy 17	68,435	67,30	-1.8%
Local	802,859	833,504	3.8%
UCSC	265,847	288,446	8.5%
Cabrillo	68,717	67,530	-1.7%
Non-Student	468,295	477,528	2.0%

Enrollment Information

UCSC	3 Quarter Average (On-campus)		% Change
	2018/19	2019/20	
18,598	19,010 (projection)	2.2%	
Fall/Spring Average			
Cabrillo	2018/19		% Change
11,419	Info Pending	Info Pending	Info Pending



FY20 Operating Revenue, Expenses, and Transfers:
Year to Date as of October 31, 2019: PRELIMINARY:

33% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Revenue:	\$21,998	\$22,096	(\$98)
Operating Expenses:			
Personnel Expenses	\$16,478	\$16,782	\$304
Non-Personnel Expenses	\$3,167	\$3,154	(\$13)
Total Operating Expenses:	\$19,645	\$19,963	\$291
Transfers:			
Transfers to Capital Budget	\$805	\$682	\$133
Transfers to Operating and Capital Reserve Fund	\$0	\$0	\$0
Total Transfers:	\$805	\$682	\$133
Operating Balance:			\$60

FY20 Operating Revenue, Expenses, and Transfers:

Year to Date as of June 30, 2020: PRELIMINARY*:

100% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Revenue:	\$57,414	\$56,758	\$658
Operating Expenses:			
Personnel Expenses	\$41,711	\$42,255	\$544
Non-Personnel Expenses	\$9,502	\$9,463	(\$39)
Total Operating Expenses:	\$51,213	\$51,718	\$505
Transfers:			
Transfers to Capital Budget	\$2,244	\$2,369	(\$125)
Transfers to Operating and Capital Reserve Fund	\$3,958	\$2,670	\$1,288
Total Transfers:	\$6,202	\$5,039	\$1,163
Operating Balance:	\$0	\$0	\$0

*Reflects Actual Data for Qtr. 1 of FY20 and Projections for Qtrs. 2, 3 & 4.



Questions

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DATE: November 15, 2019
TO: Board of Directors
FROM: Freddy Rocha, Facilities Maintenance Manager
SUBJECT: CONSIDERATION OF AWARDING A CONTRACT FOR PURCHASE OF A BUS YARD SWEEPER SCRUBBER, ACCESSORIES AND TRAILER FOR METRO FACILITIES

I. RECOMMENDED ACTION

That the Board of Directors authorize the Purchasing Manager to award a contract for the Bus Yard Sweeper Scrubber described below along with accessories and trailer

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) requires a bus yard sweeper scrubber for all of the METRO facilities.

III. DISCUSSION/BACKGROUND

Staff is recommending the award of a contract to purchase the Advance CS7010 Hybrid Rider Sweeper/Scrubber, which will be used at the Maintenance, Operations, Fuel Station and other METRO facilities. This sweeper is available for purchase from Nilfisk, Inc using California Multiple Awards Schedule (CMAS) Contract #4-17-23-0019B. The recommended accessories include additional brushes, wipers, brooms and filters. The total price for the sweeper and accessories will not exceed \$63,000.

In addition to the sweeper scrubber, staff is recommending the purchase of a trailer to transport the sweeper between the METRO facilities for a price not to exceed \$12,000.

IV. FINANCIAL CONSIDERATIONS/IMPACT

This action will authorize the initiation of a procurement estimated to result in a contract with a value of \$75,000. METRO has budgeted \$75,000 in the FY20 Capital Budget, Fleet and Maintenance Equipment (FTA 5339a FY18).

V. ALTERNATIVES CONSIDERED

The alternative is not to purchase a scrubber sweeper and use manual labor for cleaning.

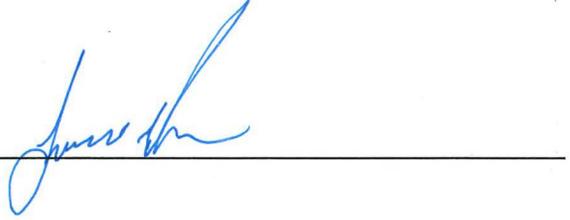
VI. ATTACHMENTS

Attachment A: Authorizing Resolution

Prepared by: Carolee Curtin, Purchasing Manager (temp)

VII. APPROVALS:

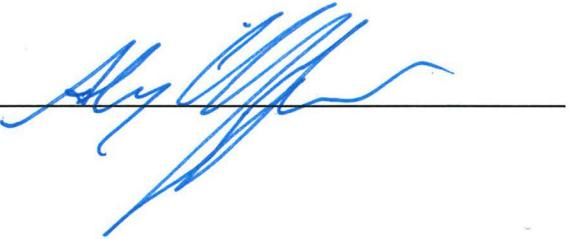
Freddy Rocha, Facilities Maintenance
Manager



Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



9-08.3

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Attachment A



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

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

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING THE PURCHASING MANAGER TO ISSUE A CONTRACT FOR A BUS YARD SWEEPER/SCRUBBER WITH ACCESSORIES AND TRAILER

WHEREAS, the Santa Cruz Metropolitan Transit District has a need for a bus yard sweeper/scrubber with accessories and trailer;

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

THAT, the Purchasing Manager is authorized to issue a contract for the services and/or supplies described above; and

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

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District this 15th day of November, 2019 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Ed Botorff, Board Chair

Attachment A

Resolution No. _____

Page 2

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie A. Sherman, General Counsel



DATE: November 15, 2019
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: APPROVAL OF NEW CAPITAL PROJECTS AND UPDATED 10-YEAR UNFUNDED CAPITAL NEEDS LIST

I. RECOMMENDED ACTION

That the Board receive and file an updated 10-Year Unfunded Capital Projects Needs List and approve the new capital project commitments

II. SUMMARY

- Santa Cruz Metropolitan Transit District (METRO) has an extensive backlog of needed capital improvements. These include vehicles, facilities and Information Technology (IT) tools which it needs in order to maintain the agency's facilities and equipment in a state of good repair and to meet its operational needs.
- METRO maintains and regularly updates a 10-Year Unfunded Capital Project Needs List, last presented to the Board as part of the FY20 budget adopted on June 28, 2019.
- In support of the METRO 10-Year Strategic Business Plan, three projects and their funding sources are identified as the most critical, within financial capacity, to move the agency forward towards a sustainable future.
 - Pacific Station - \$4 million, over four years, from the Long Range Bus Replacement Fund toward the redevelopment of the facility in conjunction with the City of Santa Cruz.
 - Bus Replacement – Up to \$3.5 million from the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) to purchase a minimum of four replacement Compressed Natural Gas (CNG) buses.
 - New METRO-owned ParaCruz operating facility - \$2.3 million from Federal Alternative Fuel Tax receipts.
- With the new commitment to Pacific Station and a major procurement of 14 lease-to-purchase CNG buses, the Board adopted a policy of committing \$3 million annually to bus replacement. This commitment will need to remain in place for at least the next six years to fund the 14 new buses.

- In addition, METRO receives approximately \$550,000 annually from the Federal Transit Administration (FTA) 5339a Buses and Bus Facilities Formula Program. For the FY20 budget cycle, we propose funding the replacement of the Golf Club Drive Maintenance Facility roof for \$450,000 and to rehabilitate the Judy K. Souza Operations Base (JKS) bus washer facility for \$100,000.
- Lastly, METRO has a one-time carryover balance of \$4.3 million in funding from the FY19 budget year. It is recommended that these one-time funds be allocated to the following high priority projects in Table 1 from the Unfunded Capital Projects Needs List:

Table 1

Completion of Cameras on Buses (6 buses)	\$100,000
JKS Upper Security Gates	\$100,000
Completion of JKS ZEB Facility Yard-Charging Infrastructure	\$300,000
Miscellaneous Capital Contingency	\$800,000
Maintenance Yard Security Hardening and Expanded Parking	\$1,000,000
Bus Replacement Local Match Fund	\$2,000,000
Total	\$4,300,000

- METRO continues to pursue additional funding to address other critical unfunded needs as prioritized on the Unfunded Capital Projects Needs List.
- The Finance, Budget and Audit Standing Committee on November 11, 2019 recommended and, pending the Capital Committee support on November 13, it is recommended that the Board approve the new capital project commitments identified in Section IV of this report and receive and file the 10-Year Unfunded Capital Project Needs List.

III. DISCUSSION/BACKGROUND

METRO has an extensive backlog of needed capital improvements, including vehicles (revenue and non-revenue), public and METRO staffed facilities, and technological upgrades for both customer experience and business efficiency tools, including zero emission charging infrastructure, which are needed to maintain the agency's facilities and equipment in a state of good repair and to meet its operational needs.

Unfunded Capital Project Needs List

In 2017, METRO had a 10-Year Unfunded Capital Projects Needs list of \$235 million, with half of that needed in the first five years. The updated Unfunded Capital Projects Needs List, provided for approval, now has a 10-Year need of \$206 million, with \$52 million needed in the first five years.

The Board policy to commit \$3 million annually to bus replacement has significantly contributed to the reduced near-term capital needs. However, a new FTA requirement has led to METRO establishing its first Transit Asset Management Plan (TAM) which prescribes detailed recurring maintenance and replacement schedules for capital assets.

The Unfunded Capital Projects Needs List provided in Attachment A notes five-year horizon critical needs, along with other longer-term needs, which METRO must address over the following five years. These long-term projects will include upgrades to facilities and vehicles to meet FTA TAM targets, as well as more aspirational projects intended to improve the quality of operations and better serve the riding public.

IV. RECOMMENDED CAPITAL PROJECT COMMITMENTS

METRO receives funding from a number of sources and allocates these limited funds to a range of needs to maintain operational capacity, along with attempting to keep capital assets in a state of good repair.

In support of the first METRO 10-Year Strategic Business Plan, adopted June 28, 2019, three projects and their funding sources are identified as the most critical, within financial capacity, to move the agency forward towards a sustainable future:

- Pacific Station - \$4 million from the Long Range Bus Replacement Fund over four years toward the redevelopment of the facility in conjunction with the City of Santa Cruz (City).

METRO and the City will pursue Affordable Housing Sustainable Communities (AHSC) and Better Utilizing Investments to Leverage Development (BUILD) grants in 2021 to secure the funding necessary to fully fund a re-development concept currently under consideration by the two agencies. A draft Memorandum of Understanding (MOU) outlining the partnership strategy going forward is under development.

- Bus Replacement – Up to \$3.5 million from the PTMISEA to purchase four replacement Compressed Natural Gas (CNG) buses. These funds, which expire in June 2023, are needed to procure a minimum of four CNG buses to maintain progress commitments to the Long Range Bus Replacement Plan.

- New METRO-owned ParaCruz operating facility - \$2.3 million from Federal Alternative Fuel Tax receipts.

METRO is currently in the last term of the ParaCruz lease and needs to have a new location by summer of 2022. Current plans are to convert the METRO-owned Soquel Park and Ride site into the permanent home for ParaCruz operations.

METRO will apply for FTA 5339b Buses and Bus Facilities Discretionary Program funds in 2020 and use its last remaining Alternative Fuel Tax funds as a local match to secure the funding necessary to implement this facility.

Long-Range Bus Replacement Fund

In 2018, the Board committed to a policy of allocating \$3 million annually to a Long Range Bus Replacement Fund. In FY18, METRO had 62 buses beyond their useful life still in service. As of the start of FY20, METRO now has 37 buses beyond their useful life still in service. With the new commitment to Pacific Station and a major procurement of 14 lease-to-purchase CNG buses to address the issue of buses beyond their useful life, this annual commitment will need to stand for at least the six years required to pay for the new 14 buses as shown in Table 2.

Table 2

Project/Yr.	FY20	FY21	FY22	FY23	FY24	FY25
3 Paul Revere Lease/Buys (Existing)	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	
Pacific Station	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000		
14 Lease/Buys (Pending)	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Total	\$2,785,000	\$2,785,000	\$2,785,000	\$2,785,000	\$1,785,000	\$1,500,000

Annual FTA 5339a Formula Funding

In addition, METRO receives approximately \$550,000 annually from the FTA 5339a program. For the FY19 funding cycle, we propose funding the \$450,000 replacement of the Maintenance facility roof and to rehabilitate the JKS bus washer facility for \$100,000. These two projects are the highest Facilities Maintenance priorities on the current Unfunded Capital Projects Needs List.

FY19 One-Time Carryover Funding

METRO has a one-time carryover balance of approximately \$4.3 million in funding at the end of the FY19 budget year due to savings related to vacancies,

cost efficiency measures, and an increase in revenue levels. It is recommended that the majority of these funds be allocated to the following projects in Table 3:

Table 3

Completion of Cameras on Buses (6 buses)	\$100,000
JKS Upper Security Gates	\$100,000
Completion of JKS ZEB Yard-Charging Infrastructure	\$300,000
Miscellaneous Capital Contingency	\$800,000
Maintenance Yard Security Hardening and Expanded Parking	\$1,000,000
Bus Replacement Local Match Fund	\$2,000,000
Total	\$4,300,000

METRO continues to pursue additional funding to address other critical unfunded needs prioritized from the Unfunded Capital Projects Needs List.

Staff requests the Capital Projects Standing Committee recommend that the Board approve these new capital project commitments and receive and file the 10-Year Unfunded Capital Projects Needs List.

V. FINANCIAL CONSIDERATIONS/IMPACT

Funding for these capital projects is currently available from the various identified sources and is needed for METRO's highest priority capital needs.

VI. ALTERNATIVES CONSIDERED

The alternative is to not execute these proposed critical projects and leave METRO in a lesser state of good repair and at higher risk of deterioration in service level & quality to the public as well as increased operating/maintenance costs of maintaining facilities which are not in a state of good repair.

VII. STRATEGIC BUSINESS PLAN ELEMENTS

Implementation of these critical capital projects would primarily address Strategic Business Plan Priority #6 - State of Good Repair

VIII. ATTACHMENTS

Attachment A: Unfunded Capital Projects Needs List

Prepared by: Barrow Emerson, Planning & Development Director

IX. APPROVALS

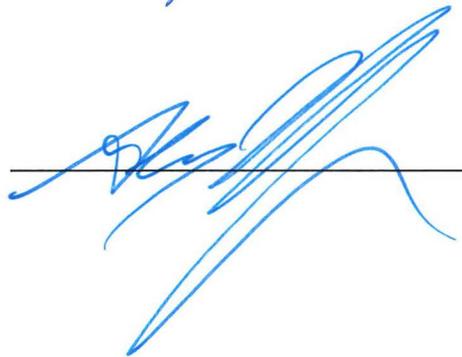
Barrow Emerson
Planning & Development Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



Attachment A

10 year METRO Unfunded Capital Projects - Summary

Category	5-yr need (000s)	10-yr need (000s)
Construction	\$ 11,672	\$ 150,972
Vehicle State of Good Repair (SGR)	\$ 22,290	\$ 33,915
Facilities Maintenance	\$ 10,610	\$ 13,685
Information Technology (IT)/Communications	\$ 7,421	\$ 7,421
Total	\$ 51,993	\$ 205,993

		UNFUNDED CAPITAL PROJECTS (000s)											
		Vehicle SGR											
#	Project	Description	Cost (000s)	20	21	22	23	24	25	26	27	28	29
1	ParaCruz Replacements	5 new vehicles per year FY20-22; 3 new vehicles per year FY23-29	\$ 2,865	\$ 360	\$ 360	\$ 360	\$ 360	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255
2	Bus Replacements 2022	Bus Replacements Replace (6) CNG buses	\$ 4,200	\$	\$ 4,200			\$ 255					
3	Bus Replacements 2023	Bus Replacements Replace (16) CNG buses	\$ 11,200			\$ 11,200							
4	Bus Replacements 2024	Bus Replacements Replace (0) buses	\$ -										
5	Bus Replacements 2025	Bus Replacements Replace (7) CNG buses	\$ 4,900					\$ 4,900					
6	Bus Replacements 2026	Bus Replacements Replace (10) CNG buses	\$ 7,000						\$ 7,000				
7	Bus Replacements 2027	Bus Replacements Replace (0) buses	\$ -										
8	Bus Replacements 2028	Bus Replacements Replace (0) buses	\$ -										
9	Bus Replacements 2029	Bus Replacements Replace (4) buses (3 CNG; 1 ZEB)	\$ 3,350									\$ 3,350	
10	Diesel-electric Hybrid Battery Replacements	10 buses - replace 4 batteries per year in FY21-22; 2 in FY23 (\$40k/battery)	\$ 400	\$	\$ 160	\$ 160	\$ 80						
11	Non-revenue Vehicle Replacements	Non-revenue trucks and cars	\$ -										
		Unfunded Capital Costs thru 2029	\$ 33,915	\$ 360	\$ 4,720	\$ 11,720	\$ 335	\$ 5,155	\$ 7,255	\$ 255	\$ 255	\$ 3,605	\$ 255
		Unfunded Capital Costs thru 2024	\$ 33,915	\$ 360	\$ 4,720	\$ 11,720	\$ 335	\$ 5,155	\$ 7,255	\$ 255	\$ 255	\$ 3,605	\$ 255

*** Based on 10/31/19 Long-Range Bus Replacement Plan
 *** Based on 2019 cost assumptions: CNG 35' & 40' - \$700k; artics - \$850k; ZEBs - \$1.25M
 *** The project year (Bus Replacements 20XX) is the year the bus needs replacement. The funding need is placed in the previous fiscal year because it takes about a year from purchase to receive the bus.

UNFUNDED CAPITAL PROJECTS (000s)													
Facilities Maintenance													
#	Project	Description	Cost (000s)	20	21	22	23	24	25	26	27	28	29
1	Pacific Station Rehabilitation or Redevelopment	Rehab of existing facility or redevelopment as part of City project, subject to availability of grant funding	\$ 5,800	\$ 4,000		\$ 1,800							
2	Golf Club - Replace Roof	Replace entire roof - poor construction and leaks throughout	\$ 450	\$ 450									
3	Bus Washer	Refurb N/S Wash System purchased 2008 & upgrade water recycling system	\$ 100	\$ 100									
4	Gate Control - bus entries at JKS	Security gates and gate controller for upper entry to bus yard	\$ 100	\$ 100									
5	Capital upgrade of existing transit facilities	Capital upgrade of bus stops, parking lots, transit centers, buildings	\$ 675		\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75
6	Custodial Equipment Replacement	Vacuums, Buffers, Scrubbers	\$ 200	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20
7	Landscaping/Irrigation	Re-landscape & irrigate all sites	\$ 240	\$ 30	\$ 30	\$ 30	\$ 30	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20
8	Bird Abatement	All Facilities	\$ 10		\$ 10								
9	Furniture	All Facilities	\$ 150		\$ 50	\$ 50	\$ 50	\$ 50					
10	Fueling and Wash Facility - Awning Install	Construction phase - Awning at front of fueling island	\$ 250		\$ 250								
11	Fuel and Wash Facility - rust removal and repaint	Remove rust and repaint bus fuel and wash facility and equipment	\$ 125		\$ 125								
12	Replace Pressure Washer System	Pressure washer for engine cleaning	\$ 580		\$ 580								
13	Golf Club Flooring		\$ 400		\$ 400								
14	Emergency Operations Centers	Phones, radios, flat-screen TV monitors, laptops	\$ 200		\$ 200								
15	Maintenance parking lot drainage	French drain or other solution to ensure water doesn't drain to Rayne building	\$ 50		\$ 50								
16	Portable Bus Lifts	1 sets of 4 standard lifts, \$75k. Estimate includes labor.	\$ 75		\$ 75								
17	Administration Remodel	Office remodel of 110 Vernon St.: move/add office space and reconfigure/replace HVAC	\$ 1,000			\$ 1,000							
18	Golf Club Interior Painting	Golf Club Interior Painting	\$ 150			\$ 150							
19	Medium Duty Trash Truck	Specialty truck for safer and more efficient bus stop trash cleanup	\$ 150			\$ 150							
20	Shop bay door drainage	French drain or other solution for shop bay door drainage	\$ 200				\$ 200						
21	Golf Club Parts Washers (3)	Replace the JRI units purchased 2010	\$ 80					\$ 80					
22	Parallelogram Lift Replacement		\$ 200					\$ 200					
23	Fueling Station	Roof replacement and mid-life rehab. Includes sewer lift pump	\$ 250							\$ 250			
24	Golf Club Generator Replacement		\$ 100								\$ 100		
25	Bus Washer Replacement		\$ 450									\$ 450	
26	In-ground Bus Lifts	Remove and replace in-ground lifts	\$ 1,700										\$ 1,700
			\$ 13,685	\$ 4,700	\$ 1,865	\$ 3,275	\$ 375	\$ 395	\$ 115	\$ 115	\$ 365	\$ 215	\$ 2,265
			Unfunded Capital Costs thru 2024										

		UNFUNDED CAPITAL PROJECTS (000s)											
		IT											
#	Project	Description	Cost (000s)	20	21	22	23	24	25	26	27	28	29
1	Surveillance systems on buses	Phase 2 (remaining buses). Retrofit 25 buses each in FY20 and FY21	\$ 100	\$ 100									
2	Bus APC	Automatic Passenger Counter (APC) systems on all METRO buses.	\$ 650	\$ 650									
3	Maintenance Facility Electronic Access Control	Electronic building access control to Golf Club Maintenance building; security lighting and cameras	\$ 50	\$ 50									
4	Backup (to Kite Hill) Repeater Site	2-way Radio Equipment to allow JKS to function as an emergency radio repeater site	\$ 25	\$ 25									
5	Eligibility Coordinator ID Card Printer		\$ 6	\$ 6									
6	Account-based Fare Collection Upgrade	Account-based fare collection upgrade to replace GFI paper and plastic pass system (excluding fareboxes and vaults)	\$ 1,500		\$ 1,500								
7	Financial Management Software	Financial, Payroll, Timekeeping Software	\$ 250		\$ 125	\$ 125							
8	Security System Replacement for WTC and Pacific Station	Replace security system at end-of-life	\$ 375		\$ 375								
9	Website Upgrade		\$ 150			\$ 150							
10	Rebranding - Phase 1		\$ 75			\$ 75							
11	Backup system	Backup system to meet growing disaster recovery needs	\$ 20			\$ 20							
12	TVMs - replacements and additional	TVM Upgrades and/or replacements	\$ 250			\$ 250							
13	MaintStar Expansion Software and Mobile Equipment	Asset and Maintenance Managing software and equipment with onsite training and installation. Work field orders.	\$ 150			\$ 150							
14	ITS	Public WiFi equipment on all facilities and routes beginning w/UCSCs and Express buses. Bus AVL implementation may negate the need for this.	\$ 1,000			\$ 1,000							
15	Camera security system for ParaCruz facility	Camera security system for ParaCruz facility	\$ 150			\$ 150							
16	Security System Replacement for Vernon and Golf Club	Replace security system at end-of-life	\$ 350			\$ 350							
17	Replace Fareboxes and Vaults	Replace fareboxes and vaults at end-of-life.	\$ 2,250					\$ 2,250					
18	Phone System Replacement	Replace phone system at end-of-life	\$ 70					\$ 70					
Unfunded Capital Costs thru 2029			\$ 7,421	\$ 831	\$ 2,000	\$ 2,270	\$ -	\$ 2,320	\$ -				
Unfunded Capital Costs thru 2024			\$ 7,421										

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DATE: November 15, 2019
TO: Board of Directors
FROM: Rufus Francis, Safety, Security & Risk Management Director
SUBJECT: CONSIDERATION OF ISSUING A FORMAL REQUEST FOR PROPOSALS FOR MAINTENANCE FACILITIES PROJECT, PHASE I: ENGINEERING ANALYSIS

I. RECOMMENDED ACTION

That the Board of Directors authorize the Purchasing Manager to issue a formal Request for Proposals for Maintenance Facilities Project, Phase I: Engineering Analysis

II. SUMMARY

The Santa Cruz Metropolitan Transit District (METRO) requires the services of a civil engineering firm to provide engineering and design analysis at the METRO Maintenance Facility for restoration and security of the grounds, buildings, parking and access control.

III. DISCUSSION/BACKGROUND

Staff is recommending the issuance of a formal Request for Proposals (RFP) for Maintenance Facilities Project, Phase I: Engineering Analysis to address the following items:

1. Assessment of sink hole, drainage problem/water sources/underground river water
2. Grading, leveling and paving the employee parking and service vehicle lot
3. Recommendation of concrete or asphalt for lot
4. Demolition of house and removal
5. Recommendation for appropriately sized conduit for electrical and telecommunications
6. Assessing utility lines
7. Access Control recommendation

8. Ceiling adjustment recommendation for Artic buses
9. Future EV charging needs

IV. FINANCIAL CONSIDERATIONS/IMPACT

This action will authorize the initiation of a procurement estimated to result in a contract with a value of \$1,000,000. METRO has budgeted \$1,000,000 for this project from the FY19 One-Time Carryover funds.

V. ALTERNATIVES CONSIDERED

The alternative is not to perform the necessary improvements at the maintenance facility.

VI. ATTACHMENTS

Attachment A: Authorizing Resolution

Prepared by: Carolee Curtin, Purchasing Manager (temp)

VII. APPROVALS

Rufus Francis, Safety, Security & Risk
Management Director



Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



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Attachment A



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

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

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING THE PURCHASING MANAGER TO SOLICIT PROPOSALS FOR MAINTENANCE FACILITIES PROJECT, PHASE I: ENGINEERING ANALYSIS

WHEREAS, the Santa Cruz Metropolitan Transit District has a need for Maintenance Facilities Project, Phase I: Engineering Analysis;

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

THAT, the Purchasing Manager is authorized to issue a Request for Proposals for the services and/or supplies described above; and

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

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District this 15th day of November, 2019 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Ed Botorff, Board Chair

Attachment A

Resolution No. _____
Page 2

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie A. Sherman, General Counsel



DATE: November 15, 2019
TO: Board of Directors
FROM: Isaac Holly, IT and ITS Director
SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT WITH GIRO, INC. FOR HASTUS SOFTWARE MAINTENANCE AND SUPPORT

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a contract with GIRO, Inc. to renew Hastus (Version 2009) maintenance and support services in the amount of \$82,648 for the 2020 calendar year

II. SUMMARY

- On November 16, 2018, the Board of Directors approved a contract renewal with Giro, Inc. for Hastus software maintenance and support for the 2019 calendar year.
- This maintenance contract needs to be renewed annually in order to continue to receive the following for this mission-critical Santa Cruz Metropolitan Transit District (METRO) system:
 - Unlimited support via telephone and email
 - Bug fixes and customization for the current Hastus version
 - Eligibility for new Hastus versions at a reduced license cost

III. DISCUSSION/BACKGROUND

Hastus is a unified software environment that enables METRO to:

- Report monthly and annual service stats to the National Transit Database (NTD) to remain eligible for FTA funding
- Plan new service changes accurately and efficiently
- Assign work to Operators and deploy them to and from the field
- Accurately compute Operator pay and schedule leave

- Track Operator performance and track license and medical certificate renewal
- Publish accurate timetables to print and web media
- Provide a data feed to the Google Transit Trip Planner
- Provide a data feed to the Intelligent Transportation System (ITS)

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

Giro's maintenance schedule is based on the calendar year and needs to be renewed on annually. On November 16, 2018, the Board of Directors approved a contract with Giro, Inc., which allowed the execution of a Hastus maintenance and support contract for the 2019 calendar year that expires at the end of December 2019. The 2020 maintenance and support contract currently being presented is based on the following deployed software modules:

- Hastus-Vehicle (Service Schedules)
- Hastus-Crew (Operator Work Creation)
- CrewOpt (Automated Crew Scheduling)
- Hastus-Roster (Period Rosters for Personnel)
- Minbus (Automated Vehicle Blocking)
- Geo (Geocoding of Stops and Route Itineraries)
- Bid (Operator Work Selection)
- Hastus-Daily (Operations Daily Vehicle and Crew Management)
- SelfService (Operator Web Access to Their Work Assignments)
- EPM (Operator Discipline and Award Management)

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

Staff recommends that the Board of Directors authorize the CEO to execute a maintenance and support contract with Giro, Inc. for Hastus software in the amount of \$82,648 for the 2020 calendar year.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The funding in the amount of \$82,648 is included in the FY20 current fiscal year's IT Department Operating budget within the Maintenance Fees (503352) account.

V. ALTERNATIVES CONSIDERED

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

VI. ATTACHMENTS

Attachment A: Giro Hastus Maintenance and Support Contract

Prepared by: Isaac Holly, IT and ITS Director

VII. APPROVALS:

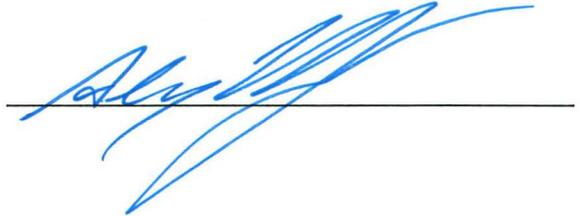
Isaac Holly, IT and ITS Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



Attachment A

HASTUS
MAINTENANCE AND SUPPORT CONTRACT
(Reference number: 617-13)

ENTERED INTO BETWEEN:

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

(hereinafter referred to as "GIRO")

AND:

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

(hereinafter referred to as the "Client")

FOR:

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

Starting on January 1, 2020 (the "Commencement Date") for one (1) year.

1. SERVICES PROVIDED

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

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

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

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

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

Attachment A

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

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

2. TERMS AND CONDITIONS

2.1 For services specified in Section 1, the Client will pay GIRO a fee of \$82,648 US. The total amount is payable when the Agreement comes into effect.

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

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

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

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

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

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

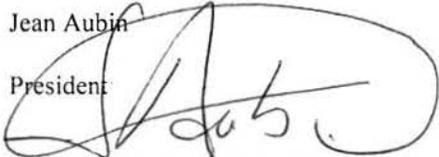
At Montreal, this 11th day of September 2019

GIRO INC./LE GROUPE EN INFORMATIQUE ET RECHERCHE OPÉRATIONNELLE

Per:

Name: Jean Aubin

Title: President

Signature: 

Duly authorized, as he so declares.

At _____, this ____ day of _____.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Per:

Name: _____

Title: _____

Signature: _____

Duly authorized, as he/she so declares.



DATE: November 15, 2019
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: CONSIDERATION OF APPOINTMENT OF JESSICA DE WIT AND REAPPOINTMENT OF JOSEPH MARTINEZ TO THE METRO ADVISORY COMMITTEE (MAC) FOR FOUR-YEAR TERMS ENDING DECEMBER 31, 2023

I. RECOMMENDED ACTION

The Board of Directors approve the appointment of Jessica de Wit and reappointment of Joseph Martinez to the METRO Advisory Committee (MAC) for four-year terms ending December 31, 2023

II. SUMMARY

- There are currently two seats on the METRO Advisory Committee (MAC) expiring on December 31, 2019.
- The MAC Ad Hoc Committee would like to nominate Jessica de Wit for appointment to MAC and Joseph Martinez for reappointment to MAC. Both terms would expire on December 31, 2023.

III. DISCUSSION/BACKGROUND

Section 3.1 of the MAC Bylaws states “The MAC shall be composed of no greater than 7 members appointed by the Board of Directors.” On December 31, 2019, two members’ terms will expire.

A 30-day nomination period was opened on August 23, 2019 to solicit and accept Board nominees and citizen applications to fill those seats. The MAC Ad Hoc Committee met on October 25, 2019 to review all candidates’ applications. After considerable review, the MAC Ad Hoc Committee recommends the METRO Board of Directors consider the nomination of Jessica de Wit and Joseph Martinez to serve as committee members on MAC. Their applications are attached to this report. If approved by the Board of Directors, their terms would commence immediately and conclude on December 31, 2023.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None.

V. ALTERNATIVES CONSIDERED

None.

VI. ATTACHMENTS

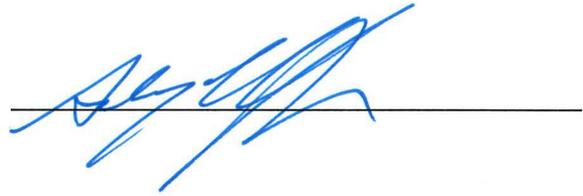
Attachment A: MAC Applications of Jessica de Wit and Joseph Martinez

Attachment B: MAC Bylaws

Prepared by: Donna Bauer, Administrative Specialist

VII. APPROVALS

Alex Clifford, CEO/General Manager



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Attachment A

Jessica de Wit: [REDACTED]

[REDACTED]
Scotts Valley, CA 95066

Day Phone: [REDACTED]

I would be a good addition to MAC because I can provide my direct experience as a regular METRO rider to help facilitate ways to improve service and increase ridership by making it easier for riders to access and ride the bus. I have prior experience as a regular Highway 17 Express bus rider and I have current experience as a regular 35A route rider. When I was working for a non-profit in Palo Alto, I participated as an active stakeholder in the SamTrans co-sponsored Grand Boulevard Initiative, a regional collaboration dedicated to the revitalization of the El Camino Real corridor that runs through San Mateo and Santa Clara counties. With my Masters Degree in Urban & Regional Planning focusing on Sustainable Development, I have the qualifications needed to be a strong and effective contributor to MAC. Thanks in advance for your time and consideration.

What interests and experience do you have that would make you an effective MAC member?: I have been a regular Highway 17 Express bus rider when I was working in San Jose and I am now a regular 35A route rider, commuting between Scotts Valley & downtown Santa Cruz. I have a Masters Degree in Urban & Regional Planning with a focus on Sustainable Development.

Please outline your availability in terms of meeting times/dates and total time per month you can devote to MAC activities: I work but I can flex my hours to be able to attend meetings & devote the time needed to MAC activities.

Are you aware of any conflicts of interest that would prevent you from serving on MAC if appointed?: No.

Do you ride Santa Cruz METRO fixed route or Paracruz Service: Santa Cruz METRO fixed route

How often do you use Santa Cruz METRO Fixed Route or METRO ParaCruz Service?:
Daily

What are your particular transit interests?: 1. Looking at ways to increase ridership by making the process as easy to use and access as possible 2. Creating more connectivity to other transit modes so riders have lots of options to get from point A to B.

What do you think are the biggest challenges for Santa Cruz METRO?: 1.Increasing ridership while working with a constrained budget. 2.Working to constantly maintain & improve the fleet to provide reliable service.

What do you believe that you can contribute to Santa Cruz METRO & MAC if appointed?: As a regular bus rider, I can offer ways to provide an easy to use rider experience that will make riders want to use the bus more often.

Attachment A

Joseph Martinez: [REDACTED]

[REDACTED]
Watsonville, CA : 95076

Day Phone: [REDACTED]

Hi, my name is Joey Martinez. I have served on MAC as the Vice Chair and my term is up in December. I just want to reapply for reappointment to stay on MAC for four more years. Thank you, Joseph Martinez

What interests and experience do you have that would make you an effective MAC member?: I am already on the committee as the Vice Chair and my term is up in December. I am interested in staying on the committee to serve the community. Thank you Joseph Martinez

Please outline your availability in terms of meeting times/dates and total time per month you can devote to MAC activities: Open

Are you aware of any conflicts of interest that would prevent you from serving on MAC if appointed?: Yes

Do you ride Santa Cruz METRO fixed route or Paracruz Service: Santa Cruz METRO fixed route

How often do you use Santa Cruz METRO Fixed Route or METRO ParaCruz Service?:
Daily

What are your particular transit interests?: Helping the community out with transit questions

What do you think are the biggest challenges for Santa Cruz METRO?: Employing enough bus drivers

What do you believe that you can contribute to Santa Cruz METRO & MAC if appointed?: Just keep dedicating my wisdom that I have been doing as the Vice Chair



BYLAWS

Metro Advisory Committee

ADOPTED JANUARY 26, 2018

Attachment B

BYLAWS FOR THE SANTA CRUZ METRO ADVISORY COMMITTEE

Article I GENERAL PROVISIONS

§1.1 Purpose - Bylaws

These Bylaws shall govern the proceedings of the METRO Advisory Committee (MAC), an advisory committee established by the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO).

§1.1.1 Purpose – METRO Advisory Committee (MAC)

The MAC members serve at the pleasure of the Santa Cruz Metropolitan Transit District Board of Directors. The purpose of the MAC is to provide a citizen forum (advisory committee) in which the METRO Board and CEO/General Manager can delegate topics for discussion and in which recommendations can be formulated and communicated to the METRO Board of Directors. MAC members should be current frequent riders of the fixed-route, paratransit or commuter services provided by Santa Cruz METRO and should approach their review of topics from a regional thinker perspective in their review of matters referred by the METRO Board of Directors or the CEO/General Manager.

§1.2 Construction of Bylaws

As used in these Bylaws, “MAC” means the METRO Advisory Committee. These Bylaws shall govern the MAC’s proceedings to the extent they are not inconsistent with METRO Administrative Code or Regulations or California or Federal law. These Bylaws or amendments become effective upon approval by the METRO Board of Directors.

§1.2.1 Orderly Administration of MAC Meetings

The MAC shall follow Robert’s Rules of Order or Sturgis, the Standard Code of Parliamentary Procedure, as may be adopted by the current Chair of MAC.

§1.3 Definitions: As used in these Bylaws:

- a. “Chair” means the Chair of the MAC Committee.
- b. “Vice chair” means the Vice Chair of the MAC Committee.

Attachment B

- c. "Staff" means staff members that are assigned to support the MAC Committee by the METRO CEO/General Manager.

Article II DUTIES AND AUTHORITY

§2.1 Duties

It shall be the duty of the MAC to provide recommendations to the Board of Directors on matters referred to the MAC by the Board or CEO/General Manager, and to perform such additional duties as assigned by the Board. The MAC may also address issues which members or the public raise with respect to the quantity and quality of services provided by METRO.

§2.2 Limitations on Authority

The sole jurisdiction and authority of the MAC is to serve in an advisory capacity to the Board of Directors. MAC shall not have any authority to take actions that bind METRO or the Board of Directors. With the approval of the CEO/General Manager, and subject to budget considerations, the MAC may design informational signs to be placed on the inside of buses and it may design and distribute an informational brochure to increase the public's knowledge of the operation and existence of the MAC. MAC members are not allowed to give direction to the administrative support personnel or any other METRO employee.

- a. Reports to the Santa Cruz METRO Board of Directors.

Communications by the MAC to the Board of Directors shall be through the CEO/General Manager. All such communications shall be provided to the Board of Directors and placed on the next available Board agenda as a consent item under the heading of "communications to the Board from the MAC."

At the request of the MAC Chair or Vice Chair, and upon concurrence of a majority of the MAC members, matters which the MAC intends to discuss with the Board of Directors may be placed on the Board of Director's agenda by the CEO/General Manager. MAC shall comply with all requirements for the inclusion of such items on the Board's agenda as are deemed appropriate by the CEO/General Manager.

The MAC Chair or Vice Chair shall provide the Board of Directors an oral report on MAC activities twice a year, once in June and once in December.

Attachment B

Article III MEMBERSHIP

§3.1 Membership

a. Appointment to the MAC.

The MAC shall be composed of no greater than 7 members appointed by the Board of Directors. All MAC members shall serve for a term of 4 years and will serve at the pleasure of the Board of Directors. Members wishing to resign from an appointment may submit such resignation to the CEO/General Manager.

The METRO Board of Directors shall nominate individuals to be considered for appointment as members of the MAC. Additionally, Santa Cruz County residents who have submitted an application directly to METRO shall be considered. Annually, the METRO Board Chair shall appoint an Ad Hoc Committee composed of four members of the Board and who shall meet as needed to review the list of Board nominees and other citizen applications and make appointment recommendations to the full Board. Appointments to the METRO Advisory Committee shall be made by the METRO Board of Directors.

b. Composition of Membership on MAC.

All members shall be residents of the County of Santa Cruz. When making its appointments, the Board shall strive to balance the membership to reflect the ethnic, gender, and geographic diversity of the County.

To the extent it is practical, representation on MAC will be regular riders of the system and will include representatives of the following consumer groups:

- i. At least one member from the Disability community.
- ii. At least one member from University of California, Santa Cruz, who is either a student or employee of the same.
- iii. At least one member who is a commuter using the Highway 17 service.
- iv. At least one member of the Disadvantaged Business Community.
- v. At least one member from Cabrillo College, who is either a student or an employee of the same.
- vi. At least one member who is a rider of Paratransit.

Attachment B

No member of the Board of Directors or elected public official shall be appointed to the Committee.

No employee of METRO or any agency that provides funding to, or contracts with, METRO shall be appointed to the Committee. However, individuals who are employed by the University of California, Santa Cruz in departments other than the Transportation and Parking Services (TAPS), or in the offices that directly supervise TAPS, shall be exempt from the financial/contracting prohibition for MAC members outlined in this section.

§3.2 Members' Terms

- a. The term of membership of each MAC member shall be four years, commencing with the date of appointment by the METRO Board of Directors and terminating on December 31st of the year in which the seat expires. Members may be considered by the Board Ad Hoc Committee for reappointment for additional terms, as approved by the METRO Board of Directors.
- b. Effective January 2018, seat term limits shall follow the following term schedule in order to ensure quorum in future election years as follows:

Seat 1: December 31, 2021

Seat 2: December 31, 2021

Seat 3: December 31, 2021

Seat 4: December 31, 2019

Seat 5: December 31, 2020

Seat 6: December 31, 2020

Seat 7: December 31, 2019

Thereafter, each seat's term will be four years from appointment or re-appointment.

- c. If a seat is vacated prior to the end of its designated term, the newly appointed MAC member shall fill the seat vacated through its designated termination date.

§3.3 Attendance at MAC meetings.

If a member accumulates no less than two consecutive absences from MAC Meetings, without a reasonable excuse, in any rolling twelve-month period, the position shall automatically be declared vacant. In the event of a known absence to an upcoming MAC Meeting, it is expected of the MAC Member(s) that they will contact the Santa Cruz Metropolitan Transit

Attachment B

District Front Office Administration Staff by telephone as soon as the absence is known, but no later than 12:00PM (noon) on the day of the meeting, and that failure to make said contact will constitute an unexcused absence unless circumstances restrict such contact. The Board of Directors shall then be notified of the vacancy so the Ad Hoc Committee can then meet and recommend to the METRO Board a successor to be appointed to fill the remainder of the vacated MAC member's term.

§3.4 Compensation of MAC members

No individual member of the MAC shall be entitled to compensation from METRO, with the exception that Members of the Committee shall receive one (1) system-wide day passes for each meeting that they attend. Any request for reimbursement for travel or other expenses shall not be considered unless approved in advance by the CEO/General Manager.

§3.5 Vacancies

When a vacancy is created or a MAC member's term expires, the METRO Board shall be solicited for nominations. The METRO Board nomination period shall be open for thirty (30) days following the notification to METRO Board Members of the vacancy(s). The METRO Board shall be notified of the open nomination period via email correspondence. Following the conclusion of the thirty-day nomination period, the Ad Hoc Committee shall convene and review current MAC applications on file and current Board Member nominations. The Ad Hoc Committee shall then make new appointee recommendation(s) to the full METRO Board for consideration and approval to fill the expired seat, or the remainder of the vacated MAC member's term.

Article IV OFFICERS

§4.1 Chair and Vice Chair

The MAC shall elect from its membership a Chair and a Vice Chair at the end of the agenda for the last meeting of the calendar year, to serve for a one-year term. In election years when MAC members' terms expire, the Chair and Vice Chair shall be elected at the first meeting after METRO Board appointments and/or reappointments of MAC members have been made, establishing a quorum.

The Chair shall preside at all meetings of the MAC and represent the MAC before the METRO Board of Directors. The Vice Chair shall perform the

Attachment B

duties of the Chair when the Chair is absent. In the event of a vacancy in the Chair's position, the Vice Chair shall succeed as Chair for the balance of the Chair's term and the MAC shall elect a successor to fill the vacancy in the Vice Chair's position. In the event of a vacancy in the Vice Chair's position, the MAC shall elect a successor from its membership to fill the Vice Chair's position for the remainder of the Vice Chair's term. If the Chair vacates the position prior to the end of his/her one-year appointment, the Vice Chair will be allowed to complete the vacated Chair's term and one full year following the end of the vacated Chair's term.

The Chair may be elected for up to two consecutive terms, and again multiple times during their appointment term(s) provided there is a minimum of a one-year break after having served two consecutive terms.

§4.2 Staff Support

The CEO/General Manager of METRO shall determine the proper staff support for MAC meetings, if any, and furnish administrative personnel to prepare and distribute the MAC's agendas, notices, minutes, correspondence and other materials. The METRO administrative personnel assigned to support the MAC shall maintain a record of all proceedings of the MAC as required by law and shall perform other support duties to the committee as assigned by the CEO/General Manager. The minutes of each meeting, when approved by the MAC shall be made available on the Santa Cruz METRO website on the MAC page. The METRO Board of Directors are encouraged to review these minutes after each MAC meeting.

Article V MEETINGS

§5.1 Regular Meetings

Regular meetings of the MAC shall be held not more than once each calendar quarter (e.g.: March, June, September & December), on the third Wednesday of the month that is selected for the meeting. Whenever a regular meeting falls on a holiday observed by METRO, the meeting shall be held on another day or canceled at the direction of the MAC. A rescheduled regular meeting shall be designated a regular meeting. With the approval of the CEO/General Manager, or at the direction of the METRO Board, the MAC may convene additional "Special" meetings during the calendar year to address time sensitive issues. e.g.: service changes, fare increases, Fiscal Year Budget review. All such "Special"

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meetings shall be posted in compliance with Article V, Section 5.3 and Article 6, Section 6.4 below.

At the MAC's last meeting of the calendar year it shall establish a calendar of its regular meetings for the following year. In election years when MAC members' terms expire, it shall establish at the MAC's last meeting of the calendar year the first meeting of the following year. The remaining meetings for that calendar year shall be established once METRO Board appointments and/or reappointments have been made, establishing a quorum. MAC's regular meeting schedule shall be posted on the METRO website once adopted by the MAC.

§5.2 Calling and Noticing of Meetings

All meetings shall be called, noticed and conducted in accordance with the applicable provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code). The CEO/General Manager and METRO Counsel shall be given notice of all meetings.

§5.3 Quorum; Vote

The presence of a majority of the appointed (4) members shall constitute a quorum for the transaction of business. However, when there are vacancies on the MAC the quorum shall be reduced to a majority of the number of Members appointed to the MAC with the provision that a quorum shall never be less than three (3) Members. All official acts of the MAC shall require the affirmative vote of the majority of members present, providing that a quorum is maintained at all times.

§5.4 Thirty Minute Rule

If a quorum has not been established within thirty minutes of the noticed starting time for the meeting, the Chair, or Vice Chair, shall declare the meeting cancelled.

§5.5 Matters Not Listed On the Agenda Requiring Committee Action

All items requiring MAC discussion and/or action are required to be posted on the Agenda and in compliance with Article V, Section 5.3 and Article 6, Section 6.4.

§5.6 Time Limits for Speakers

Each member of the public appearing at a MAC meeting shall be limited to three minutes in his or her presentation, unless the Chair, at his or her

Attachment B

discretion, permits further remarks to be made. Any person addressing the MAC may submit written statements, petitions or other documents to complement his or her presentation. Public presentations that have been scheduled prior to the meeting with the MAC Chair shall not be subject to the time limits contained in this section.

§5.7 Impertinence; Disturbance of Meeting

Any person making personal, impertinent or indecorous remarks while addressing the MAC may, at the Chair's discretion, have their testimony immediately terminated and may, at the Chair's discretion, be barred from further appearance before the MAC at that meeting, unless permission to continue is granted by an affirmative majority vote of the MAC. The Chair may order any person removed from the MAC meeting who causes a disturbance or interferes with the conduct of the meeting, and the Chair may direct the meeting room cleared when deemed necessary to maintain order.

§5.8 Access to Public Records Distributed at Meetings

Writings which are public records and which are distributed during a MAC meeting shall be made available for public inspection at the meeting if prepared by the METRO staff or a member of the MAC, or after the meeting if prepared by some other person. In all instances, every effort shall be made to provide all writings in an accessible format. Anyone having difficulties accessing specific documents should contact the METRO Administrative Office for assistance.

Except as provided above, all public records requests for MAC records shall be made to Santa Cruz METRO pursuant to Santa Cruz METRO's policies and procedures for the same.

Article VI AGENDAS AND MEETING NOTICES

§6.1 Agenda Format

The agenda shall specify the location, starting time and anticipated ending time of each meeting. Each matter to be considered by MAC shall contain a brief general description of each item of business to be transacted or discussed at the meeting. The description shall be reasonably calculated to adequately inform the public of the subject matter of each agenda item. The agenda may include recommendations for MAC action as appropriate.

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§6.2 Public Communications

Each agenda for a regular meeting shall provide an opportunity for members of the public to address the MAC on matters of interest to the public either before or during the MAC's consideration of the item, if it is listed on the agenda, or, if it is not listed on the agenda but is within the jurisdiction of the MAC, under the agenda item heading "Oral/Written Communications". The MAC shall not act upon an item that is not listed on the agenda. Each notice for a special meeting shall provide an opportunity for members of the public to directly address the MAC concerning any item that has been described in the notice for the meeting before or during consideration of that item.

§6.3 Agenda Preparation

The METRO administrative personnel assigned to the MAC shall prepare the agenda for each meeting. One week prior to the posting date of the MAC Agenda, the MAC Chair will work with the assigned METRO administrative personnel to create a draft MAC Agenda. Prior to finalizing the MAC Agenda, the MAC Chair, or Vice Chair, shall meet with the CEO/General Manager, either in person or by phone, to discuss the draft Agenda and to determine whether or not certain items should be included in the MAC Agenda. Since the CEO/General Manager is responsible for oversight of METRO personnel and budget, the CEO/General Manager will have the final approval on the contents of the MAC Agenda, as it relates to all items requiring METRO staff support and compliance with the MAC Bylaws.

§6.4 Agenda Posting and Delivery

The written agenda for each regular meeting and each meeting continued for more than five calendar days shall be posted by the METRO Staff at least 72 hours before the meeting is scheduled to begin. The written agenda for every special meeting shall be posted by the METRO Staff at least 24 hours before the special meeting is scheduled to begin. The agenda shall be posted in a location that is freely accessible to members of the public. The MAC agenda will also be posted to the METRO website (www.scmttd.com) under the Agency Information tab.

The agenda together with supporting documents shall be transmitted to each MAC member, the CEO/General Manager and the METRO Counsel at least three days before each regular meeting and at least 24 hours before each special meeting.

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Article VII MISCELLANEOUS

§7.1 Adoption and Amendment of Bylaws

These Bylaws shall be effective upon approval by the METRO Board of Directors and may be revised and amended only by the METRO Board of Directors. The MAC shall have no authority to amend these Bylaws without approval by the Board of Directors

§7.2 MAC Process

The intent of the MAC is to provide consensus based advice and recommendations regarding all matters that have been referred to it by the METRO Board of Directors. However, when such consensus cannot be reached, the Chair of MAC shall present a report that includes the majority consequences and provides a summary of the comments made by those who have not voted with the majority. If no majority consensus is reached, then the report shall so state the same.

Approved by Board of Directors:

September 26, 2003
Revised for 10/24/03
Revised for 12/19/03
Amended/Adopted 12/19/03
Amended/ Adopted 7/23/04
Amended/Adopted 6/23/06
Amended/Adopted 4/27/07
Amended/Adopted 5/25/07
Amended/Adopted 12/16/11
Revised 01/22/16 – Effective 01/01/16
Amended/Adopted 1/26/18

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DATE: November 15, 2019
TO: Board of Directors
FROM: Dawn Crummié, Human Resources Director
**SUBJECT: CONSIDERATION OF CHANGE IN DEPENDENT REQUIREMENTS
FOR DENTAL AND VISION INSURANCE POLICIES**

I. RECOMMENDED ACTION

That the Board of Directors authorize staff to change the dependent eligibility requirements for employee dental and vision insurance coverage

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) provides dental and vision care insurance to its employees, retirees, and their eligible dependents.
- The age limit for dependent eligibility is different for dental verses for vision care insurance, and staff would like to bring both of these in alignment with METRO's health insurance dependent eligibility requirements.
- There would be no increase in rates for either dental or vision care insurance to effect this change.
- METRO and unions agree that should there be an increase in cost at a later time, eligibility requirements could revert back to current age and proof of student requirements, at METRO's sole discretion.

III. DISCUSSION/BACKGROUND

In addition to the health insurance coverage METRO provides under the provisions of CalPERS, METRO also provides dental and vision care insurance to all its employees, retirees, and their eligible dependents. While the Affordable Care Act mandates that dependents can remain on their parents' health insurance plans until the age of 26, the same rule does not apply for dental or vision care coverage. Under METRO's current dental policy, dependents are eligible for coverage up to the age of 19, and full-time students up to the age of 25. Under METRO's vision care policy, dependents are eligible for coverage up to the age of 23.

The differences in dependent requirements for the various insurance policies creates some confusion for METRO's employees. In addition, the process of

verification of dependents' student status for dental coverage, and the associated COBRA notifications, is extremely time-consuming for Human Resources staff.

For these reasons, staff looked into the possibility of bringing the age limit for dental and vision care insurance in line with METRO's health insurance coverage, as well as removing any student requirements for dependents' dental coverage. Alliant Insurance Services, the broker for both the dental and vision care insurance policies, has informed staff that there would be no impact to current rates for either of these policies if METRO were to increase the dependent age limit to 26, and to remove any student requirements for the dental policy.

Human Resources has met with both the SEIU and SMART unions to discuss this change and have agreed that this change to the eligibility requirement is provided on a non-precedential basis and that upon any subsequent increase in cost to METRO to provide dental and vision coverage to dependents under the age of 26 and/or plan requirement for eligible dependents to have student status, in METRO's sole discretion and with 30 days' notice to the Unions, the agency may reinstate the eligibility requirements back to age 19, require proof of student status for dental, age 23 for vision and revert back to the original language of the applicable article/subsection of the MOU.

Staff is recommending that the current dental and vision care insurance policies be changed to increase the dependent age limit for both to 26, and to remove the full-time student requirement after the age of 19 in the case of dental coverage.

IV. FINANCIAL CONSIDERATIONS/IMPACT

These changes in dependent eligibility requirements will not impact the current rates for dental and vision care insurance. Should staff be informed that there will be an increase in rates due to these changes in a future insurance policy proposal for dental or vision care coverage, staff will reevaluate these changes and perhaps recommend reverting to the current dependent eligibility requirements.

V. ALTERNATIVES CONSIDERED

- If the dependent eligibility requirements are not changed as staff is recommending, confusion will remain concerning the differences among the various policies, and staff will continue to spend several hours a month verifying dependents' student status and issuing COBRA notifications. This alternative is not recommended.

VI. ATTACHMENTS

Attachment A: Authorizing Resolution

Prepared by: Joan Jeffries, Purchasing Assistant

VII. APPROVALS

Dawn Crummié, Human Resources
Director



Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



Attachment A



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

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

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING A CHANGE IN THE DEPENDENT REQUIREMENTS FOR DENTAL AND VISION INSURANCE COVERAGE FOR METRO EMPLOYEES AND RETIREES

WHEREAS, the Santa Cruz Metropolitan Transit District desires to change the dependent eligibility requirements in the benefits policies for dental and vision care insurance to increase the age limit to 26 regardless of student status.

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

THAT, the Human Resources Director and/or Purchasing staff are authorized to make the changes in the dependent eligibility requirements described above for employee dental and vision care insurance.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District this 15th day of November, 2019 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Ed Bottorff, Board Chair

Attachment A

Resolution No. _____
Page 2

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie A. Sherman, General Counsel



DATE: November 15, 2019
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
SUBJECT: CONSIDERATION OF APPROVING THE AUTHORIZATION AND FUNDING OF A PURCHASING MANAGER POSITION

I. RECOMMENDED ACTION

That the Board of Directors approve authorizing and funding a Purchasing Manager position and corresponding wage scale

II. SUMMARY

- In August of 2019, the Purchasing and Special Projects Director left our employment.
- The CEO has reorganized the reporting structure and placed the Purchasing Department has been placed under the Chief Financial Officer (CFO).
- After an evaluation of the Purchasing Department over the last few months, staff is requesting to replace the Purchasing and Special Projects Director position with a Purchasing Manager position to manage and coordinate the agency's purchasing and contracting needs as well as the parts, materials and handling area.
- Human Resources (HR) staff have worked with an outside agency to create a new Purchasing Manager position description and corresponding wage scale.
- Staff is recommending Board approval to adopt the new Purchasing Manager position description and wage scale.

III. DISCUSSION/BACKGROUND

In August of 2019, the Purchasing and Special Projects Director left our employment. At that time, the Chief Executive Officer (CEO) placed the reporting structure authority for the Purchasing Department with the CFO.

Over the past few months, the CFO has evaluated the Purchasing Department and all of its tasks. Going forward, staff is requesting to replace the Purchasing and Special Projects Director position with a Purchasing Manager position to manage and coordinate the agency's purchasing and contracting needs, as well as the parts, materials and handling area.

HR has worked with Koff & Associates, an outside agency, to create a new Purchasing Manager position description and corresponding wage scale. Upon approval, an open recruitment will be undertaken to fill the Purchasing Manager position.

Koff & Associates presented a Total Compensation Study which reflected the comparison agency salaries and benefits. The seven labor market comparable agencies were:

- Central Contra Costa County Transit Authority
- City of Santa Cruz
- County of Santa Cruz
- Monterey- Salinas Transit District
- Riverside Transit Agency
- San Joaquin Regional Transit District
- Santa Barbara Metropolitan Transit District

Staff is recommending Board approval to adopt the new Purchasing Manager position description and wage scale.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Funding for this position is in the FY20 & FY21 Purchasing Department Operating Budget.

V. ALTERNATIVES CONSIDERED

There are no viable alternatives to not having a Purchasing Manager.

VI. ATTACHMENTS

Attachment A: Purchasing Manager Position Description

Attachment B: Purchasing Manager Wage Scale

Prepared by: Angela Aitken, CFO
Dawn Crummié, HR Director

VII. APPROVALS

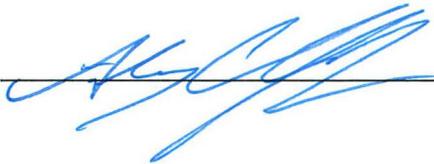
Dawn Crummié, HR Director



Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



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Attachment A

HUMAN RESOURCES DEPARTMENT

Santa Cruz METRO

Class Code: OA119
FLSA Status: Exempt

Purchasing Manager

Bargaining Unit: Management

DEFINITION:

Under general direction of the Chief Financial Officer (CFO), the Purchasing Manager plans, organizes, directs, develops, and coordinates the activities of the Purchasing department, including contracting and purchasing; ensures compliance with applicable Federal, State, and local laws and regulations; performs complex procurement activities; performs other duties as assigned.

DISTINGUISHING CHARACTERISTICS:

Receives general direction from the CFO. Exercises general supervision over supervisory, technical, and administrative support staff as assigned. This is a “working” manager classification. This position is distinguished from support staff as the incumbent serves as the department head for Purchasing.

EXAMPLES OF DUTIES AND RESPONSIBILITIES:

The duties listed below represent the various types of work that may be performed. The omission of specific statements of duties does not exclude them if the work is related or a logical assignment to this class.

- Manages the daily functions, operations, and activities of the Purchasing department; provides planning, support, training, and oversight of procurement process, contract management, vendor performance, and records retention for user departments.
- Provides for the selection, training, professional development, and work evaluation of department staff; authorizes discipline as required; and provides policy guidance and interpretation to staff.
- Develops and standardizes procurement policies, procedures, and methods to improve and continuously monitor the compliance, efficiency, and effectiveness of assigned programs, service delivery methods, and procedures; assesses and monitors workload, administrative and support systems, and internal reporting relationships; identifies opportunities for improvement and makes recommendations to the CFO.
- Directs, manages, coordinates, and administers the formal bid and procurement process, including development of invitation for Bids (IFBs), Request for Proposals (RFPs), Request for Quotations (RFQs), coordinating pre-bid meetings and bid openings, and contract negotiations.
- Ensures contract compliance with Federal, State and local requirements; evaluates all procurement activities for compliance with Santa Cruz METRO’s policies and procedures; may create and track Key Performance Indicators for the department.
- Reviews and approves contracts and purchase orders; maintains contact and negotiates with vendors; keeps informed of market conditions and new products; evaluates vendor performance.
- Oversees records retention and management, OSHA required documentation, and required notification distribution to employees.
- Assists in the Disadvantaged Business Enterprise (DBE) Program to help with compliance with various rules and regulations.
- Ensures the in-house procurement database and software are up-to-date.
- Confers with department representatives to determine purchasing needs, specifications, and areas of standardization.



Attachment A

HUMAN RESOURCES DEPARTMENT

Santa Cruz METRO

- Prepares technical and administrative reports, correspondence, written recommendations, and makes oral presentations to the Santa Cruz METRO Board of Directors, management, governmental officials, and other organizations or groups as needed.
- Performs other duties as assigned.

EMPLOYMENT STANDARDS:

Knowledge of:

- Principles and practices of public agency procurement, including conducting and administrating formal bid or proposal processes.
- Principles and practices of contract administration related to professional services, materials, supplies, equipment, transit revenue vehicles, and construction.
- Principles and practices of employee supervision, including work planning, assignment, review and evaluation, and the training of staff in work procedures.
- Principles and practices of negotiated and qualification-based procurements; joint agency procurements; RFP/solicitation document requirements; scope of work/technical specification preparation, and terms and conditions.
- Disadvantaged Business Enterprise (DBE) Program requirements.
- Federal, State, and local laws and regulations and District policies and procedures applicable to local government procurement.
- Common office software systems at the advanced level.

Ability to:

- Recommend and implement goals, objectives, and practices for providing effective and efficient services.
- Select and supervise staff, provide training and development opportunities, ensure work is performed effectively, and evaluate performance in an objective and positive manner.
- Oversee and/or conduct the procurement process including contract negotiations, qualification - based procurements, IFBs, RFPs, and RFQs.
- Plan, organize, and direct the functions of the Purchasing department.
- Prepare administrative and complex technical reports, formal correspondence, written recommendations, oral presentations, and use computers and software programs.
- Prepare departmental budgets and projections of expenditure for capital budgets and proposed contracts.
- Direct, organize, and evaluate departmental programs and the performance of staff.
- Interpret, apply, explain, and ensure compliance with applicable Federal, State, and local laws and regulations and District policies and procedures related to the procurement process.
- Effectively use computer systems, software applications, and modern business equipment to perform a variety of work tasks.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain effective working relationships with employees, union representatives, Board members, stakeholders, elected and appointed officials, vendors, contractors, consultants, media representatives, and members of the public.



Attachment A

HUMAN RESOURCES DEPARTMENT

Santa Cruz METRO

MINIMUM QUALIFICATIONS:

Any combination of experience and education that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

Education, Training and Experience:

Bachelor's degree from an accredited college in business, finance, public administration, mathematics, or a closely related field, as well as completion of the NTI/FTA Procurement Training series, or the ability to complete the series within 12 months of hire.

AND

Four (4) years professional experience in public or private sector procurement, including two (2) years supervisory experience, preferably in a public agency. Familiarity with transit agency or transportation system activities and functions is highly desirable. Experience in a large public organization is preferred.

LICENSES AND CERTIFICATES:

A valid Class C driver license and safe driving record is required at the time of application. A valid Class C State driver license is required at the time of appointment and must be maintained throughout employment.

Desired certifications include: Certified Public Procurement Officer (CPPO)

SPECIAL REQUIREMENTS:

- Must be able to work extended hours as needed, often outside regular business hours as required by the CFO and the demands of the job.
- Must maintain strictest confidentiality.
- Must participate in professional development activities.
- Requires occasional travel.

PHYSICAL AND MENTAL DEMANDS:

The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this class. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Physical Demands

While performing the duties of this job, the employee is regularly required to sit, walk and stand; talk and hear; use hands to finger, manipulate, handle, feel or operate objects, tools or controls; reach with hands and arms; and perform repetitive movements of hands or wrists. The employee is regularly required to bend and twist at the neck, reach with hands and arms. Occasional standing, walking, overhead reaching and lifting up to 20 pounds unaided is required. Specific visual abilities required for this job include close vision, distance vision, and the ability to adjust focus.

Mental Demands

While performing the duties of this job, an employee uses written and oral communication skills; reads and interprets data, information and documents; analyzes and solves problems; uses math and mathematical reasoning; performs highly detailed work; deals with multiple concurrent tasks; and interacts with others encountered in the course of work.



Attachment A

HUMAN RESOURCES DEPARTMENT

Santa Cruz METRO

Work Environment:

The employee may work in an office, shop, construction site, or bus yard environment where the noise level may be loud. May require availability to work a flexible schedule.

OTHER CONDITIONS OF EMPLOYMENT:

- Must pass requisite background check.

*Adopted: XXXXX

*BOD Approved: 00-00-00

*Revised: 00-00-00

*Job Family: Professional -Purchasing

Attachment B

MANAGEMENT HOURLY RATES SCHEDULE

Effective 06/14/18 (FY19)

Title	Step 1.L	Step 1.LL	Step 2.L	Step 2.LL	Step 3.L	Step 3.LL	Step 4.L	Step 4.LL	Step 5.L	Step 5.LL	Step 6.L	Step 6.LL
CEO/General Manager	104.81	110.05	115.29	115.55	121.05	121.33	127.11	121.32	127.39	133.46	133.75	140.44
Chief Operations Officer	68.61	72.04	75.47	72.04	75.64	79.42	83.20	79.42	83.39	87.36	87.56	91.94
Maintenance Manager	53.62	56.30	58.98	56.30	59.12	61.94	65.03	62.07	65.17	68.27	68.43	71.85
Chief Financial Officer (CFO)	68.61	72.04	75.47	72.04	75.64	79.42	83.20	79.42	83.39	87.36	87.56	91.94
Planning and Development Director	58.49	61.41	64.33	61.41	64.48	67.70	70.92	67.70	71.09	74.48	74.64	78.19
Human Resources Director	64.35	67.57	70.79	67.57	70.95	74.33	78.05	74.50	78.23	81.96	82.14	86.25
Information Technology and Intelligent Transportation Systems Director	64.35	67.57	70.79	67.57	70.95	74.33	78.05	74.50	78.23	81.96	82.14	86.25
Marketing, Communications and Customer Service Director	47.06	49.41	51.76	49.41	51.88	54.35	57.06	54.47	57.19	59.91	60.05	62.91
Purchasing and Special Projects Director	47.06	49.41	51.76	49.41	51.88	54.35	57.06	54.47	57.19	59.91	60.05	62.91
Senior Database Administrator	51.29	53.85	56.41	53.85	56.54	59.23	62.20	59.37	62.34	65.31	65.46	68.58
Finance Deputy Director	51.45	54.02	56.59	54.02	56.72	59.42	62.40	59.56	62.54	65.52	65.67	68.80
Human Resources Deputy Director	48.28	50.69	53.10	50.69	53.22	55.75	58.54	55.88	58.67	61.46	61.60	64.53
Operations Manager - Fixed Route Division	42.16	44.27	46.38	44.27	46.48	48.69	51.12	48.80	51.24	53.68	53.80	56.49
Operations Manager - Paratransit Division	42.16	44.27	46.38	44.27	46.48	48.69	51.12	48.80	51.24	53.68	53.80	56.49
Assistant Maintenance Manager	40.22	42.23	44.24	42.23	44.34	46.45	48.78	46.56	48.89	51.22	51.33	53.77
Facilities Maintenance Manager	45.58	47.86	50.14	47.86	50.25	52.64	55.27	52.76	55.40	58.04	58.17	60.94
Database Administrator	44.60	46.83	49.06	46.83	49.17	51.51	54.09	51.63	54.21	56.79	56.92	59.63
Safety, Security and Risk Management Director	50.50	53.03	55.56	53.03	55.68	58.33	61.24	58.46	61.38	64.30	64.45	67.52
Assistant Operations Manager	31.62	33.20	34.78	33.20	34.86	36.52	38.34	36.60	38.43	40.26	40.35	42.27
Project Manager	31.62	33.20	34.78	33.20	34.86	36.52	38.34	36.60	38.43	40.26	40.35	42.27
Purchasing Manager	40.22	42.23	44.24	42.23	44.34	46.45	48.78	46.56	48.89	51.22	51.33	53.77
Executive Assistant	30.77	32.31	33.85	32.31	33.93	35.55	37.33	35.62	37.40	39.18	39.28	41.15

L = 10 Years Longevity (5%); LL = 15 Years Longevity (5%+5%)

MANAGEMENT YEARLY SALARY SCHEDULE

Effective 06/14/18 (FY19)

Title	Step 1	Step 1 LL	Step 2	Step 2 L	Step 2 LL	Step 3	Step 3 L	Step 3 LL	Step 4	Step 4 L	Step 4 LL	Step 5	Step 5 L	Step 5 LL	Step 6	Step 6 L	Step 6 LL
CEO/General Manager	218,005	228,904	239,803	240,344	251,784	240,344	252,366	264,389	252,346	264,971	277,597	264,971	278,221	291,470	278,200	292,115	306,030
Chief Operations Officer	142,709	149,843	156,978	157,331	164,819	157,331	165,194	173,056	165,194	173,451	181,709	173,451	182,125	190,798	182,125	191,235	200,346
Maintenance Manager	111,530	117,104	122,678	117,104	128,835	122,949	129,106	135,262	129,106	135,554	142,002	135,554	142,334	149,115	142,334	149,448	156,562
Chief Financial Officer (CFO)	142,709	149,843	156,978	149,843	157,331	157,331	165,194	173,056	165,194	173,451	181,709	173,451	182,125	190,798	182,125	191,235	200,346
Planning and Development Director	121,659	127,733	133,806	127,733	134,118	134,118	140,504	147,514	140,816	147,867	154,918	147,867	155,251	162,635	155,251	163,010	170,768
Human Resources Director	133,848	140,546	147,243	140,546	147,576	147,576	154,606	162,344	154,960	162,344	170,477	162,718	170,851	178,984	170,851	179,400	187,949
Information Technology and Intelligent Transportation Systems Director	133,848	140,546	147,243	140,546	147,576	147,576	154,606	162,344	154,960	162,344	170,477	162,718	170,851	178,984	170,851	179,400	187,949
Marketing, Communications and Customer Service Director	97,885	102,773	107,661	102,773	107,910	107,910	113,048	118,685	113,298	118,955	124,613	118,955	124,904	130,853	124,904	131,144	137,384
Purchasing and Special Projects Director	97,885	102,773	107,661	102,773	107,910	107,910	113,048	118,685	113,298	118,955	124,613	118,955	124,904	130,853	124,904	131,144	137,384
Senior Database Administrator	106,683	112,008	117,333	112,008	117,603	117,603	123,198	129,376	123,490	129,667	135,845	129,667	136,157	142,646	136,157	142,958	149,760
Finance Deputy Director	107,016	112,362	117,707	112,362	117,978	117,978	123,594	129,792	123,885	130,083	136,282	130,083	136,594	143,104	136,594	143,416	150,238
Human Resources Deputy Director	100,422	105,435	110,448	105,435	110,698	110,698	116,230	121,763	116,230	122,034	127,837	122,034	128,128	134,222	128,128	134,534	140,941
Operations Manager - Fixed Route Division	87,693	92,082	96,470	92,082	96,678	96,678	101,275	106,330	101,504	106,579	111,654	106,579	111,904	117,229	111,904	117,499	123,094
Operations Manager - Paratransit Division	87,693	92,082	96,470	92,082	96,678	96,678	101,275	106,330	101,504	106,579	111,654	106,579	111,904	117,229	111,904	117,499	123,094
Assistant Maintenance Manager	83,658	87,838	92,019	87,838	92,227	92,227	96,616	101,462	96,845	101,691	106,538	101,691	106,766	111,842	106,766	112,112	117,458
Facilities Maintenance Manager	94,806	99,549	104,291	99,549	104,520	104,520	109,481	114,962	109,741	115,232	120,723	115,232	120,994	126,755	120,994	127,046	133,099
Database Administrator	92,768	97,406	102,045	97,406	102,274	102,274	107,390	112,507	107,390	112,757	118,123	112,757	118,394	124,030	118,394	124,322	130,250
Safety, Security and Risk Management Director	105,040	110,302	115,565	110,302	115,814	115,814	121,326	127,379	121,597	127,670	133,744	127,670	134,056	140,442	134,056	140,754	147,451
Assistant Operations Manager	65,770	69,056	72,342	69,056	72,509	72,509	75,962	79,747	76,128	79,934	83,741	79,934	83,928	87,922	83,928	88,130	92,331
Project Manager	65,770	69,056	72,342	69,056	72,509	72,509	75,962	79,747	76,128	79,934	83,741	79,934	83,928	87,922	83,928	88,130	92,331
Purchasing Manager	83,658	87,838	92,019	87,838	92,227	92,227	96,616	101,462	96,845	101,691	106,538	101,691	106,766	111,842	106,766	112,112	117,458
Executive Assistant	64,002	67,205	70,408	67,205	70,574	70,574	73,944	77,646	74,110	77,792	81,494	77,792	81,702	85,592	81,723	85,800	89,877

Attachment B

MANAGEMENT MONTHLY SALARY SCHEDULE

Effective 06/14/18 (FY19)

Title	Step 1	Step 1 LL	Step 2	Step 2 LL	Step 3	Step 3 L	Step 3 LL	Step 4	Step 4 LL	Step 5	Step 5 L	Step 5 LL	Step 6	Step 6 L	Step 6 LL
CEO/General Manager	18,167	19,075	19,984	20,029	20,982	21,031	22,032	21,029	22,081	22,081	23,185	24,289	23,183	24,343	25,503
Chief Operations Officer	11,892	12,487	13,082	12,487	13,111	13,766	14,421	13,766	14,454	14,454	15,177	15,900	15,177	15,936	16,696
Maintenance Manager	9,294	9,759	10,223	9,759	10,246	10,759	11,272	10,759	11,296	11,296	11,861	12,426	11,861	12,454	13,047
Chief Financial Officer (CFO)	11,892	12,487	13,082	12,487	13,111	13,766	14,421	13,766	14,454	14,454	15,177	15,900	15,177	15,936	16,696
Planning and Development Director	10,138	10,644	11,151	10,644	11,177	11,735	12,293	11,735	12,322	12,322	12,938	13,553	12,938	13,584	14,231
Human Resources Director	11,154	11,712	12,270	11,712	12,298	12,913	13,529	12,913	13,560	13,560	14,238	14,915	14,238	14,950	15,662
Information Technology and Intelligent Transportation Systems Director	11,154	11,712	12,270	11,712	12,298	12,913	13,529	12,913	13,560	13,560	14,238	14,915	14,238	14,950	15,662
Marketing, Communications and Customer Service Director	8,157	8,564	8,972	8,564	8,993	9,442	9,890	9,442	9,913	9,913	10,409	10,904	10,409	10,929	11,449
Purchasing and Special Projects Director	8,157	8,564	8,972	8,564	8,993	9,442	9,890	9,442	9,913	9,913	10,409	10,904	10,409	10,929	11,449
Senior Database Administrator	8,890	9,334	9,778	9,334	9,800	10,291	10,781	10,291	10,806	10,806	11,346	11,887	11,346	11,913	12,480
Finance Deputy Director	8,918	9,364	9,809	9,364	9,832	10,324	10,816	10,324	10,840	10,840	11,383	11,925	11,383	11,951	12,520
Human Resources Deputy Director	8,369	8,786	9,204	8,786	9,225	9,686	10,147	9,686	10,170	10,170	10,677	11,185	10,677	11,211	11,745
Operations Manager - Fixed Route Division	7,308	7,674	8,039	7,674	8,057	8,459	8,861	8,459	8,882	8,882	9,325	9,769	9,325	9,792	10,258
Operations Manager - Paratransit Division	7,308	7,674	8,039	7,674	8,057	8,459	8,861	8,459	8,882	8,882	9,325	9,769	9,325	9,792	10,258
Assistant Maintenance Manager	6,972	7,320	7,668	7,320	7,686	8,070	8,455	8,070	8,474	8,474	8,897	9,320	8,897	9,343	9,788
Facilities Maintenance Manager	7,901	8,296	8,691	8,296	8,710	9,145	9,580	9,145	9,603	9,603	10,083	10,563	10,083	10,587	11,092
Database Administrator	7,731	8,117	8,504	8,117	8,523	8,949	9,376	8,949	9,396	9,396	9,866	10,336	9,866	10,360	10,854
Safety, Security and Risk Management Director	8,753	9,192	9,630	9,192	9,651	10,133	10,615	10,133	10,639	10,639	11,145	11,704	11,145	11,730	12,288
Assistant Operations Manager	5,481	5,755	6,029	5,755	6,042	6,344	6,646	6,344	6,661	6,661	6,994	7,327	6,994	7,344	7,694
Project Manager	5,481	5,755	6,029	5,755	6,042	6,344	6,646	6,344	6,661	6,661	6,994	7,327	6,994	7,344	7,694
Purchasing Manager	6,972	7,320	7,668	7,320	7,686	8,070	8,455	8,070	8,474	8,474	8,897	9,320	8,897	9,343	9,788
Executive Assistant	5,334	5,600	5,867	5,600	5,881	6,176	6,471	6,176	6,483	6,483	6,809	7,133	6,809	7,150	7,490

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DATE: November 15, 2019
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
SUBJECT: CONSIDERATION OF APPROVING THE AUTHORIZATION AND FUNDING OF A PROJECT MANAGER POSITION

I. RECOMMENDED ACTION

That the Board of Directors approve authorizing and funding a Project Manager position and corresponding wage scale

II. SUMMARY

- Santa Cruz Metropolitan Transit District (METRO) has been awarded several grants for capital projects in the last few years from both the State of California and the Federal Transit Administration.
- Since there is no single Project Manager at METRO, the department heads have been designated as project managers and have been responsible for seeing projects through to completion.
- Due to the workload of our management team, staff is asking to create a Project Manager position to manage and coordinate with all departments on their operating and capital projects.
- On March 22, 2019, the Board of Directors (Board) approved a provisional Administrative Specialist to serve in the role of a Projects Coordinator until a job description and wage study could be completed for a possible permanent position.
- Staff is recommending Board approval to transition this provisional position into a management position of a Project Manager.

III. DISCUSSION/BACKGROUND

METRO has been very successful with grant awards for operating and capital projects. Operating grants have been awarded for staff time on projects and capital projects are typically revenue or non-revenue vehicles (transit buses, paratransit vehicles and support vehicles), facilities improvements, equipment, software and hardware upgrades. These projects have been historically assigned to the Manager of the corresponding department, who is then designated as the Project Manager for that project. Many of these grants have extensive administrative requirements such as regular reporting on budget, project milestones, formal procurement and closeout activities. Unfortunately, due to the lack of administrative staff in our individual departments, these duties often fall to Planning & Grants, Finance and/or Purchasing staff. Department managers also have

difficulties meeting project milestones and have come up against expiring spending deadlines, which has put our funding at risk for our projects.

In order to try to address these needs, the Purchasing and Special Projects Director created a temporary position and brought in a provisional employee to begin assessing which tasks could be handled by a central coordinator.

On March 22, 2019, the Board approved a provisional Administrative Specialist position in order to keep the incumbent temporary employee, allow time to evaluate the needs of the agency, develop a job description and perform a wage survey.

Since August 2018, this temporary position has assisted with closing out ten grant-related projects.

Human Resources staff have worked with Koff & Associates, an outside agency, to create a new Project Manager position description and corresponding wage scale. Upon approval, an open recruitment will be undertaken to fill the Project Manager position.

Koff & Associates presented a Total Compensation Study which reflected the comparison agency salaries and benefits. Three comparable agencies out of the seven established comparable agencies were found for this position. The seven established labor market comparable agencies were:

- Central Contra Costa County Transit Authority
- City of Santa Cruz
- County of Santa Cruz
- Monterey- Salinas Transit District
- Riverside Transit Agency
- San Joaquin Regional Transit District
- Santa Barbara Metropolitan Transit District

Going forward, staff has determined that METRO is in need of a Project Manager who can focus and perform all aspects of project management, such as initiating goals, planning resources and time, executing and monitoring changes, as well as controlling and closing out a project. The Project Manager would be essential in being the single point of contact for the following:

- Integration of multiple areas for seamless processes
- Co-creating the scope of the project
- Monitoring and planning the time, cost and quality of the project

- Liaison with procurement on all contract and purchasing items related to the project
- Able to manage the staffing, time and monetary resources dedicated to the project and communicate with all stakeholders within the project.

This position will provide the above items, as well as perform tasks on a case-by-case basis, which will directly move projects along, provide better oversight of expenditures, and ensure department managers stay on schedule in order to meet the required milestones of the project.

If approved, an open recruitment will be performed to fill the Project Manager position.

Staff recommends that the Board approve the Project Manager position.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Funding for this position is in the FY20 & FY21 Purchasing Department Operating Budget.

V. ALTERNATIVES CONSIDERED

- Continue using department managers as project managers. this is not recommended. Department managers do not have the time nor staff to be project managers of these projects and meet the deadlines and administrative requirements of the corresponding grants.
- Augment administrative staff in the Facilities and Fleet Departments. This is not recommended. Although the Facilities and Fleet Departments have the largest number of projects, almost all other departments will have capital and/or projects at some point throughout the next few years. It would be better to centralize this function under a Project Manager position.

VI. ATTACHMENTS

Attachment A: Project Manager Job Description

Attachment B: Project Manager Wage Scale

Prepared by: Angela Aitken, CFO
Dawn Crummié, HR Director

VII. APPROVALS

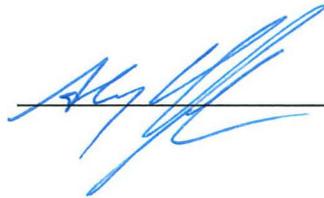
Dawn Crummié, HR Director



Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager





Attachment A

HUMAN RESOURCES DEPARTMENT

Santa Cruz METRO

Class Code: OA118
FLSA Status: Exempt

Project Manager

Bargaining Unit: Management

DEFINITION:

Under general direction of the Chief Financial Officer (CFO), the Project Manager plans, administers, organizes, directs, develops, monitors, evaluates, and coordinates the actions, activities, and contracts necessary for Santa Cruz METRO projects; ensures compliance with applicable Federal, State, and local laws and regulations; performs complex project management activities; works closely with internal and external stakeholders to coordinate timely and seamless service delivery of projects; performs other duties as assigned.

DISTINGUISHING CHARACTERISTICS:

Receives general direction from the CFO. Exercises general supervision over technical and administrative agency staff as assigned. This is a “working” manager classification. This classification is distinguished from support staff as the incumbent is responsible for project management, including establishing project goals, analyzing problems, and recommending policy.

EXAMPLES OF DUTIES AND RESPONSIBILITIES:

The duties listed below represent the various types of work that may be performed. The omission of specific statements of duties does not exclude them if the work is related or a logical assignment to this class.

- Directs, manages, and coordinates all phases of project management by leading the planning and implementation of projects, analyzing, implementing, and monitoring goals and objectives to achieve assigned priorities, performing project evaluations and assessments, and reporting out results.
- Provides planning, support, training, and oversight of project management process, contract management, vendor performance, and records retention for user departments.
- Facilitates and oversees the preparation of project specifications; works with subject matter experts and stakeholders to gather requirements and develop project tasks, deliverables, timelines, cost estimates, scope of work, resource allocation, and acquisition.
- Negotiates, prepares, and makes recommendations regarding change orders; implements project changes to achieve project goals and outputs.
- Creates and reviews Santa Cruz METRO project management policies and procedures to ensure changes are made in compliance with Federal, State, and local laws and regulations.
- Evaluates all project management activities for compliance with Federal, State, and local requirements and with Santa Cruz METRO’s policies and procedures; creates and tracks project management Key Performance Indicators.
- Assists in the Disadvantaged Business Enterprise (DBE) Program to help with compliance with project management rules and regulations.
- Serves as project manager on special projects that involve personnel from multiple departments within Santa Cruz METRO, as well as outside consultants and contractors; coordinates assigned work with that of other Santa Cruz METRO departments to set priorities and allocate resources and staff.



Attachment A

HUMAN RESOURCES DEPARTMENT

Santa Cruz METRO

- Creates, maintains, and executes a comprehensive Project Management Plan for each special project, relative to size and scope, including, but not limited to overall project objectives, schedule, roles and responsibilities, budget control, document control, and closeout procedures.
- Develops contract documents to secure design and engineering services for construction projects and obtain Right of Way acquisition and relocation services.
- Oversees the relocation of existing occupants of property necessary to be acquired for implementation of a project.
- Develops progress reports and reporting procedures that are routine within the construction industry and are meaningful measures of performance of the contractors carrying out the project; reports on project progress to all stakeholders.
- Participates in the evaluation of bids and recommends contract awards for actions necessary to implement the project.
- Prepares technical and administrative reports, correspondence, written recommendations, and makes oral presentations to the Santa Cruz METRO Board of Directors, management, governmental officials, and other organizations or groups as needed.
- Ensures that the project management database and software are up-to-date.
- Manages, trains, supervises, motivates, and evaluates the work of technical and clerical staff as assigned.
- Performs other duties as assigned.

EMPLOYMENT STANDARDS:

Knowledge of:

- Principles and practices of public agency project management.
- Principles and practices of project management related to professional services, materials, supplies, equipment, transit revenue vehicles, and construction.
- Principles and practices of negotiated and qualification-based project management; joint agency project management; RFP/solicitation document requirements; scope of work/technical specification preparation, and terms and conditions.
- Disadvantaged Business Enterprise (DBE) Program requirements.
- Federal, State, and local laws and regulations and District policies and procedures applicable to local government project management.
- Thorough knowledge of regulations regarding development and construction of facilities.
- Working knowledge of the zoning and building codes of the City of Santa Cruz.
- Knowledge of construction management practices.
- Excellent project management, public relations, and written and oral communication skills.
- Common office software systems at the advanced level.

Ability to:

- Recommend and implement goals, objectives, and practices for providing effective and efficient services.
- Oversee and/or conduct project management processes.
- Plan, organize and direct the functions of project management staff as assigned.
- Prepare administrative and complex technical reports, formal correspondence, written recommendations, oral presentations, and use computers and software programs.



Attachment A

HUMAN RESOURCES DEPARTMENT

Santa Cruz METRO

- Prepare project management budgets and projections of expenditure for capital budgets and proposed contracts by project, which must comply with local, state and federal requirements to maintain funding eligibility
- Direct, organize, and evaluate projects and the performance of assigned staff.
- Interpret, apply, explain, and ensure compliance with applicable Federal, State, and local laws and regulations and District policies and procedures related to the project management process.
- Effectively use computer systems, software applications, and modern business equipment to perform a variety of work tasks.
- Communicate clearly and concisely, both orally and in writing.
- Establish and maintain effective working relationships with employees, union representatives, Board members, neighbors, property owners, stakeholders, elected and appointed officials, vendors, contractors, consultants, media representatives, other public agencies and members of the public.
- Prepare a process for managing change orders that is designed to minimize conflicts and maximize project schedule adherence while preserving amicable working relationships between all of the parties

MINIMUM QUALIFICATIONS:

Any combination of experience and education that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

Education, Training and Experience:

Bachelor's degree from an accredited college in business, finance, public administration, mathematics, or a closely related field, as well as completion of the Project Management Professional (PMP) Certification, or the ability to complete the series within 3 years of hire.

AND

Four (4) years professional experience in public or private sector general project management, managing contracts, schedules and funding in a public or private setting, including two (2) years supervisory experience, preferably in a public agency.

LICENSES AND CERTIFICATES:

A valid Class C driver license and safe driving record is required at the time of application. A valid Class C State driver license is required at the time of appointment and must be maintained throughout employment.

Desired certifications include Project Management Professional (PMP) Certification

SPECIAL REQUIREMENTS:

- Must be able to work extended hours as needed, often outside regular business hours as required by the CEO and the demands of the job.
- Must maintain strictest confidentiality.
- Must participate in professional development activities.
- Requires occasional travel.



Attachment A
HUMAN RESOURCES DEPARTMENT
Santa Cruz METRO

PHYSICAL AND MENTAL DEMANDS:

The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this class. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Physical Demands

While performing the duties of this job, the employee is regularly required to sit, walk and stand; talk and hear; use hands to finger, manipulate, handle, feel or operate objects, tools or controls; reach with hands and arms; and perform repetitive movements of hands or wrists. The employee is regularly required to bend and twist at the neck, reach with hands and arms. Occasional standing, walking, overhead reaching and lifting up to 20 pounds unaided is required. Specific visual abilities required for this job include close vision, distance vision, and the ability to adjust focus.

Mental Demands

While performing the duties of this job, an employee uses written and oral communication skills; reads and interprets data, information and documents; analyzes and solves problems; uses math and mathematical reasoning; performs highly detailed work; deals with multiple concurrent tasks; and interacts with others encountered in the course of work.

Work Environment:

The employee may work in an office, shop, construction site, or bus yard environment where the noise level may be loud. May require availability to work a flexible schedule.

OTHER CONDITIONS OF EMPLOYMENT:

- Must pass requisite background check.

*Adopted: 00-00-00
 *BOD Approved: 00-00-00
 *Revised: 00-00-00
 *Job Family: Professional –Project Management

Attachment B

MANAGEMENT HOURLY RATES SCHEDULE

Effective 06/14/18 (FY19)

Title	Step 1.L	Step 1.LL	Step 2.L	Step 2.LL	Step 3.L	Step 3.LL	Step 4.L	Step 4.LL	Step 5.L	Step 5.LL	Step 6.L	Step 6.LL
CEO/General Manager	104.81	110.05	115.29	115.55	121.05	121.33	127.11	121.32	127.39	133.46	133.75	140.44
Chief Operations Officer	68.61	72.04	75.47	72.04	75.64	79.42	83.20	79.42	83.39	87.36	87.56	91.94
Maintenance Manager	53.62	56.30	58.98	56.30	59.12	61.94	65.03	62.07	65.17	68.27	68.43	71.89
Chief Financial Officer (CFO)	68.61	72.04	75.47	72.04	75.64	79.42	83.20	79.42	83.39	87.36	87.56	91.94
Planning and Development Director	58.49	61.41	64.33	61.41	64.48	67.70	70.92	67.70	71.09	74.48	74.64	78.19
Human Resources Director	64.35	67.57	70.79	67.57	70.95	74.33	78.05	74.50	78.23	81.96	82.14	86.25
Information Technology and Intelligent Transportation Systems Director	64.35	67.57	70.79	67.57	70.95	74.33	78.05	74.50	78.23	81.96	82.14	86.25
Marketing, Communications and Customer Service Director	47.06	49.41	51.76	49.41	51.88	54.35	57.06	54.47	57.19	59.91	60.05	62.91
Purchasing and Special Projects Director	47.06	49.41	51.76	49.41	51.88	54.35	57.06	54.47	57.19	59.91	60.05	62.91
Senior Database Administrator	51.29	53.85	56.41	53.85	56.54	59.23	62.20	59.37	62.34	65.31	65.46	68.58
Finance Deputy Director	51.45	54.02	56.59	54.02	56.72	59.42	62.40	59.56	62.54	65.52	65.67	68.80
Human Resources Deputy Director	48.28	50.69	53.10	50.69	53.22	55.75	58.54	55.88	58.67	61.46	61.60	64.53
Operations Manager - Fixed Route Division	42.16	44.27	46.38	44.27	46.48	48.69	51.12	48.80	51.24	53.68	53.80	56.49
Operations Manager - Paratransit Division	42.16	44.27	46.38	44.27	46.48	48.69	51.12	48.80	51.24	53.68	53.80	56.49
Assistant Maintenance Manager	40.22	42.23	44.24	42.23	44.34	46.45	48.78	46.56	48.89	51.22	51.33	53.77
Facilities Maintenance Manager	45.58	47.86	50.14	47.86	50.25	52.64	55.27	52.76	55.40	58.04	58.17	60.94
Database Administrator	44.60	46.83	49.06	46.83	49.17	51.51	54.09	51.63	54.21	56.79	56.92	59.63
Safety, Security and Risk Management Director	50.50	53.03	55.56	53.03	55.68	58.33	61.24	58.46	61.38	64.30	64.45	67.52
Assistant Operations Manager	31.62	33.20	34.78	33.20	34.86	36.52	38.34	36.60	38.43	40.26	40.35	42.27
Project Manager	31.62	33.20	34.78	33.20	34.86	36.52	38.34	36.60	38.43	40.26	40.35	42.27
Purchasing Manager	40.22	42.23	44.24	42.23	44.34	46.45	48.78	46.56	48.89	51.22	51.33	53.77
Executive Assistant	30.77	32.31	33.85	32.31	33.93	35.55	37.33	35.62	37.40	39.18	39.28	41.15

L = 10 Years Longevity (5%); LL = 15 Years Longevity (5%+5%)

MANAGEMENT YEARLY SALARY SCHEDULE

Effective 06/14/18 (FY19)

Title	Step 1	Step 1 LL	Step 2	Step 2 L	Step 2 LL	Step 3	Step 3 L	Step 3 LL	Step 4	Step 4 L	Step 4 LL	Step 5	Step 5 L	Step 5 LL	Step 6	Step 6 L	Step 6 LL
CEO/General Manager	218,005	228,904	239,803	240,344	251,784	240,344	252,366	264,389	252,346	264,971	277,597	264,971	278,221	291,470	278,200	292,115	306,030
Chief Operations Officer	142,709	149,843	156,978	157,331	164,819	157,331	165,194	173,056	165,194	173,451	181,709	173,451	182,125	190,798	182,125	191,235	200,346
Maintenance Manager	111,530	117,104	122,678	117,104	122,970	122,949	129,106	135,262	129,106	135,554	142,002	135,554	142,334	149,115	142,334	149,448	156,562
Chief Financial Officer (CFO)	142,709	149,843	156,978	149,843	157,331	157,331	165,194	173,056	165,194	173,451	181,709	173,451	182,125	190,798	182,125	191,235	200,346
Planning and Development Director	121,659	127,733	133,806	127,733	134,118	134,118	140,504	147,514	140,816	147,867	154,918	147,867	155,251	162,635	155,251	163,010	170,768
Human Resources Director	133,848	140,546	147,243	140,546	147,576	147,576	154,606	162,344	154,960	162,718	170,477	162,718	170,851	178,984	170,851	179,400	187,949
Information Technology and Intelligent Transportation Systems Director	133,848	140,546	147,243	140,546	147,576	147,576	154,606	162,344	154,960	162,718	170,477	162,718	170,851	178,984	170,851	179,400	187,949
Marketing, Communications and Customer Service Director	97,885	102,773	107,661	102,773	107,910	107,910	113,048	118,685	113,298	118,955	124,613	118,955	124,904	130,853	124,904	131,144	137,384
Purchasing and Special Projects Director	97,885	102,773	107,661	102,773	107,910	107,910	113,048	118,685	113,298	118,955	124,613	118,955	124,904	130,853	124,904	131,144	137,384
Senior Database Administrator	106,683	112,008	117,333	112,008	117,603	117,603	123,198	129,376	123,490	129,667	135,845	129,667	136,157	142,646	136,157	142,958	149,760
Finance Deputy Director	107,016	112,362	117,707	112,362	117,978	117,978	123,594	129,792	123,885	130,083	136,282	130,083	136,594	143,104	136,594	143,416	150,238
Human Resources Deputy Director	100,422	105,435	110,448	105,435	110,698	110,698	116,230	121,763	116,230	122,034	127,837	122,034	128,128	134,222	128,128	134,534	140,941
Operations Manager - Fixed Route Division	87,693	92,082	96,470	92,082	96,678	96,678	101,275	106,330	101,504	106,579	111,654	106,579	111,904	117,229	111,904	117,499	123,094
Operations Manager - Paratransit Division	87,693	92,082	96,470	92,082	96,678	96,678	101,275	106,330	101,504	106,579	111,654	106,579	111,904	117,229	111,904	117,499	123,094
Assistant Maintenance Manager	83,658	87,838	92,019	87,838	92,227	92,227	96,616	101,462	96,845	101,691	106,538	101,691	106,766	111,842	106,766	112,112	117,458
Facilities Maintenance Manager	94,806	99,549	104,291	99,549	104,520	104,520	109,481	114,962	109,741	115,232	120,723	115,232	120,994	126,755	120,994	127,046	133,099
Database Administrator	92,768	97,406	102,045	97,406	102,274	102,274	107,141	112,507	107,390	112,757	118,123	112,757	118,394	124,030	118,394	124,322	130,250
Safety, Security and Risk Management Director	105,040	110,302	115,565	110,302	115,814	115,814	121,326	127,379	121,597	127,670	133,744	127,670	134,056	140,442	134,056	140,754	147,451
Assistant Operations Manager	65,770	69,056	72,342	69,056	72,509	72,509	75,962	79,747	76,128	79,934	83,741	79,934	83,928	87,922	83,928	88,130	92,331
Project Manager	65,770	69,056	72,342	69,056	72,509	72,509	75,962	79,747	76,128	79,934	83,741	79,934	83,928	87,922	83,928	88,130	92,331
Purchasing Manager	83,658	87,838	92,019	87,838	92,227	92,227	96,616	101,462	96,845	101,691	106,538	101,691	106,766	111,842	106,766	112,112	117,458
Executive Assistant	64,002	67,205	70,408	67,205	70,574	70,574	73,944	77,646	74,110	77,792	81,494	77,792	81,702	85,592	81,723	85,800	89,877

Attachment B

MANAGEMENT MONTHLY SALARY SCHEDULE

Effective 06/14/18 (FY19)

Title	Step 1	Step 1 LL	Step 2	Step 2 LL	Step 3	Step 3 L	Step 3 LL	Step 4	Step 4 LL	Step 5	Step 5 L	Step 5 LL	Step 6	Step 6 L	Step 6 LL
CEO/General Manager	18,167	19,075	19,984	20,029	20,982	21,031	22,032	21,029	22,081	22,081	23,185	24,289	23,183	24,343	25,503
Chief Operations Officer	11,892	12,487	13,082	12,487	13,111	13,766	14,421	13,766	14,454	14,454	15,177	15,900	15,177	15,936	16,696
Maintenance Manager	9,294	9,759	10,223	9,759	10,246	10,759	11,272	10,759	11,296	11,296	11,861	12,426	11,861	12,454	13,047
Chief Financial Officer (CFO)	11,892	12,487	13,082	12,487	13,111	13,766	14,421	13,766	14,454	14,454	15,177	15,900	15,177	15,936	16,696
Planning and Development Director	10,138	10,644	11,151	10,644	11,177	11,709	12,293	11,735	12,322	12,322	12,938	13,563	12,938	13,584	14,231
Human Resources Director	11,154	11,712	12,270	11,712	12,298	12,884	13,529	12,913	13,560	13,560	14,238	14,915	14,238	14,950	15,662
Information Technology and Intelligent Transportation Systems Director	11,154	11,712	12,270	11,712	12,298	12,884	13,529	12,913	13,560	13,560	14,238	14,915	14,238	14,950	15,662
Marketing, Communications and Customer Service Director	8,157	8,564	8,972	8,564	8,993	9,421	9,890	9,442	9,913	9,913	10,409	10,904	10,409	10,929	11,449
Purchasing and Special Projects Director	8,157	8,564	8,972	8,564	8,993	9,421	9,890	9,442	9,913	9,913	10,409	10,904	10,409	10,929	11,449
Senior Database Administrator	8,890	9,334	9,778	9,334	9,800	10,267	10,781	10,291	10,806	10,806	11,346	11,887	11,346	11,913	12,480
Finance Deputy Director	8,918	9,364	9,809	9,364	9,832	10,324	10,816	10,324	10,840	10,840	11,383	11,925	11,383	11,951	12,520
Human Resources Deputy Director	8,369	8,786	9,204	8,786	9,225	9,686	10,147	9,686	10,170	10,170	10,677	11,185	10,677	11,211	11,745
Operations Manager - Fixed Route Division	7,308	7,674	8,039	7,674	8,057	8,440	8,861	8,459	8,882	8,882	9,325	9,769	9,325	9,792	10,258
Operations Manager - Paratransit Division	7,308	7,674	8,039	7,674	8,057	8,440	8,861	8,459	8,882	8,882	9,325	9,769	9,325	9,792	10,258
Assistant Maintenance Manager	6,972	7,320	7,668	7,320	7,686	8,051	8,455	8,070	8,474	8,474	8,897	9,320	8,897	9,343	9,788
Facilities Maintenance Manager	7,901	8,296	8,691	8,296	8,710	9,145	9,580	9,145	9,603	9,603	10,083	10,563	10,083	10,587	11,092
Database Administrator	7,731	8,117	8,504	8,117	8,523	8,949	9,376	8,949	9,396	9,396	9,866	10,336	9,866	10,360	10,854
Safety, Security and Risk Management Director	8,753	9,192	9,630	9,192	9,651	10,133	10,615	10,133	10,639	10,639	11,145	11,704	11,145	11,730	12,288
Assistant Operations Manager	5,481	5,755	6,029	5,755	6,042	6,344	6,646	6,344	6,661	6,661	6,994	7,327	6,994	7,344	7,694
Project Manager	5,481	5,755	6,029	5,755	6,042	6,344	6,646	6,344	6,661	6,661	6,994	7,327	6,994	7,344	7,694
Purchasing Manager	6,972	7,320	7,668	7,320	7,686	8,051	8,455	8,070	8,474	8,474	8,897	9,320	8,897	9,343	9,788
Executive Assistant	5,334	5,600	5,867	5,600	5,881	6,176	6,471	6,174	6,483	6,483	6,809	7,133	6,810	7,150	7,490

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THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

MARIO ESPINOZA

BUS OPERATOR

FOR THE COMPLETION OF **35** YEARS OF SERVICE
BETWEEN 1984 AND 2019

GIVEN THIS 25TH DAY OF OCTOBER 2019

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

MARTIN GILBERT
BUS OPERATOR

FOR THE COMPLETION OF **20 YEARS OF SERVICE**
BETWEEN 1999 AND 2019

GIVEN THIS 15TH DAY OF NOVEMBER 2019

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

MARC KROVETZ
BUS OPERATOR

FOR THE COMPLETION OF **20 YEARS OF SERVICE**
BETWEEN 1999 AND 2019

GIVEN THIS 15TH DAY OF NOVEMBER 2019

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

GILBERTO LIMAS
BUS OPERATOR

FOR THE COMPLETION OF **35** YEARS OF SERVICE
BETWEEN 1984 AND 2019

GIVEN THIS 15TH DAY OF NOVEMBER 2019

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

URIEL MENDOZA
BUS OPERATOR

FOR THE COMPLETION OF **20 YEARS OF SERVICE**
BETWEEN 1999 AND 2019

GIVEN THIS 15TH DAY OF NOVEMBER 2019

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

MARK SAUNDERS
BUS OPERATOR

FOR THE COMPLETION OF **20 YEARS OF SERVICE**
BETWEEN 1999 AND 2019

GIVEN THIS 15TH DAY OF NOVEMBER 2019

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER



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

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

RESOLUTION OF APPRECIATION FOR THE SERVICES OF KAREN BLIGHT AS ADMINISTRATIVE ASSISTANT FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

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

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed Karen Blight to serve in the position of Administrative Assistant, and

WHEREAS, served as a member of the Customer Service Department of METRO for the time period of July 30, 2008 to November 15, 2019, and

WHEREAS, Karen Blight provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Karen Blight served METRO with distinction, and

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

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

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

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

BE IT FURTHER RESOLVED, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 15th Day of November 2019 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Ed Bottorff, Chair

Attest:
Alex Clifford, CEO/General Manager

Approved as to form:
Julie Sherman, General Counsel

VERBAL PRESENTATION ONLY

CEO UPDATE

Alex Clifford

Attachment A



**AMERICAN
PUBLIC
TRANSPORTATION
ASSOCIATION**

October 23, 2019

EXECUTIVE COMMITTEE

CHAIR

Nuria I. Fernandez

VICE CHAIR

Jeffrey A. Nelson

SECRETARY-TREASURER

Freddie C. Fuller II

IMMEDIATE PAST CHAIR

David M. Stackrow, Sr.

Doug Allen

Dorval R. Carter, Jr.

Francis "Buddy" Coleman

David A. Genova

Michael Goldman

Huelon A. Harrison

Carol Herrera

Kevin J. Holzendorf

Karen H. King

Michele Wong Krause

Jeanne Krieg

Thomas C. Lambert

Adelee Marie Le Grand

Richard J. Leary

Henry Li

Raymond J. Melleady

Brad Miller

Allan Pollock

Leanne P. Redden

William T. Thomsen

Thomas Waldron

Mr. Alexander Clifford
Santa Cruz Metropolitan Transit District
CEO/General Manager
110 Vernon Street
Santa Cruz, CA 95060

Dear Alex:

As APTA Chair, it is my distinct pleasure to appoint you as a member of the APTA Finance Committee for a one (1) year term.

This is a pivotal time for our association, and we have much to achieve in the year ahead. We have an exciting, high priority agenda that includes surface transportation authorization and advancing mobility and workforce initiatives as part of the implementation to the new ATPA Strategic Plan.

To anticipate our members' needs and deliver relevant, innovative solutions that will continue to evolve, we will need to be bold as we continue to strengthen and unify our organization.

I selected you because I know you have the leadership abilities to help APTA achieve results through your direct engagement and constructive feedback. This kind of open engagement through the Finance Committee will be instrumental as APTA positively manages through today's challenging environment.

I look forward to working with you and celebrating our achievements to come.

Sincerely,

Nuria I. Fernandez
Chair

PRESIDENT AND CEO

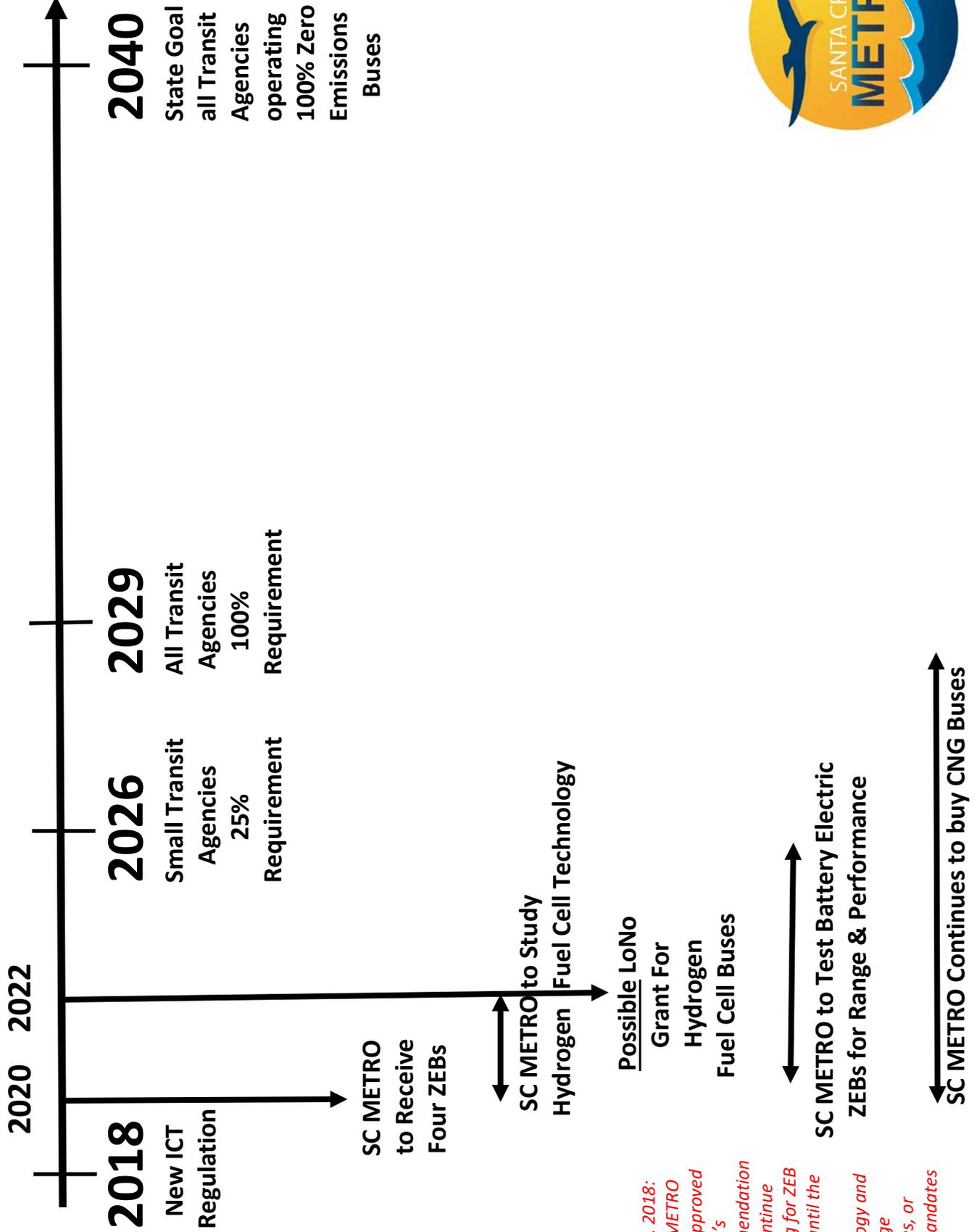
Paul P. Skoutelas

1300 I Street NW
Suite 1200 East
Washington, DC 20005
p: (202) 496-4800
f: (202) 496-4324

APTA.COM

12A.1

SC METRO's Preliminary Outlook for Zero Emission Bus Purchases



*April 27, 2018:
The SC METRO Board approved the CEO's recommendation to discontinue applying for ZEB grants until the battery technology and bus range improves, or CARB mandates begin.*

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DATE: November 15, 2019
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: CONSIDERATION OF AUTHORIZING THE TEMPORARY APPOINTMENT OF BARROW EMERSON AS "SPECIAL PLANNING AND DEVELOPMENT DIRECTOR"

I. RECOMMENDED ACTION

That the Board of Directors authorize the temporary appointment of Barrow Emerson as "Special Planning and Development Director"

II. SUMMARY

As required by the California Public Employees' Retirement System, Board findings are required before Barrow Emerson, soon to retire from the Santa Cruz Metropolitan Transit District (METRO), can be appointed to the position of Special Planning and Development Director in order to provide METRO with essential services.

III. DISCUSSION/BACKGROUND

Although Barrow Emerson will soon retire from METRO, his services will continue to be essential in order to assist with planning and scheduling of route and service development, oversight of grant research, preparation, and administration for capital and operations funding, and government affairs, among other matters.

The California Government Code allows the temporary employment of a PERS-covered retiree only under specified conditions, and only if the person works no more than 960 hours per fiscal year. The attached resolution includes findings that the Board must adopt in order to appoint Barrow Emerson in this position for no longer than six months in compliance with all legal requirements.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The expenses associated with this contract will be paid for from the Planning Department Personnel expenses.

V. ALTERNATIVES CONSIDERED

Do not authorize appointment of Barrow Emerson. This alternative is not recommended, as METRO will greatly benefit from Barrow Emerson's specialized skills, knowledge of, and experience with the planning and development needs of METRO.

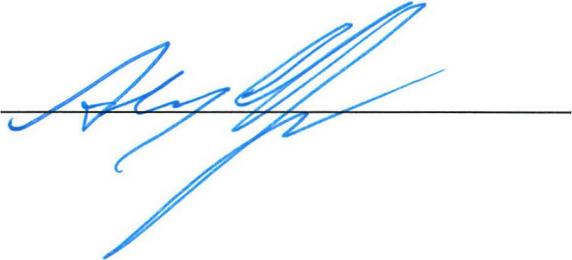
Prepared by: Julie Sherman, General Counsel

VI. APPROVALS

Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



Attachment A



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

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

A RESOLUTION AUTHORIZING THE TEMPORARY APPOINTMENT OF BARROW EMERSON AS “SPECIAL PLANNING AND DEVELOPMENT DIRECTOR”

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

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

WHEREAS, the Board of Directors of the Santa Cruz Metropolitan Transit District may contract for or employ any professional service required by the District or for the performance of work or services that cannot satisfactorily or economically be performed by the regular employees of the district; and

WHEREAS, the Chief Executive Officer/General Manager ("CEO/General Manager") wishes to temporarily appoint Barrow Emerson (the "Appointee") as an extra help retired annuitant to perform the duties of the position of Planning and Development Director; and

WHEREAS, the Appointee will be a retired annuitant entitled to receive retirement benefit payments under the California Public Employees’ Retirement System (“PERS”), which benefits he accrued based on service with the Santa Cruz Metropolitan Transit District, and/or one or more additional PERS-covered agencies; and

WHEREAS, the Board of Directors of the Santa Cruz Metropolitan Transit District has determined that the Appointee has the skills needed in performing the duties of the position of Planning and Development Director for a limited term of no more than six months and intends that his appointment to that position for such term meet all applicable requirements of sections 7522.56 and 21224 of the Government Code; and

WHEREAS, in compliance with Government Code section 7522.56, the Santa Cruz Metropolitan Transit District must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since his retirement date; and

WHEREAS, Barrow Emerson [CalPERS ID# ██████████] will retire from the Santa Cruz Metropolitan Transit District in the position of Planning and Development Director, effective December 13, 2019; and

Attachment A

Resolution #
Page 2 of 3

WHEREAS, Government Code section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is June 14, 2020 without this certification resolution; and

WHEREAS, Government Code section 7522.56 provides that this exception to the 180 day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the Board of Directors of the Santa Cruz Metropolitan Transit District, the Santa Cruz Metropolitan Transit District, and Barrow Emerson certify that Barrow Emerson has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, the Board of Directors of the Santa Cruz Metropolitan Transit District hereby appoints Barrow Emerson as an extra help retired annuitant to perform the duties of the Planning and Development Director for the Santa Cruz Metropolitan Transit District under Government Code section 21224, effective January 20, 2020; and

WHEREAS, the entire employment agreement, contract or appointment document between Barrow Emerson and the Santa Cruz Metropolitan Transit District has been reviewed by this body and is attached herein; and

WHEREAS, no matters, issues, terms or conditions related to this employment and appointment have been or will be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum hourly rate for this position is \$82.10 and the minimum hourly rate for this position is \$58.49; and

WHEREAS, the hourly rate paid to Barrow Emerson will be between \$58.49 and \$82.10, to be determined by the CEO/General Manager as authorized by the Board of Directors of the Santa Cruz Metropolitan Transit District; and

WHEREAS, Barrow Emerson has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to her hourly pay rate.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, that subject to the District's customary employment practices and the specific terms and conditions of any offer of employment by the District to Barrow Emerson in connection therewith, the Board of Directors hereby certifies the nature of the appointment of Barrow Emerson as described herein, and that this appointment is necessary to fill the critically needed position of "Special Planning and Development Director" to perform the duties of the position of Planning and Development Director for the Santa Cruz Metropolitan Transit District by January 20, 2020, because Barrow Emerson possesses extensive, highly specialized skills and experience needed to attend to essential planning and development duties, and approves the appointment of Barrow Emerson to the position of "Special Planning and Development Director" for up to a six-month term, effective upon appropriate action by the CEO/General Manager.

Attachment A

FURTHER RESOLVED, that the CEO/General Manager is hereby authorized and directed to execute all documents and take all other actions necessary or advisable to effect the purposes of this resolution.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on November 15, 2019, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSTAIN: DIRECTORS –

ABSENT: DIRECTORS –

ED BOTTORFF
Chair

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE SHERMAN
District General Counsel

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DATE: November 15, 2019
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: CONSIDERATION OF A RESOLUTION TO ESTABLISH THE BOARD OF DIRECTORS MEETING SCHEDULE & LOCATIONS FOR THE 2020 CALENDAR YEAR

I. RECOMMENDED ACTION

That the Board of Directors approve a resolution to establish the 2020 calendar year Board Meeting Schedule and Locations as represented in Exhibits A, B, C or D

II. SUMMARY

- Staff recommends that the Board Members approve a resolution (Attachment A) to establish the revised 2020 calendar year Board Meeting Schedule and locations.
- At the October 25, 2019 Board meeting, the Board of Directors requested staff look at options continuing the fourth Friday of every month as well as alternate dates; i.e., the third and fourth Wednesdays and Fridays of every month.
- Public access to the Vernon Street facility from Pacific Station/downtown is available Monday through Friday via Route 4 on an hourly basis from approximately 7:00AM through 5:00PM. Currently, two morning buses arrive at METRO's Admin Offices prior to the start of the 9:00AM Board meeting.

III. DISCUSSION/BACKGROUND

Annually the Board of Directors approves a schedule of meeting dates, times and locations for the following calendar year. The Board of Directors meeting schedule typically calls for regular meetings on the fourth Friday of each month, though some dates are modified depending on holidays and the annual budget public hearing posting requirements.

Effective 2019, METRO staff requested and received authority to permit revisions to meeting locations as necessitated throughout the year, without requesting Board approval in advance.

The CEO proposes that the once-a-month Board meetings have been effective and appear to be well received by both the Board members and the public. To avoid possible conflicts with holiday weekends and other METRO partners, the CEO is proposing the meeting be held on the third or fourth Wednesday or Friday of each month, rather than the current fourth Friday of each month; except for the month of July, which is dark, and the May meeting which is held earlier in the month to meet the 30-day posting requirement applicable to METRO's budget and public hearing scheduled annually in June. Staff is proposing three different meeting schedules for Board consideration:

Exhibit A offers a continuation of a fourth Friday board meeting calendar, with a corresponding continuation of a second Friday committee meeting schedule;

Exhibit B offers a third Friday board meeting calendar with a corresponding first Friday committee meeting schedule;

Exhibit C offers a fourth Wednesday board meeting calendar with a corresponding second Wednesday committee schedule; and,

Exhibit D offers a third Wednesday board meeting calendar with a corresponding first Wednesday committee schedule; and,

Dependent upon which board calendar is approved, the CEO recommends the Board members protect from 8:00AM to 3:00PM each month the corresponding Wednesday or Friday two weeks prior to the scheduled board meeting for potential METRO Special Board Meetings, Ad Hoc Committee Meetings and/or Board Standing Committee meetings.

Public access to the Vernon Street facility from Pacific Station/downtown is available Monday through Friday via Route 4 on an hourly basis from approximately 7:00AM through 5:00PM. Currently, two morning buses arrive at METRO's Admin Offices prior to the start of the 9:00AM Board meeting.

If approved by the Board, amended Bylaws reflecting the new meeting day are submitted under a separate agenda item at today's board meeting for approval.

IV. FINANCIAL CONSIDERATIONS/IMPACT

There is no financial impact to adoption of this schedule.

V. ALTERNATIVES CONSIDERED

The Board could suggest alternate locations to hold its meetings. This is not recommended.

VI. ATTACHMENTS

Attachment A: Authorizing Resolution with Exhibits A, B, C & D

Prepared by: Gina Pye, Executive Assistant

VII. APPROVALS

Alex Clifford, CEO/General Manager

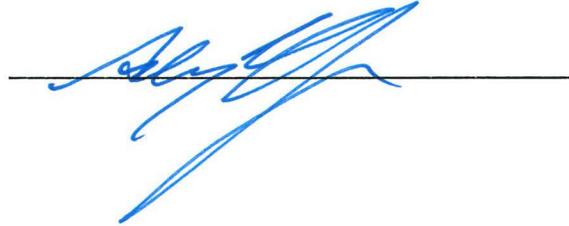
A handwritten signature in blue ink is written over a solid black horizontal line. The signature is stylized and appears to read 'Alex Clifford'.



Exhibit A
4th Friday Board Meetings &
Corresponding 2nd Friday
Committee Meetings

**BOARD OF DIRECTORS
MEETING SCHEDULE**

2020

Meetings are scheduled for the 4th Friday of the month unless otherwise indicated.

	January 24, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	February 28, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	March 27, 2020	9:00am	Scotts Valley City Council Chambers, 1 Civic Center Dr., Scotts Valley
	April 24, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	May 15, 2020	9:00am	Santa Cruz City Council Chambers, 809 Center St., Santa Cruz
	June 26, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz

THERE IS NO MEETING IN JULY

	August 28, 2020	9:00am	Watsonville City Council Chambers, 275 Main St., Watsonville
	September 25, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	October 23, 2020	9:00am	Capitola Council Chambers, 420 Capitola Ave., Capitola
	November 20, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	December 18, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz

Approved at November 15, 2019 METRO Board Meeting Resolution # _____

**Board Members are asked to hold the Corresponding 2nd Friday for Potential Committee Meetings
at 8:00AM, 10:30AM and/or 1:30PM
All meetings are held at METRO Admin Offices, 110 Vernon Street, Santa Cruz**

- January 10, 2020
- February 14, 2020
- March 13, 2020
- April 10, 2020
- May 8, 2020
- June 12, 2020
- August 14, 2020
- September 11, 2020
- October 9, 2020
- November 13, 2020
- December 11, 2020

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Exhibit B
3rd Friday Board Meetings
& Corresponding
1st Friday Committee Meetings

**BOARD OF DIRECTORS
MEETING SCHEDULE**

2020

Meetings are scheduled for the 3rd Friday of the month unless otherwise indicated

	January 17, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	February 21, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	March 20, 2020	9:00am	Scotts Valley City Council Chambers, 1 Civic Center Dr., Scotts Valley
	April 17, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	May 8, 2020	9:00am	Santa Cruz City Council Chambers, 809 Center St., Santa Cruz
	June 19, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz

THERE IS NO MEETING IN JULY

	August 21, 2020	9:00am	Watsonville City Council Chambers, 275 Main St., Watsonville
	September 18, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	October 16, 2020	9:00am	Capitola Council Chambers, 420 Capitola Ave., Capitola
	November 20, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	December 18, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz

Approved at November 15, 2019 METRO Board Meeting Resolution # _____

**Board Members are asked to hold the Corresponding 1st Friday for Potential Committee Meetings
at 8:00AM, 10:30AM and/or 1:30PM
All meetings are held at METRO Admin Offices, 110 Vernon Street, Santa Cruz**

- January 3, 2020
- February 7, 2020
- March 6, 2020
- April 3, 2020
- May 1, 2020
- June 5, 2020
- August 7, 2020
- September 4, 2020
- October 2, 2020
- November 6, 2020
- December 4, 2020

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Exhibit C
4th Wednesday Board Meetings &
Corresponding 2nd Wednesday
Committee Meetings

**BOARD OF DIRECTORS
MEETING SCHEDULE**

2020

Meetings are scheduled for the 4th Wednesday of the month unless otherwise indicated.

	January 22, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	February 26, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	March 25, 2020	9:00am	Scotts Valley City Council Chambers, 1 Civic Center Dr., Scotts Valley
	April 22, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	May 13, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	June 24, 2020	9:00am	Santa Cruz City Council Chambers, 809 Center St., Santa Cruz

THERE IS NO MEETING IN JULY

	August 26, 2020	9:00am	Watsonville City Council Chambers, 275 Main St., Watsonville
	September 23, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	October 28, 2020	9:00am	Capitola Council Chambers, 420 Capitola Ave., Capitola
	November 18, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	December 16, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz

Approved at November 15, 2019 METRO Board Meeting Resolution # _____

Board Members are asked to hold the Corresponding 2nd Wednesday for Potential Committee Meetings at 8:00AM, 10:30AM and/or 1:30PM
All meetings are held at METRO Admin Offices, 110 Vernon Street, Santa Cruz

- January 8, 2020
- February 12, 2020
- March 11, 2020
- April 8, 2020
- May 6, 2020
- June 10, 2020
- August 12, 2020
- September 9, 2020
- October 7, 2020
- November 11, 2020
- December 9, 2020

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Exhibit D

3rd Wednesday Board Meetings & Corresponding 1st Wednesday Committee Meetings

BOARD OF DIRECTORS MEETING SCHEDULE

2020

Meetings are scheduled for the 3rd Wednesday of the month unless otherwise indicated.

	January 15, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	February 19, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	March 18, 2020	9:00am	Scotts Valley City Council Chambers, 1 Civic Center Dr., Scotts Valley
	April 15, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	May 13, 2020	9:00am	Santa Cruz City Council Chambers, 809 Center St., Santa Cruz
	June 17, 2020	9:00am	METRO Admin Offices, 110 Vernon Street,, Santa Cruz

THERE IS NO MEETING IN JULY

	August 19, 2020	9:00am	Watsonville City Council Chambers, 275 Main St., Watsonville
	September 16, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	October 21, 2020	9:00am	Capitola Council Chambers, 420 Capitola Ave., Capitola
	November 18, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz
	December 16, 2020	9:00am	METRO Admin Offices, 110 Vernon Street, Santa Cruz

Approved at November 15, 2019 METRO Board Meeting Resolution # _____

Board Members are asked to hold the Corresponding 1st Wednesday for Potential Committee Meetings at 8:00AM, 10:30AM and/or 1:30PM
All meetings are held at METRO Admin Offices, 110 Vernon Street, Santa Cruz

- January 1, 2020 - holiday
- February 5, 2020
- March 4, 2020
- April 1, 2020
- May 6, 2020
- June 3, 2020
- August 5, 2020
- September 2, 2020
- October 7, 2020
- November 4, 2020
- December 2, 2020

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Exhibit E



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

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

RESOLUTION OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS ESTABLISHING THE DATE, TIME & LOCATION OF BOARD MEETINGS FOR 2020

WHEREAS, the Board of Directors shall establish a meeting schedule for all regular meetings;
and,

WHEREAS, this schedule shall include the date, location and commencement time for each regular meeting of the Board of Directors and shall be posted on METRO's website and official bulletin board throughout the year; and,

WHEREAS, the Board of Directors may establish the time for commencement and duration of its meetings as necessary through resolution;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Santa Cruz Metropolitan Transit District that the schedule for its 2020 meetings shall be as stated in Exhibit A:

PASSED AND ADOPTED this 15th day of November 2019 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Ed Botorff, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel

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DATE: November 15, 2019

TO: Board of Directors

FROM: Julie Sherman, General Counsel

**SUBJECT: RECOMMENDATION TO APPROVE REVISIONS TO THE BYLAWS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S BOARD OF
DIRECTORS**

I. RECOMMENDED ACTION

That the Board of Directors Accept the Proposed Revisions to its Bylaws

II. SUMMARY

- Santa Cruz Metropolitan Transit District (METRO) Board of Directors' Bylaws were last revised on January 16, 2018.
- The Bylaws now contain inconsistencies with the provisions of METRO's enabling legislation, which was amended pursuant to Assembly Bill 1089 (AB 1089), which will be effective January 1, 2020.

III. DISCUSSION/BACKGROUND

Revisions to METRO's Bylaws were last approved and adopted on January 16, 2018.

Assembly Bill 1089 (AB 1089) was adopted by the Legislature and signed by the Governor in July 2019. AB 1089 made certain changes to METRO's procurement rules, which are a subject of a separate staff report.

AB 1089 also made changes that impact the Board, by clarifying (1) when current directors' terms of office end (refer to §1.2.504) and (2) rules regarding Board member compensation (refer to §1.2.506). Those changes are now reflected in the revised Board Bylaws.

Staff and General Counsel recommend that the Board approve the recommended revisions, which are attached, with the understanding that the revisions will be effective January 1, 2020 (the effective date of AB 1089).

IV. FINANCIAL CONSIDERATIONS/IMPACT

None.

V. ALTERNATIVES CONSIDERED

None; the changes are required to reflect changes in the METRO's enabling legislation.

VI. ATTACHMENTS

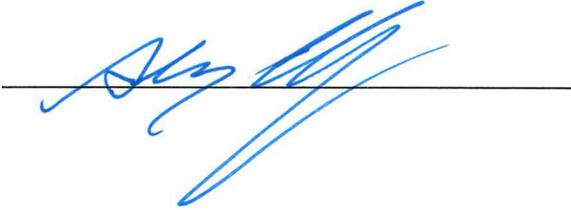
Attachment A: METRO Admin Code, Title I, Administration, Chapter 2, Bylaws (Clean and Redline Versions)

Attachment B: Resolution Adopting revisions to Title I, Chapter 2 of the Santa Cruz Metropolitan Transit District Administrative Code

Prepared by: Gina Pye, Executive Assistant
Julie Sherman, General Counsel

VII. APPROVALS

Alex Clifford, CEO/General Manager



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Attachment A - CLEAN VERSION

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADMINISTRATIVE CODE

TITLE I - ADMINISTRATION

CHAPTER 2

BYLAWS

Table of Contents:

Article I	Regular Meetings
Article II	Agenda
Article III	Special Meetings
Article IV	Emergency Meetings
Article V	Directors
Article VI	Presiding Officers
Article VII	Conduct of Meeting
Article VIII	Quorum
Article IX	Adjournment/Continuances
Article X	Minutes
Article XI	Public's Role in Meetings/Public Hearings
Article XII	Resolutions, Ordinances and Motions
Article XIII	Method of Voting
Article XIV	Committees and Appointments
Article XV	Official Bulletin Board
Article XVI	Other Offices

Attachment A - CLEAN VERSION

Article I Regular Meetings

§1.2.101 Regular Meetings; Time

- A. Regular meetings (generally televised) of the Santa Cruz Metropolitan Transit District (METRO) Board of Directors shall be held on the fourth Friday of each month. The Board of Directors may establish the time for the commencement and duration of its meetings as necessary through Board action. The Board may also change the date and times of regular meetings (for both full Board and Committee meetings) as necessary through Board action.
- B. No regular meetings will be scheduled during the month of July.
- C. If a regular meeting falls within 5 working days of a recognized METRO holiday, i.e., Thanksgiving, Christmas or New Year's Day, the Board of Directors shall reschedule the meeting to a more convenient date. The regular meeting schedule shall be published for the upcoming year and approved by the Board of Directors prior to the start of the New Year. This schedule shall include the date, location and commencement time for each regular meeting of the Board of Directors and shall be posted on METRO's website, and METRO's official Bulletin Board throughout the year.
- D. In order to ensure a full 30 days public review of the proposed annual budget, the May Board meeting may be scheduled earlier than the fourth Friday of the month.
- E. Notwithstanding the above, the Board may take action to change the date and location of any Board meeting as long as the public is provided reasonable notice of the change via the METRO's website and METRO's official Bulletin Board, located at the Administrative Office of the Santa Cruz Metropolitan Transit District.
- F. Board Standing Committees and Ad Hoc Committees
 - i. Board Standing Committees and Ad Hoc Committee meetings will be scheduled when most convenient to the members of the Committee
 - ii. Board Directors are encouraged to block their calendar for the second Friday of every month to help facilitate a meeting time for Standing and Ad Hoc Committee meetings.

Attachment A - CLEAN VERSION

§1.2.102 Regular Meetings; Place

- A. The Regular monthly meeting(s) of the Board of Directors may occur at any of the following venues, except when the Board of Directors' regular meeting schedule sets forth a different location:
- iii. Capitola City Council Chambers, 420 Capitola Avenue, Capitola, CA 95010
 - iv. Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA 95060
 - v. Scotts Valley City Council Chambers, One Civic Center Drive, Scotts Valley, CA 95066
 - vi. Watsonville City Council Chambers, 475 Main Street, Watsonville, CA 95076
 - vii. Santa Cruz METRO Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060
- B. If, by reason of fire, flood, earthquake or other emergency, it shall be unsafe to meet in the place designated above, the meeting shall be held for the duration of the emergency or unsafe condition at the place designated by the Chair of the Board of Directors in a notice to the local media that have requested notice in writing, by the most rapid means of communication available at the time. A notification advising the public of the changed meeting location during the emergency or unsafe condition shall be posted on the door of the regular meeting room by the CEO/General Manager, unless circumstances prevent her/him from doing so.
- C. The Board of Directors shall not conduct any meeting in any facility that prohibits the admittance of any person, or persons, on the basis of race, religious creed, color, national origin, ancestry, sex, gender, pregnancy or related medical condition, age, marital status, medical condition (cancer related or genetic characteristics), sexual orientation, veteran status, or which is inaccessible to persons with physical or mental disabilities, or where members of the public may not be present without making a payment or purchase.

§1.2.103 Regular Meetings; Open to the Public

- A. Regular Board Meetings and Board Standing Committee meetings shall be open and public and all persons shall be permitted to attend except as otherwise allowed by law or when a closed session is authorized pursuant to applicable state law and properly noticed in accordance therewith.

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- B. A Spanish-bilingual interpreter shall be present and available for translations at the Regular Board Meeting.

§1.2.104 Closed Sessions: State Reasons and Legal Authority; Scope of Coverage; Notice; Reporting Out

- A. Prior to holding any closed session, the Board of Directors shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosures may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the Board of Directors may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.
- B. After any closed session, the Board of Directors shall convene into open session prior to adjournment and General Counsel shall make any disclosures required by state law of action taken in the closed session.

Article II Agenda

§1.2.201 Agenda; Notification and Posting

- A. The CEO/General Manager is responsible for coordinating with the staff to develop all Board materials associated with Board reports, communications, resolutions, or other matters timely such that the Board receives all such Board meeting materials in advance of the Board meeting or Standing Committee meeting. If there is a delay in providing the a Board item at the same time as the meeting agenda is posted, the CEO/General Manager will ensure that the posted agenda includes the proper reference to the missing item(s), thereby meeting the Brown Act posting requirements, and he/she will make best efforts to deliver the final copy of the missing item(s) to the Board in advance of the Board meeting.
- B. The Chair, in consultation with the CEO/General Manager, shall assist in arranging the Regular Board meeting agenda items in order of action and discussion versus consent. The final agenda shall be provided electronically and/or by a link contained in an email to each member of the Board and to the District General Counsel at least 72 hours preceding the Regular Board meeting. The agenda shall be posted on the Official Bulletin Board for the public at the Administrative Office of the Santa Cruz Metropolitan Transit District and the METRO website at least 72 hours preceding each Regular Board meeting and Standing Committee meeting. A record of this posting, including the time and place of posting, will be maintained by the Executive Assistant to the CEO/General Manager.

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- C. The agenda shall contain a brief description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. The description will be reasonably calculated to inform the public of the general nature of the subject matter of the item so that the public may seek further information on items of interest. The description will focus on the substance of the matter rather than the contemplated action. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public.
- D. Copies of the agenda shall be mailed to any individual or entity that has requested it. The Full Agenda Packet, which includes all attachments associated with the agenda items, will be made available online at METRO's website, www.scmttd.com. Individuals and entities can voluntarily subscribe or unsubscribe to receive automated email notification when METRO's agendas and agenda packets are available online at <http://www.scmttd.com/en/riders-guide/stay-connected/subscriber-alerts>.
- E. Timely posting of the agenda and agenda materials on the METRO website is not required when the METRO servers are down or not functioning properly or when matters outside METRO's control interfere or prevent such website posting to occur. The agenda and agenda materials will be posted once the technical difficulties are resolved.

§1.2.202 Agenda; Public Input

Every agenda for regular open meetings shall provide an opportunity for members of the public to directly address the Board of Directors on any item of interest to the public, and before or during the Board's consideration item, that is within the subject matter jurisdiction of METRO, provided that no action shall be taken on any item not appearing on the agenda unless the board complies with Section 1.2.203 below.

§1.2.203 Agenda; Action Taken Not on Agenda

- A. No action or discussion shall be taken on any item not appearing on the posted agenda except that members of the Board of Directors present at the meeting or METRO staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights. In addition, on their own initiative, or in response to questions posed by the public, Directors or METRO staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a Director or the Board itself may, subject to METRO's rules and regulations, provide a reference to staff or other resources for factual information; request the CEO/General Manager to report back to the body at a subsequent meeting concerning any matter; take

Attachment A - CLEAN VERSION

action to direct the CEO/General Manager to place a matter of business on a future agenda; or direct the CEO/General Manager to respond in writing to the public member.

- B. Notwithstanding subdivision (A) above, the Board of Directors may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this section, the Chair of the Board of Directors shall publicly identify the item.
 - i. Upon a determination by a majority vote of the Board of Directors that an emergency situation exists, as defined in Section 4.01(b) herein;
 - ii. Upon a determination by a two-thirds vote of the Directors present at the meeting, or, if less than two-thirds of the members present at the meeting, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of METRO subsequent to the agenda being posted; or
 - iii. The item was posted pursuant to a prior meeting of the Board of Directors occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

§1.2.204 Agenda; Other Distributed Writings

- A. Agendas and any other writings when distributed to all or a majority of all, the members of the Board of Directors by any person in connection with a matter subject to discussion or consideration at a public meeting are public records and shall be made available without delay unless the writing is exempt from disclosure pursuant to the California Public Records Act.
- B. Writings that are public records, as set forth above, and which are distributed during an open meeting shall be made available for public inspection at the meeting if prepared by METRO or a Director or after the meeting if prepared by some other person.

Article III Special Meetings

§1.2.301 Special Meetings; Notice and Purpose

- A. A special meeting may be called at any time by the Chair or by a majority of the members of the Board of Directors, by delivering written notice to each member of the Board of Directors, and to each local newspaper of general circulation, radio or television station requesting notice in writing. The notice shall be delivered personally or by any other means at least 24 hours in advance of the

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meeting. The call and written notice shall specify the time and place of the special meeting and the business to be transacted and discussed.

- B. No other business shall be considered at the special meeting. The call and notice shall be posted at least 24 hours prior to the special meeting on the Official Bulletin Board for the public at the Administrative Office of the Santa Cruz Metropolitan Transit District and on METRO's website.
- C. Every notice for a special meeting at which action is proposed to be taken on an item shall provide an opportunity for members of the public to directly address the Board of Directors concerning any item that has been described in the notice for the meeting before or during consideration of that item.
- D. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting.

Article IV Emergency Meetings

§1.2.401 Emergency Meetings; Notice and Purpose

- A. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board of Directors may hold an emergency open meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement or both of the notice and posting requirements of a special meeting.
- B. For purposes of this section, "emergency situation" means any of the following:
 - i. An Emergency means a work stoppage, crippling disaster or other activity, which severely impairs public health, safety, or both, as determined by a majority of the members of the Board of Directors.
 - ii. A dire emergency means a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring the Board of Directors to provide one-hour notice before holding an emergency meeting may endanger the public health, safety, or both, as determined by a majority of the members of the Board of Directors.
- C. Although no notice to the public is required, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified by the presiding Chair of the Board of Directors, or designee thereof, one hour prior to the emergency meeting by telephone or in the case of a dire emergency, at or near the time that the Chair or designee notifies the directors of the emergency meeting. The notice shall be given by telephone

Attachment A - CLEAN VERSION

and email and all telephone numbers and email addresses provided in the most recent request of such newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the Chair or designee thereof, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting and any action taken at the meeting as soon after the meeting as possible.

§1.2.402 Emergency Meetings; Open to Public

Emergency meetings are always open meetings regardless of the subject matter except that if agreed to by a two-third vote of the Directors present or if less than two-thirds of the Directors are present, by a unanimous vote of those present, the Board of Directors may hold a closed session with the Attorney General, District Attorney, District General Counsel, Sheriff or Chief of Police or their respective deputies, or a security consultant or a security operation manager on matters posing a threat to the security of public buildings, a threat to the security of essential public services, or a threat to the public's right of access to public service or public facilities.

§1.2.403 Emergency Meetings; Requirements

All special meetings requirements, as prescribed in Section 1.2.3.01 herein, shall be applicable to a meeting called pursuant to this section, with the exception of the 24-hour notice requirement.

§1.2.404 Emergency Meetings; Minutes

The minutes of a meeting called pursuant to this section will be made available at the next Regular Board meeting. A list of persons who the presiding chair of the Board of Directors, or its designee notified or attempted to notify will be made available upon request.

Article V Directors

§1.2.501 The Board of Directors

In accordance with Public Utilities Code section 98100 et seq. METRO shall be governed by a Board of Directors of eleven members because such membership is necessary to insure adequate representation to all the areas in the County of Santa Cruz.

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§1.2.502 Appointment

In accordance with Public Utilities Code section 98100 et seq. the membership of the Board of Directors shall be composed of one member appointed by each City Council of Santa Cruz, Capitola, Scotts Valley, Watsonville and any other incorporated area of the District to represent the incorporated area and one member appointed by the Board of Supervisors of the County of Santa Cruz to represent the unincorporated area. Other appointments shall be made in accordance with the proportionate population within the District. The apportionment shall be based upon the population distribution within the District and the Board shall reapportion its membership whenever any part of the District is excluded or new territory is added or unincorporated territory within the District incorporates and as a result of the exclusion, annexation, or incorporation, representation on the Board no longer reflects the population distribution within the District. The Board shall also reapportion whenever the County election official advises the Board that the latest official census indicates a need for reapportionment.

In addition to the membership appointed as provided in the preceding paragraph, the Board of Directors may appoint Ex-Officio Directors to its Board upon an affirmative vote of the majority of its members.

§1.2.503 Qualifying Appointees to Board; Area residence

The appointees to the Board shall have been residents of the area encompassed by the District for at least 30 days prior to their appointment and they shall also be residents of the City whose City Council appointed them, or a resident of the County if appointed by the Board of Supervisors.

§1.2.504 Term of Office

- A. The term of office for each Director shall be four years.
- B. If the appointee of any legislative body is one of its own members, the appointee may continue to serve until a qualified successor is appointed, unless the legislative body takes express action to unseat the appointee.
- C. An appointment to fill a vacancy on the Board or an appointment made after the expiration of the preceding term shall be for the unexpired portion of the term and reappointment will require an action by the appointee's legislative body.
- D. The failure of a Board member to attend three consecutive meetings of the Board without good cause shall create a vacancy in the office of the Board member.

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- E. When a vacancy is created, or a Board Director's term expires, the CEO/General Manager's Executive Assistant will contact the appointee's legislative body and request that it take action on a new appointment or reappointment. The appointee cannot be sworn-in until such time as the Executive Assistant receives a properly executed Resolution of appointment from the appointee's legislative body.

§1.2.505 Directors' Code of Ethics

- A. A Directors' Code of Ethics is attached as Exhibit A to these Bylaws and shall serve as a guideline for the Directors in the work that they perform on behalf of METRO.
- B. All Board of Directors are required to complete a two-hour ethics training every two years, as required by Government Code section 53234, and are responsible for submitting a certificate of completion to the CEO/General Manager's Executive Assistant.

§1.2.506 Director Reimbursement

- A. Each Director shall be reimbursed their actual and necessary business expenses incurred in the performance of the Board member's duties for the meetings set forth below. As of January 2020, Board member reimbursement is fifty dollars (\$50) per meeting, not to exceed four hundred dollars (\$400) in any month.

At the Board's discretion, Board member reimbursement for attending a meeting may be increased to not exceed one hundred dollars (\$100), and each member's reimbursements shall not exceed four hundred dollars (\$400) in any month.

- i. Attendance at Regular meetings of the Board of Directors;
- ii. Attendance at meetings, as a District Committee member of a Board Standing Committee, Ad Hoc Committee, or member of a committee appointed by the Chair of the Board or the Board itself;
- iii. Attendance at Advisory Committee meetings, as a METRO Director;
- iv. Participation at required educational and training meetings or seminars;
- v. Attendance at meetings, as a METRO Director, of the American Public Transit Association (APTA); and
- vi. Attendance at meetings, as a METRO Director, of the California Transit Association (CTA);

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- vii. Attendance at meetings to meet with state and federal elected officials in Sacramento and Washington, D.C.
 - viii. Relative to APTA, CTA, Sacramento and Washington, D.C. meetings, travel days, in addition to meeting days, qualify for \$50/day per diem.
- B. The Board Chair shall make recommendations for the full Board to consider relative to Board of Directors' travel to APTA, CTA, Sacramento and Washington, D.C.
- C. Reimbursement for travel will either be based upon actual receipts, with tips not exceeding 15%, or by per diem, as identified in the GSA website.
- i. The Per Diem Method is established annually by the General Services Administration (GSA) and reflects an all-inclusive fixed-rate of reimbursement for food, beverages, taxes and tips on meals by destination city. Itemized receipts are not required for reimbursement under the Per Diem Method. Both travel days (first and last days of travel) will be prorated.
 - ii. The Board Director may opt for the Per Diem Method only if the business destination city is listed on the GSA website.
 - iii. Once the Per Diem method is chosen, the Authorized Travel Planner (ATP) will perform the appropriate Per Diem calculation for the Travel Event.
 - iv. Under the Per Diem Method, both travel days (first and last days of travel) will be prorated at 75%, as noted in the "First & Last Day of Travel" table of the M&IE website www.gsa.gov/mie
 - v. A standard meal Per Diem for each day of the Travel Event may be claimed for most major cities in the United States. Certain areas are designated high cost areas, qualifying for higher standard meal allowances.
 - vi. A table of the federal government's Meals & Incidental Expenses (M&IE) Per Diem rate is available on the GSA website at www.gsa.gov/perdiem. The M&IE table reflecting the breakdown of the M&IE expense by breakfast, lunch, dinner and incidentals is available at www.gsa.gov/mie. The ATP will print a copy of **both** tables and attached them to the Board Director's Travel Authorization form and the Travel Expense form.
 - vii. The "IE" in M&IE represents the "Incidental Expenses" portion of the established Per Diem. However, METRO is not

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including Incidental Expenses Per Diem at this time as a qualifying reimbursement and the ATP will subtract this amount from the city's M&IE rate.

viii. A day's Per Diem rate shall be reduced proportionately using the M&IE table for complimentary meals, meals paid by others and meals included in the conference, seminar or training package fees.

- D. All lodging and airline flights will be booked by the ATP. The ATP will make best efforts to pre-pay the Board Director's lodging. In such a case where that is not possible, the Board Member will pay for their lodging and upon check-out they will be responsible for obtaining a Folio reflecting the room expenses. Upon their return, the Board Director will submit the Folio to the ATP for lodging reimbursement.
- E. A Director may receive a travel advance, when approved by either the Board Chair or the Vice-Chair, up to \$100.00 per each full day of travel or attendance at any of the events listed in section (a) above. Upon their return, the Board Director is responsible for returning any unused travel advance and for reconciling the difference with qualifying receipts. A reduced advance may be permitted for partial days, as determined by the Board Chair or Vice-Chair.
- F. The Board of Directors in a public meeting shall approve all expenses that do not fall within the reimbursable rates set forth in Exhibit B before the expense is incurred.

§1.2.507

Reimbursement Process and Expense Report Form

- A. The CEO/General Manager shall designate a staff member (the Authorized Travel Planner (ATP)) to schedule all conferences, lodging accommodations and transportation (including the scheduling of a METRO vehicle for in-state travel) for a Director and will obtain the best rate available at the time of booking. In no event shall the lodging costs exceed the maximum group rate published by the conference or activity sponsor provided that lodging at the group rate is available to the Director at the time of booking. If the group rate is not available, the ATP shall use comparable lodging that is consistent with those rates.
- B. With the exception of attendance at meetings/events within Metro's service area, Directors will be reimbursed for the use of their personal vehicle when performing METRO business. The reimbursement rate will be at the most current published IRS rate. However, reimbursement for the use of a personal vehicle will not be authorized when such reimbursement exceeds the cost of travel by airline.

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- C. The ATP shall provide each Director with an Expense Report form that the Director will complete for reimbursement of the actual and necessary qualifying expenses incurred on behalf of METRO in the performance of official duties. The expense reports shall document qualifying expenses. Directors shall submit expense reports within a reasonable time after incurring the expense but in no event later than four weeks after the expense has been incurred. The actual receipts documenting each expense shall accompany all reports. The Chair or Vice-Chair of the Board shall review the reports and insure compliance. Under no circumstances shall expenses be paid or reimbursed to a Director that are not allowed; including, any expenditures for alcohol, personal items, spouses, friends, or others not specifically authorized by this policy to incur reimbursable expenses. Directors shall provide brief reports about the meetings attended at the expense of METRO at the next regular meeting of the Board of Directors.
- D. All documents related to reimbursable agency expenditures are public record subject to disclosure under the California Public Records Act.

§1.2.508 Directing the Work of Santa Cruz METRO Staff Members

All requests to utilize the staff of Santa Cruz METRO shall be coordinated by and approved by the CEO/General Manager. In no event shall a Board Director assign work directly to a Santa Cruz METRO staff member without the approval of the CEO/General Manager.

Article VI Presiding Officers

§1.2.601 Election

- A. The Directors shall at a regular meeting in either January or February, as determined by the Board Chair, nominate members of the Board of Directors to serve as the Chair and as Vice-Chair. Nominations may be received until final selections occur. The Board of Directors shall, at its regular meeting in either February or March (generally televised) of each year, vote to choose one of its members to serve as Chair and one of its members to serve as Vice-Chair, to serve for the balance of the calendar year or until the selection of their successors. The officer election shall be agendaized at the February or March meeting immediately following roll call and shall not be paired with any other item.
- B. Should the office of the Chair become vacant during the calendar year, the Vice-Chair shall assume the office of Chair. Should the office of Vice-Chair become vacant, the nomination and selection of Vice-Chair shall be agendaized and acted upon by the Board of Directors.

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- C. In the event of a vacancy of both the Chair and Vice-Chair positions, a nomination and vote shall be agendized for the next Regular Board meeting for the Board of Directors to nominate and make final selections.

§1.2.602 Chair to Preside

The Chair shall preside at all meetings of the Board of Directors. In the absence of the Chair, the meetings of the Board of Directors shall be presided by the Vice Chair. The Chair, or if presiding, the Vice Chair shall have authority:

- A. to determine the order of business under the rules of the Board of Directors;
- B. to enforce the rules of the Board of Directors; and
- C. to preserve order at all meetings and to remove or cause the removal of any person from any meeting of the Board of Directors for disorderly conduct.

§1.2.603 Absence of Chair

If the Chair is absent or unable to act, the Vice-Chair shall serve until the Chair returns or is able to act. The Vice-Chair has all of the powers and duties of the Chair while acting as Chair. In the absence of both the Chair and the Vice-Chair, the Directors shall nominate and elect a director to serve as chair pro tempore during such absences.

Article VII Conduct of Meeting

§1.2.701 Call to Order

The Chair, or such other Director as may be presiding, shall at the hour appointed for the meeting, immediately call the Board of Directors to order when a quorum is present. The Chair shall preserve strict decorum at all meetings. She/he shall state every question coming before the Board of Directors, call for the vote, announce the decisions of the Board of Directors, and decide all questions of order, subject, however, to an appeal to the Board of Directors, in which a majority vote of the Board of Directors shall govern and conclusively determine such question of order.

§1.2.702 Rights of Chair

The Chair, or such other member of the Board as may be presiding, may second and debate, subject only to such limitation of debates as are by these rules imposed on all members; the Chair shall not be deprived of any of the rights and privileges of a Director by reason of holding the position of Chair.

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§1.2.703 Rules of Debate

- A. Every Director desiring to speak shall address the Chair, and upon recognition by the presiding officer, shall be confined to the question under debate, avoiding all references to personalities and indecorous language.
- B. A Director, once recognized, shall not be interrupted when speaking unless it is to call her/him to order. If a Director, while speaking, is called to order, she/he shall cease speaking until the question of order is determined and, if in order, she/he shall be permitted to proceed.
- C. A Director may request, through the presiding officer, the privilege of having an abstract of her/his statement on any subject under consideration by the Board of Directors entered into the minutes. If the Board of Directors consents thereto, such statement shall be entered; provided, however, that any Director, without the Board's consent, shall have the right to have the reasons for her/his dissent from, or protest against, any action of the Board of Directors entered into the minutes.
- D. The CEO/General Manager may be directed by the Chair, with the consent of the Board, to enter in the minutes a synopsis of the discussion of any question coming properly before the Board of Directors.

§1.2.704 Rules of Procedure

Rules of Procedure, which are attached hereto as Exhibit C and incorporated herein by reference, shall be followed by the Board of Directors. A complete copy of the Bylaws shall be included in each Director's Board packet and made available for members of the public at Board of Directors' meetings.

§1.2.705 Disruption of Meeting; Clearing Room

In the event that any meeting is willfully interrupted by an individual, a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individual(s) who are willfully interrupting the meeting, the members of the Board of Directors conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. In order to readmit individuals who were not disruptive, the following procedure shall be used:

- A. When a meeting is disrupted to the point that it cannot be continued, the Chair shall order those persons causing the disruption to leave the meeting.

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- B. If those causing the disruption fail or refuse to leave the meeting, the Chair shall recess the meeting, order the meeting room cleared and summon law enforcement.
- C. Upon the arrival of law enforcement, the Chair shall reconvene the meeting.
- D. METRO Staff shall be directed to readmit those members of the public who did not engage in the disorderly conduct on an individual and intermittent basis.
- E. If the meeting is again disrupted, the Chair shall cause the meeting room to be cleared and the meeting will continue with only the press in attendance if they have not engaged in any disruption.

Article VIII Quorum

§1.2.801 Transaction of Business; Quorum

A majority of the voting members of the Board of Directors shall constitute a quorum for the transaction of business.

Article IX Adjournment/Continuances

§1.2.901 Adjournment of Meeting

- A. The Board of Directors may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment.
- B. Less than a quorum may adjourn any meeting.
- C. In the absence of all Directors from any meeting, the CEO/General Manager may declare the meeting adjourned to a stated day and hour. If she/he does, she/he shall then cause written notice of the adjournment to be given in the same manner as provided for Special Meetings set forth herein.
- D. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regularly adjourned regular, special, or adjourned special meeting was held within 24 hours after the time of adjournment.
- E. When a regular or adjourned regular meeting is adjourned as provided herein, the resulting adjourned meeting is a regular meeting for all purposes.

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- F. When an order of adjournment of any meeting fails to state the hour that the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings of the Board of Directors.
- G. Any hearing being held, or noticed or ordered to be held, by the Board of Directors at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting of the Board of Directors in the same manner and to the same extent set forth above for the adjournment of meetings; provided that, if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

Article X Minutes

§1.2.1001 Minute Book Record of Open Sessions

- A. The CEO/General Manager, or her/his designee, shall attend all open meetings of the Board of Directors and record and maintain a full and true record of all of the proceedings of the Board of Directors in books that shall bear appropriate titles and be devoted to such purpose.
- B. Unless the reading of the minutes of a Board of Directors meeting is requested by the Board of Directors by a majority vote, such minutes may be approved without reading if the CEO/General Manager has previously furnished each member with a synopsis thereof.
- C. Minutes of Board and Board Committee meetings shall be Action Minutes, not Verbatim Minutes.

§1.2.1002 Protests and Dissents by Directors Entered in Minutes

Any Director shall have the right to have the reasons for the Director's dissent from, or protest against any action of the Board entered in the minutes.

Article XI Public's Role In Meetings/Public Hearings

§1.2.1101 Public Addressing the Board

- A. The Chair of the Board of Directors may, depending on the circumstances, limit the total amount of time allocated for public testimony on particular issues and/or for each individual speaker, which is limited to three minutes. The Chair may reduce the allocated time per speaker when he/she determines shorter

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time allotments are appropriate. However, any restrictions placed on public testimony shall be reasonable and not an effort to suppress expression merely because of the content of the speaker's view.

- B. All remarks shall be addressed to the Board of Directors as a body and not to any member thereof. No person, other than the Chair and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Board, without permission of the Chair. Additionally, any person may submit written materials to the Board of Directors for its consideration.

§1.2.1102 Public Hearings

- A. A public hearing will be held before the Board of Directors when required by federal, state, or local laws or regulations or when it is asked to take action on any of the following projects:
 - i. A change in 25% or more to the service mileage of any route.
 - ii. A change in METRO fares.
 - iii. Adoption of a Resolution authorizing application for federal funds, state or local funds when such public hearing is required by the funding source.
 - iv. Adoption of any action taken relating to the adoption of any plan, environmental document, property acquisition, resolution, condemnation resolution or other action relating to a project or property where such public hearing is required by state, federal or local law.
 - v. Adoption of the Annual Budget.
 - vi. Adoption of the Short Range Transit Plan.
 - vii. Adoption of an Ordinance.
- B. A METRO Regulation shall set forth the specific procedures to be followed in setting up a public hearing.

Article XII Resolutions, Ordinances and Motions

§1.2.1201 Acts of Board

The acts of the Board of Directors shall be expressed by Motion, Resolution or Ordinance. No Ordinance, Resolution or Motion shall have any validity or effect unless passed by the affirmative votes of a majority of the voting Directors. The Board

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of Directors shall not take action by secret ballot, whether preliminary or final in an open or closed session.

§1.2.1202 Resolution

- A. No resolution shall be adopted by the Board unless it is presented before the Board in writing or read aloud. Where copies of the resolution have been presented to each Director, the reading of the resolution is automatically waived unless a Director specifically requests that it be read.
- B. A Resolution can be passed through a unanimous voice vote of all those present. However, if a dissent is registered, then a roll call vote shall be taken.

§1.2.1203 Ordinance

- A. No ordinance shall be passed until a public hearing has been held on it, which hearing shall be advertised in a newspaper of general circulation or posted in at least three public places at least 15 days prior to the hearing. No ordinance shall be adopted by the Board of Directors on the day of introduction. Ordinances must be adopted by a roll call vote.
- B. All ordinances shall be printed after passage, and maintained in METRO Administrative Offices.
- C. The enacting clause of all ordinances shall be as follows:

"Be it enacted by the Board of Directors of the Santa Cruz Metropolitan Transit District:..."
- D. All ordinances shall be signed by the Chair of the Board or Vice-Chair and attested by the CEO/General Manager.

Article XIII Method of Voting

§1.2.1301 Voice Vote

Unless a roll call vote is specifically requested by a Director, all matters, except the voting on Ordinances, shall be decided by voice vote. All actions of the Board of Directors shall be approved by affirmative vote of a minimum of six voting members of the Board of Directors unless otherwise specifically required.

§1.2.1302 Silence Recorded as Affirmative Vote

A member's silence shall be recorded as an affirmative vote.

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§1.2.1303 Duty to Vote

Each Director has a duty to vote when present at a meeting on matters coming before the Board of Directors or a Board Committee unless he/she has notified the Board of Directors of a legal conflict of interest in accordance with California state law. If a conflict of interest is disclosed, the Director shall adhere to all California legal requirements.

Article XIV Committees And Appointments

§1.2.1401 Creation of Committees

- A. The Board of Directors may establish committees for a stated purpose. If required by California Law, committees and their members shall comply with the Ralph M. Brown Open Meeting Act (Brown Act). Committees are required to comply with these Rules and Regulations. The CEO/General Manager shall provide adequate staffing to assist the committees in doing their work.
- B. Directors who are not committee members may attend committee meetings as long as they attend only as observers when a majority of the Board of Directors is in attendance at the committee meeting. Appointees to committees serve at the pleasure of the Board of Directors, except that no appointee will be removed from office for an illegal reason including the exercise of his/her right to speak about matters of public concern.
- C. The committees shall include the following:
 - i. Working committees or subcommittees (Standing Committees) of the Board of Directors analyze, review, and make recommendations to the Board of Directors on items to be presented to the full Board. The Chair of the Board shall appoint members of the Board to such committees or subcommittees. If a vacancy occurs, the Board Chair shall appoint a Director to fill the vacancy. Minutes shall be taken at each committee meeting and shall be prepared and distributed to the Directors at least two days prior to the regular Board meeting.
 - ii. The Board Chair may from time to time create advisory committees (Ad Hoc Committees) that shall be charged with giving advice to the Board of Directors regarding an issue relevant to METRO's business. Appointments to advisory committees may be made by the Chair, or the Board of Directors. Directors, employees or members of the public may sit on an advisory committee. Advisory committees shall not be Brown Act bodies, so long as the committees qualify as advisory committees as defined by the Brown Act.

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- iii. The Metro Advisory Committee (MAC) is a citizen advisory committee of the Santa Cruz Metropolitan Transit District. Its purpose is to provide a citizen forum (through the MAC) in which the METRO Board and CEO/General Manager can delegate topics for discussion, and assign other duties, and in which recommendations can be formulated and communicated to the Board of Directors. The MAC may also address issues that MAC members or the public raise with respect to the services provided by Santa Cruz METRO. MAC shall be composed of no greater than seven (7) members appointed by the Board of Directors. All MAC members shall serve for a term of four (4) years and will serve at the pleasure of the Board of Directors. The Board of Directors shall approve bylaws to be followed by MAC.

§1.2.1402 Appointment to Santa Cruz County Regional Transportation Commission

- A. The Board of Directors shall each year in either January or February, as determined by the Board Chair, nominate three representatives and three alternates (in order of priority) to the Santa Cruz County Regional Transportation Commission (SCCRTC) who must be members of the Board of Directors. The Board Chair shall also submit nominations of three representatives at the meeting in either January or February. At that meeting, the Chair shall entertain other nominations for SCCRTC representatives and alternates from the Directors. Nominations may be received until final selections occur. Thereafter at the meeting in either February or March, the Board of Directors shall vote on the nominations via a motion and a second. To be appointed, a nomination shall receive at least six affirmative votes. A Director may move a slate of three representatives or a slate of three alternates for appointment.
- B. The Board of Directors may provide its SCCRTC representatives with guidance on issues coming before the Commission to assist the director/commissioner in serving the best interests of METRO.

Article XV Official Bulletin Board

§1.2.1501 Posting of Notices

- A. For purposes of posting official notices of the Board of Directors, notices of public hearings, and any other official papers of the Santa Cruz Metropolitan Transit District where posting is required by the law, the Official Bulletin Board of METRO shall be the bulletin board at the entrance of METRO Administrative Office located at 110 Vernon Street, Santa Cruz, California 95060. Should the Board of Directors hold a public hearing at any location other than its regular

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place of meeting, then, in addition to the posting of the notice on the Official Bulletin Board above listed, posting shall also be made upon or near the door of the place of meeting and on METRO's website.

- B. All Standing Committees created by the Board of Directors are required to post any and all official notices including those notices required by law at the official bulletin board at METRO's Administrative office entrance. Additionally, METRO staff may also post notices on the bulletin board(s) at the transit centers below:
 - i. Bart Cavallaro Transit Center, 246 Kings Village Road, Scotts Valley, CA 95066
 - ii. Capitola Transit Center, 1855 41st Avenue, Capitola, CA 95010
 - iii. Pacific Station, 920 Pacific Avenue, Santa Cruz, CA 95060;
 - iv. Watsonville Transit Center, 475 Rodriguez Street, Watsonville, CA 95076.

Article XVI Other Offices

§1.2.1601 CEO/General Manager; Powers and Duties

In addition to the powers, duties and obligations of the CEO/General Manager, as set forth above; those powers and duties identified in the CEO/General Manager's contract; and the applicable Public Utilities Code pertaining to the Santa Cruz Metropolitan Transit District, the powers and duties of the CEO/General Manager shall include the following:

- A. To have charge, subject to the policy direction and control of the Board of Directors, of the acquisition, construction, maintenance, and operation of the facilities of METRO.
- B. To have charge, subject to the policy direction and control of the Board of Directors, of the administration of the business affairs of METRO.
- C. To insure that all ordinances of METRO are enforced.
- D. To administer the personnel system and collective bargaining agreements adopted by the Board of Directors and, except for officers appointed by the Board, to appoint, discipline or remove all officers and employees subject to the rules and regulations adopted by the Board, and the applicable provisions of any adopted collective bargaining agreement.
- E. To prepare and submit or cause to be prepared and submitted to the Board of Directors within 90 days after the end of each fiscal year a complete report

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(unaudited) of the finances and the administrative activities of METRO for the preceding year, and the financial status of METRO on the last day thereof.

- F. To keep the Board of Directors advised as to the needs of METRO.
- G. To formulate and present to the Board of Directors all plans and specifications for the construction of the works of METRO and the means to finance them.
- H. To cause to be installed and maintained a system of auditing and accounting which shall completely and at all times show the financial condition of METRO.
- I. Attend meetings of the Board of Directors as directed by the Board, and act as Secretary to the Board.
- J. To perform such other and additional duties as the Board may require.

§1.2.1602 CEO/General Manager; Qualifications and Experience

The CEO/General Manager shall be chosen on the basis of his/her qualifications with special reference to his/her actual experience in or knowledge of accepted practices and respect to the duties of his/her office as herein above set forth.

§1.2.1603 CEO/General Manager; Pro Tempore Appointments

The Board of Directors may appoint a CEO/General Manager pro tempore during any absence or disability of the CEO/General Manager.

§1.2.1604 CEO/General Manager; Resident Requirement

The CEO/General Manager need not be a resident of this State at the time of his/her appointment, however he/she shall establish a California residency within 30 days of the commencement of his or her duties with the Transit District.

§1.2.1605 District General Counsel; Appointment, Powers and Duties

The District General Counsel shall be admitted to the practice of law in all courts of this State. The District General Counsel has a direct reporting relationship to the Board and a matrix reporting relationship to the CEO/General Manager who will oversee the District General Counsel's day-to-day business activities. The District General Counsel shall have the power and be required to:

- A. Represent and advise, if authorized and directed by the Board of Directors, the Board of Directors and all METRO officers, committees or departments in all matters pertaining to their office.
- B. Represent and appear, if authorized and directed by the Board of Directors, for METRO and any officer or employee, in any and all actions and proceedings in

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which METRO or any officer or employee, in or by reason of their official capacity, is concerned or is a party; however, the Board of Directors shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter, or to assist the District General Counsel therein.

- C. Attend all meetings of the Board of Directors as directed by the Board of Directors and give legal advice or opinions in writing whenever requested to do so by the Board of Directors, or by any of the committees or officers of METRO.
- D. Review all contracts to be made by METRO and provide the Board of Directors, its officers and staff with legal advice regarding same.
- E. Review any and all proposed ordinances or resolutions for METRO and amendments thereto.
- F. Perform such other acts relating to the office as the Board of Directors shall require; and
- G. On vacating the office, surrender all books, papers, files, and documents pertaining to METRO's affairs.

§1.2.1606

Disclaimer

Unless Bylaw provisions set forth herein are required pursuant to METRO's enabling legislation or other applicable law (i.e., the Brown Act), the METRO Board of Directors may waive any provision herein. Waiver may occur in one or more ways, including but not limited to, by action or by motion by a majority of the voting Directors.

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADMINISTRATIVE CODE

TITLE I – ADMINISTRATION

CHAPTER 2

BYLAWS

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Article I Regular Meetings

§1.2.101 Regular Meetings; Time

- A. Regular meetings (generally televised) of the Santa Cruz Metropolitan Transit District (METRO) Board of Directors shall be held on the fourth Friday of each month. The Board of Directors may establish the time for the commencement and duration of its meetings as necessary through Board action. The Board may also change the date and times of regular meetings (for both full Board and Committee meetings) as necessary through Board action.
- B. No regular meetings will be scheduled during the month of July.
- C. If a regular meeting falls within 5 working days of a recognized METRO holiday, i.e., Thanksgiving, Christmas or New Year's Day, the Board of Directors shall reschedule the meeting to a more convenient date. The regular meeting schedule shall be published for the upcoming year and approved by the Board of Directors prior to the start of the New Year. This schedule shall include the date, location and commencement time for each regular meeting of the Board of Directors and shall be posted on METRO's website, and METRO's official Bulletin Board throughout the year.
- D. In order to ensure a full 30 days public review of the proposed annual budget, the May Board meeting may be scheduled earlier than the fourth Friday of the month.
- E. Notwithstanding the above, the Board may take action to change the date and location of any Board meeting as long as the public is provided reasonable notice of the change via the METRO's website and METRO's official Bulletin Board, located at the Administrative Office of the Santa Cruz Metropolitan Transit District.
- F. Board Standing Committees and Ad Hoc Committees
 - i. Board Standing Committees and Ad Hoc Committee meetings will be scheduled when most convenient to the members of the Committee
 - ii. Board Directors are encouraged to block their calendar for the second Friday of every month to help facilitate a meeting time for Standing and Ad Hoc Committee meetings.

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§1.2.102 Regular Meetings; Place

- A. The Regular monthly meeting(s) of the Board of Directors may occur at any of the following venues, except when the Board of Directors' regular meeting schedule sets forth a different location:
- iii. Capitola City Council Chambers, 420 Capitola Avenue, Capitola, CA 95010
 - iv. Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA 95060
 - v. Scotts Valley City Council Chambers, One Civic Center Drive, Scotts Valley, CA 95066
 - vi. Watsonville City Council Chambers, 475 Main Street, Watsonville, CA 95076
 - vii. Santa Cruz METRO Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060
- B. If, by reason of fire, flood, earthquake or other emergency, it shall be unsafe to meet in the place designated above, the meeting shall be held for the duration of the emergency or unsafe condition at the place designated by the Chair of the Board of Directors in a notice to the local media that have requested notice in writing, by the most rapid means of communication available at the time. A notification advising the public of the changed meeting location during the emergency or unsafe condition shall be posted on the door of the regular meeting room by the CEO/General Manager, unless circumstances prevent her/him from doing so.
- C. The Board of Directors shall not conduct any meeting in any facility that prohibits the admittance of any person, or persons, on the basis of race, religious creed, color, national origin, ancestry, sex, gender, pregnancy or related medical condition, age, marital status, medical condition (cancer related or genetic characteristics), sexual orientation, veteran status, or which is inaccessible to persons with physical or mental disabilities, or where members of the public may not be present without making a payment or purchase.

§1.2.103 Regular Meetings; Open to the Public

- A. Regular Board Meetings and Board Standing Committee meetings shall be open and public and all persons shall be permitted to attend except as otherwise allowed by law or when a closed session is authorized pursuant to applicable state law and properly noticed in accordance therewith.

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- B. A Spanish-bilingual interpreter shall be present and available for translations at the Regular Board Meeting.

§1.2.104 Closed Sessions: State Reasons and Legal Authority; Scope of Coverage; Notice; Reporting Out

- A. Prior to holding any closed session, the Board of Directors shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosures may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the Board of Directors may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.
- B. After any closed session, the Board of Directors shall convene into open session prior to adjournment and General Counsel shall make any disclosures required by state law of action taken in the closed session.

Article II Agenda

§1.2.201 Agenda; Notification and Posting

- A. The CEO/General Manager is responsible for coordinating with the staff to develop all Board materials associated with Board reports, communications, resolutions, or other matters timely such that the Board receives all such Board meeting materials in advance of the Board meeting or Standing Committee meeting. If there is a delay in providing the a Board item at the same time as the meeting agenda is posted, the CEO/General Manager will ensure that the posted agenda includes the proper reference to the missing item(s), thereby meeting the Brown Act posting requirements, and he/she will make best efforts to deliver the final copy of the missing item(s) to the Board in advance of the Board meeting.
- B. The Chair, in consultation with the CEO/General Manager, shall assist in arranging the Regular Board meeting agenda items in order of action and discussion versus consent. The final agenda shall be provided electronically and/or by a link contained in an email to each member of the Board and to the District General Counsel at least 72 hours preceding the Regular Board meeting. The agenda shall be posted on the Official Bulletin Board for the public at the Administrative Office of the Santa Cruz Metropolitan Transit District and the METRO website at least 72 hours preceding each Regular Board meeting and Standing Committee meeting. A record of this posting, including the time and place of posting, will be maintained by the Executive Assistant to the CEO/General Manager.

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- C. The agenda shall contain a brief description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. The description will be reasonably calculated to inform the public of the general nature of the subject matter of the item so that the public may seek further information on items of interest. The description will focus on the substance of the matter rather than the contemplated action. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public.
- D. Copies of the agenda shall be mailed to any individual or entity that has requested it. The Full Agenda Packet, which includes all attachments associated with the agenda items, will be made available online at METRO's website, www.scmttd.com. Individuals and entities can voluntarily subscribe or unsubscribe to receive automated email notification when METRO's agendas and agenda packets are available online at <http://www.scmttd.com/en/riders-guide/stay-connected/subscriber-alerts>.
- E. Timely posting of the agenda and agenda materials on the METRO website is not required when the METRO servers are down or not functioning properly or when matters outside METRO's control interfere or prevent such website posting to occur. The agenda and agenda materials will be posted once the technical difficulties are resolved.

§1.2.202 Agenda; Public Input

Every agenda for regular open meetings shall provide an opportunity for members of the public to directly address the Board of Directors on any item of interest to the public, and before or during the Board's consideration item, that is within the subject matter jurisdiction of METRO, provided that no action shall be taken on any item not appearing on the agenda unless the board complies with Section 1.2.203 below.

§1.2.203 Agenda; Action Taken Not on Agenda

- A. No action or discussion shall be taken on any item not appearing on the posted agenda except that members of the Board of Directors present at the meeting or METRO staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights. In addition, on their own initiative, or in response to questions posed by the public, Directors or METRO staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a Director or the Board itself may, subject to METRO's rules and regulations, provide a reference to staff or other resources for factual information; request the CEO/General Manager to report back to the body at a subsequent meeting concerning any matter; take

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action to direct the CEO/General Manager to place a matter of business on a future agenda; or direct the CEO/General Manager to respond in writing to the public member.

- B. Notwithstanding subdivision (A) above, the Board of Directors may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this section, the Chair of the Board of Directors shall publicly identify the item.
 - i. Upon a determination by a majority vote of the Board of Directors that an emergency situation exists, as defined in Section 4.01(b) herein;
 - ii. Upon a determination by a two-thirds vote of the Directors present at the meeting, or, if less than two-thirds of the members present at the meeting, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of METRO subsequent to the agenda being posted; or
 - iii. The item was posted pursuant to a prior meeting of the Board of Directors occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

§1.2.204 Agenda; Other Distributed Writings

- A. Agendas and any other writings when distributed to all or a majority of all, the members of the Board of Directors by any person in connection with a matter subject to discussion or consideration at a public meeting are public records and shall be made available without delay unless the writing is exempt from disclosure pursuant to the California Public Records Act.
- B. Writings that are public records, as set forth above, and which are distributed during an open meeting shall be made available for public inspection at the meeting if prepared by METRO or a Director or after the meeting if prepared by some other person.

Article III Special Meetings

§1.2.301 Special Meetings; Notice and Purpose

- A. A special meeting may be called at any time by the Chair or by a majority of the members of the Board of Directors, by delivering written notice to each member of the Board of Directors, and to each local newspaper of general circulation, radio or television station requesting notice in writing. The notice shall be delivered personally or by any other means at least 24 hours in advance of the

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meeting. The call and written notice shall specify the time and place of the special meeting and the business to be transacted and discussed.

- B. No other business shall be considered at the special meeting. The call and notice shall be posted at least 24 hours prior to the special meeting on the Official Bulletin Board for the public at the Administrative Office of the Santa Cruz Metropolitan Transit District and on METRO's website.
- C. Every notice for a special meeting at which action is proposed to be taken on an item shall provide an opportunity for members of the public to directly address the Board of Directors concerning any item that has been described in the notice for the meeting before or during consideration of that item.
- D. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting.

Article IV

Emergency Meetings

§1.2.401 Emergency Meetings; Notice and Purpose

- A. In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board of Directors may hold an emergency open meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement or both of the notice and posting requirements of a special meeting.
- B. For purposes of this section, "emergency situation" means any of the following:
 - i. An Emergency means a work stoppage, crippling disaster or other activity, which severely impairs public health, safety, or both, as determined by a majority of the members of the Board of Directors.
 - ii. A dire emergency means a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring the Board of Directors to provide one-hour notice before holding an emergency meeting may endanger the public health, safety, or both, as determined by a majority of the members of the Board of Directors.
- C. Although no notice to the public is required, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified by the presiding Chair of the Board of Directors, or designee thereof, one hour prior to the emergency meeting by telephone or in the case of a dire emergency, at or near the time that the Chair or designee notifies the directors of the emergency meeting. The notice shall be given by telephone

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and email and all telephone numbers and email addresses provided in the most recent request of such newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the Chair or designee thereof, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting and any action taken at the meeting as soon after the meeting as possible.

§1.2.402 Emergency Meetings; Open to Public

Emergency meetings are always open meetings regardless of the subject matter except that if agreed to by a two-third vote of the Directors present or if less than two-thirds of the Directors are present, by a unanimous vote of those present, the Board of Directors may hold a closed session with the Attorney General, District Attorney, District General Counsel, Sheriff or Chief of Police or their respective deputies, or a security consultant or a security operation manager on matters posing a threat to the security of public buildings, a threat to the security of essential public services, or a threat to the public's right of access to public service or public facilities.

§1.2.403 Emergency Meetings; Requirements

All special meetings requirements, as prescribed in Section 1.2.3.01 herein, shall be applicable to a meeting called pursuant to this section, with the exception of the 24-hour notice requirement.

§1.2.404 Emergency Meetings; Minutes

The minutes of a meeting called pursuant to this section will be made available at the next Regular Board meeting. A list of persons who the presiding chair of the Board of Directors, or its designee notified or attempted to notify will be made available upon request.

Article V Directors

§1.2.501 The Board of Directors

In accordance with Public Utilities Code section 98100 et seq. METRO shall be governed by a Board of Directors of eleven members because such membership is necessary to insure adequate representation to all the areas in the County of Santa Cruz.

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§1.2.502 Appointment

In accordance with Public Utilities Code section 98100 et seq. the membership of the Board of Directors shall be composed of one member appointed by each City Council of Santa Cruz, Capitola, Scotts Valley, Watsonville and any other incorporated area of the District to represent the incorporated area and one member appointed by the Board of Supervisors of the County of Santa Cruz to represent the unincorporated area. Other appointments shall be made in accordance with the proportionate population within the District. The apportionment shall be based upon the population distribution within the District and the Board shall reapportion its membership whenever any part of the District is excluded or new territory is added or unincorporated territory within the District incorporates and as a result of the exclusion, annexation, or incorporation, representation on the Board no longer reflects the population distribution within the District. The Board shall also reapportion whenever the County election official advises the Board that the latest official census indicates a need for reapportionment.

In addition to the membership appointed as provided in the preceding paragraph, the Board of Directors may appoint Ex-Officio Directors to its Board upon an affirmative vote of the majority of its members.

§1.2.503 Qualifying Appointees to Board; Area residence

The appointees to the Board shall have been residents of the area encompassed by the District for at least 30 days prior to their appointment and they shall also be residents of the City whose City Council appointed them, or a resident of the County if appointed by the Board of Supervisors.

§1.2.504 Term of Office

- A. The term of office for each Director shall be four years.
- B. If the appointee of any legislative body is one of its own members, the appointee may continue to serve only as long as the appointee is a member of until a qualified successor is appointed, unless the legislative body takes express action to unseat the appointee.
- C. An appointment to fill a vacancy on the Board or an appointment made after the expiration of the preceding term shall be for the unexpired portion of the term and reappointment will require an action by the appointee's legislative body.
- D. The failure of a Board member to attend three consecutive meetings of the Board without good cause shall create a vacancy in the office of the Board member.

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- E. When a vacancy is created, or a Board Director's term expires, the CEO/General Manager's Executive Assistant will contact the appointee's legislative body and request that it take action on a new appointment or reappointment. The appointee cannot be sworn-in until such time as the Executive Assistant receives a properly executed Resolution of appointment from the appointee's legislative body.

§1.2.505 Directors' Code of Ethics

- A. A Directors' Code of Ethics is attached as Exhibit A to these Bylaws and shall serve as a guideline for the Directors in the work that they perform on behalf of METRO.
- B. All Board of Directors are required to complete a two-hour ethics training every two years, as required by Government Code section 53234, and are responsible for submitting a certificate of completion to the CEO/General Manager's Executive Assistant.

§1.2.506 Director Reimbursement

A. Each Director shall be reimbursed their actual and necessary business expenses incurred in the performance of the Board member's duties for the meetings set forth below. As of January 2020, Board member reimbursement is fifty dollars (\$50) per meeting, not to exceed four hundred dollars (\$400) in any month.

~~A. At the Board's discretion, Board member reimbursement for attending a meeting may be increased to not exceed one hundred dollars (\$100), and each member's reimbursements shall not exceed four hundred dollars (\$400) in any month, for performance of official METRO duties. However, in lieu of this reimbursement for attendance at the meetings set forth below, each Director may receive a per diem of fifty dollars (\$50), but not to exceed a combined total of four meetings in any one calendar month, plus reasonable expenses as may be authorized by the Board:~~

- i. Attendance at Regular meetings of the Board of Directors;
- ii. Attendance at meetings, as a District Committee member of a Board Standing Committee, Ad Hoc Committee, or member of a committee appointed by the Chair of the Board or the Board itself;
- iii. Attendance at Advisory Committee meetings, as a METRO Director;
- iv. Participation at required educational and training meetings or seminars;
- v. Attendance at meetings, as a METRO Director, of the American Public Transit Association (APTA); and

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- vi. Attendance at meetings, as a METRO Director, of the California Transit Association (CTA);
 - vii. Attendance at meetings to meet with state and federal elected officials in Sacramento and Washington, D.C.
 - viii. Relative to APTA, CTA, Sacramento and Washington, D.C. meetings, travel days, in addition to meeting days, qualify for \$50/day per diem.
- B. The Board Chair shall make recommendations for the full Board to consider relative to Board of Directors' travel to APTA, CTA, Sacramento and Washington, D.C.
- C. Reimbursement for travel will either be based upon actual receipts, with tips not exceeding 15%, or by per diem, as identified in the GSA website.
- i. The Per Diem Method is established annually by the General Services Administration (GSA) and reflects an all-inclusive fixed-rate of reimbursement for food, beverages, taxes and tips on meals by destination city. Itemized receipts are not required for reimbursement under the Per Diem Method. Both travel days (first and last days of travel) will be prorated.
 - ii. The Board Director may opt for the Per Diem Method only if the business destination city is listed on the GSA website.
 - iii. Once the Per Diem method is chosen, the Authorized Travel Planner (ATP) will perform the appropriate Per Diem calculation for the Travel Event.
 - iv. Under the Per Diem Method, both travel days (first and last days of travel) will be prorated at 75%, as noted in the "First & Last Day of Travel" table of the M&IE website www.gsa.gov/mie
 - v. A standard meal Per Diem for each day of the Travel Event may be claimed for most major cities in the United States. Certain areas are designated high cost areas, qualifying for higher standard meal allowances.
 - vi. A table of the federal government's Meals & Incidental Expenses (M&IE) Per Diem rate is available on the GSA website at www.gsa.gov/perdiem. The M&IE table reflecting the breakdown of the M&IE expense by breakfast, lunch, dinner and incidentals is available at www.gsa.gov/mie. The ATP will print a copy of **both** tables and attached them to the Board Director's Travel Authorization form and the Travel Expense form.

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- vii. The “IE” in M&IE represents the “Incidental Expenses” portion of the established Per Diem. However, METRO is not including Incidental Expenses Per Diem at this time as a qualifying reimbursement and the ATP will subtract this amount from the city’s M&IE rate.
 - viii. A day’s Per Diem rate shall be reduced proportionately using the M&IE table for complimentary meals, meals paid by others and meals included in the conference, seminar or training package fees.
- D. All lodging and airline flights will be booked by the ATP. The ATP will make best efforts to pre-pay the Board Director’s lodging. In such a case where that is not possible, the Board Member will pay for their lodging and upon check-out they will be responsible for obtaining a Folio reflecting the room expenses. Upon their return, the Board Director will submit the Folio to the ATP for lodging reimbursement.
 - E. A Director may receive a travel advance, when approved by either the Board Chair or the Vice-Chair, up to \$100.00 per each full day of travel or attendance at any of the events listed in section (a) above. Upon their return, the Board Director is responsible for returning any unused travel advance and for reconciling the difference with qualifying receipts. A reduced advance may be permitted for partial days, as determined by the Board Chair or Vice-Chair.
 - F. The Board of Directors in a public meeting shall approve all expenses that do not fall within the reimbursable rates set forth in Exhibit B before the expense is incurred.

§1.2.507 Reimbursement Process and Expense Report Form

- A. The CEO/General Manager shall designate a staff member (the Authorized Travel Planner (ATP)) to schedule all conferences, lodging accommodations and transportation (including the scheduling of a METRO vehicle for in-state travel) for a Director and will obtain the best rate available at the time of booking. In no event shall the lodging costs exceed the maximum group rate published by the conference or activity sponsor provided that lodging at the group rate is available to the Director at the time of booking. If the group rate is not available, the ATP shall use comparable lodging that is consistent with those rates.
- B. With the exception of attendance at meetings/events within Metro's service area, Directors will be reimbursed for the use of their personal vehicle when performing METRO business. The reimbursement rate will be at the most current published IRS rate. However, reimbursement for the use of a personal

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vehicle will not be authorized when such reimbursement exceeds the cost of travel by airline.

- C. The ATP shall provide each Director with an Expense Report form that the Director will complete for reimbursement of the actual and necessary qualifying expenses incurred on behalf of METRO in the performance of official duties. The expense reports shall document qualifying expenses. Directors shall submit expense reports within a reasonable time after incurring the expense but in no event later than four weeks after the expense has been incurred. The actual receipts documenting each expense shall accompany all reports. The Chair or Vice-Chair of the Board shall review the reports and insure compliance. Under no circumstances shall expenses be paid or reimbursed to a Director that are not allowed; including, any expenditures for alcohol, personal items, spouses, friends, or others not specifically authorized by this policy to incur reimbursable expenses. Directors shall provide brief reports about the meetings attended at the expense of METRO at the next regular meeting of the Board of Directors.
- D. All documents related to reimbursable agency expenditures are public record subject to disclosure under the California Public Records Act.

§1.2.508 Directing the Work of Santa Cruz METRO Staff Members

All requests to utilize the staff of Santa Cruz METRO shall be coordinated by and approved by the CEO/General Manager. In no event shall a Board Director assign work directly to a Santa Cruz METRO staff member without the approval of the CEO/General Manager.

Article VI Presiding Officers

§1.2.601 Election

- A. The Directors shall at a regular meeting in either January or February, as determined by the Board Chair, nominate members of the Board of Directors to serve as the Chair and as Vice-Chair. Nominations may be received until final selections occur. The Board of Directors shall, at its regular meeting in either February or March (generally televised) of each year, vote to choose one of its members to serve as Chair and one of its members to serve as Vice-Chair, to serve for the balance of the calendar year or until the selection of their successors. The officer election shall be agendized at the February or March meeting immediately following roll call and shall not be paired with any other item.
- B. Should the office of the Chair become vacant during the calendar year, the Vice-Chair shall assume the office of Chair. Should the office of Vice-Chair become

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vacant, the nomination and selection of Vice-Chair shall be agendized and acted upon by the Board of Directors.

- C. In the event of a vacancy of both the Chair and Vice-Chair positions, a nomination and vote shall be agendized for the next Regular Board meeting for the Board of Directors to nominate and make final selections.

§1.2.602 Chair to Preside

The Chair shall preside at all meetings of the Board of Directors. In the absence of the Chair, the meetings of the Board of Directors shall be presided by the Vice Chair. The Chair, or if presiding, the Vice Chair shall have authority:

- A. to determine the order of business under the rules of the Board of Directors;
- B. to enforce the rules of the Board of Directors; and
- C. to preserve order at all meetings and to remove or cause the removal of any person from any meeting of the Board of Directors for disorderly conduct.

§1.2.603 Absence of Chair

If the Chair is absent or unable to act, the Vice-Chair shall serve until the Chair returns or is able to act. The Vice-Chair has all of the powers and duties of the Chair while acting as Chair. In the absence of both the Chair and the Vice-Chair, the Directors shall nominate and elect a director to serve as chair pro tempore during such absences.

Article VII Conduct of Meeting

§1.2.701 Call to Order

The Chair, or such other Director as may be presiding, shall at the hour appointed for the meeting, immediately call the Board of Directors to order when a quorum is present. The Chair shall preserve strict decorum at all meetings. She/he shall state every question coming before the Board of Directors, call for the vote, announce the decisions of the Board of Directors, and decide all questions of order, subject, however, to an appeal to the Board of Directors, in which a majority vote of the Board of Directors shall govern and conclusively determine such question of order.

§1.2.702 Rights of Chair

The Chair, or such other member of the Board as may be presiding, may second and debate, subject only to such limitation of debates as are by these rules imposed on all members; the Chair shall not be deprived of any of the rights and privileges of a Director by reason of holding the position of Chair.

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§1.2.703 Rules of Debate

- A. Every Director desiring to speak shall address the Chair, and upon recognition by the presiding officer, shall be confined to the question under debate, avoiding all references to personalities and indecorous language.
- B. A Director, once recognized, shall not be interrupted when speaking unless it is to call her/him to order. If a Director, while speaking, is called to order, she/he shall cease speaking until the question of order is determined and, if in order, she/he shall be permitted to proceed.
- C. A Director may request, through the presiding officer, the privilege of having an abstract of her/his statement on any subject under consideration by the Board of Directors entered into the minutes. If the Board of Directors consents thereto, such statement shall be entered; provided, however, that any Director, without the Board's consent, shall have the right to have the reasons for her/his dissent from, or protest against, any action of the Board of Directors entered into the minutes.
- D. The CEO/General Manager may be directed by the Chair, with the consent of the Board, to enter in the minutes a synopsis of the discussion of any question coming properly before the Board of Directors.

§1.2.704 Rules of Procedure

Rules of Procedure, which are attached hereto as Exhibit C and incorporated herein by reference, shall be followed by the Board of Directors. A complete copy of the Bylaws shall be included in each Director's Board packet and made available for members of the public at Board of Directors' meetings.

§1.2.705 Disruption of Meeting; Clearing Room

In the event that any meeting is willfully interrupted by an individual, a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individual(s) who are willfully interrupting the meeting, the members of the Board of Directors conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. In order to readmit individuals who were not disruptive, the following procedure shall be used:

- A. When a meeting is disrupted to the point that it cannot be continued, the Chair shall order those persons causing the disruption to leave the meeting.

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- B. If those causing the disruption fail or refuse to leave the meeting, the Chair shall recess the meeting, order the meeting room cleared and summon law enforcement.
- C. Upon the arrival of law enforcement, the Chair shall reconvene the meeting.
- D. METRO Staff shall be directed to readmit those members of the public who did not engage in the disorderly conduct on an individual and intermittent basis.
- E. If the meeting is again disrupted, the Chair shall cause the meeting room to be cleared and the meeting will continue with only the press in attendance if they have not engaged in any disruption.

Article VIII Quorum

§1.2.801 Transaction of Business; Quorum

A majority of the voting members of the Board of Directors shall constitute a quorum for the transaction of business.

Article IX Adjournment/Continuances

§1.2.901 Adjournment of Meeting

- A. The Board of Directors may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment.
- B. Less than a quorum may adjourn any meeting.
- C. In the absence of all Directors from any meeting, the CEO/General Manager may declare the meeting adjourned to a stated day and hour. If she/he does, she/he shall then cause written notice of the adjournment to be given in the same manner as provided for Special Meetings set forth herein.
- D. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regularly adjourned regular, special, or adjourned special meeting was held within 24 hours after the time of adjournment.
- E. When a regular or adjourned regular meeting is adjourned as provided herein, the resulting adjourned meeting is a regular meeting for all purposes.

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- F. When an order of adjournment of any meeting fails to state the hour that the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings of the Board of Directors.
- G. Any hearing being held, or noticed or ordered to be held, by the Board of Directors at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting of the Board of Directors in the same manner and to the same extent set forth above for the adjournment of meetings; provided that, if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

Article X Minutes

§1.2.1001 Minute Book Record of Open Sessions

- A. The CEO/General Manager, or her/his designee, shall attend all open meetings of the Board of Directors and record and maintain a full and true record of all of the proceedings of the Board of Directors in books that shall bear appropriate titles and be devoted to such purpose.
- B. Unless the reading of the minutes of a Board of Directors meeting is requested by the Board of Directors by a majority vote, such minutes may be approved without reading if the CEO/General Manager has previously furnished each member with a synopsis thereof.
- C. Minutes of Board and Board Committee meetings shall be Action Minutes, not Verbatim Minutes.

§1.2.1002 Protests and Dissents by Directors Entered in Minutes

Any Director shall have the right to have the reasons for the Director's dissent from, or protest against any action of the Board entered in the minutes.

Article XI Public's Role In Meetings/Public Hearings

§1.2.1101 Public Addressing the Board

- A. The Chair of the Board of Directors may, depending on the circumstances, limit the total amount of time allocated for public testimony on particular issues and/or for each individual speaker, which is limited to three minutes. The Chair may reduce the allocated time per speaker when he/she determines shorter

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time allotments are appropriate. However, any restrictions placed on public testimony shall be reasonable and not an effort to suppress expression merely because of the content of the speaker's view.

- B. All remarks shall be addressed to the Board of Directors as a body and not to any member thereof. No person, other than the Chair and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Board, without permission of the Chair. Additionally, any person may submit written materials to the Board of Directors for its consideration.

§1.2.1102 Public Hearings

- A. A public hearing will be held before the Board of Directors when required by federal, state, or local laws or regulations or when it is asked to take action on any of the following projects:
 - i. A change in 25% or more to the service mileage of any route.
 - ii. A change in METRO fares.
 - iii. Adoption of a Resolution authorizing application for federal funds, state or local funds when such public hearing is required by the funding source.
 - iv. Adoption of any action taken relating to the adoption of any plan, environmental document, property acquisition, resolution, condemnation resolution or other action relating to a project or property where such public hearing is required by state, federal or local law.
 - v. Adoption of the Annual Budget.
 - vi. Adoption of the Short Range Transit Plan.
 - vii. Adoption of an Ordinance.
- B. A METRO Regulation shall set forth the specific procedures to be followed in setting up a public hearing.

Article XII Resolutions, Ordinances and Motions

§1.2.1201 Acts of Board

The acts of the Board of Directors shall be expressed by Motion, Resolution or Ordinance. No Ordinance, Resolution or Motion shall have any validity or effect unless passed by the affirmative votes of a majority of the voting Directors. The Board

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of Directors shall not take action by secret ballot, whether preliminary or final in an open or closed session.

§1.2.1202 Resolution

- A. No resolution shall be adopted by the Board unless it is presented before the Board in writing or read aloud. Where copies of the resolution have been presented to each Director, the reading of the resolution is automatically waived unless a Director specifically requests that it be read.
- B. A Resolution can be passed through a unanimous voice vote of all those present. However, if a dissent is registered, then a roll call vote shall be taken.

§1.2.1203 Ordinance

- A. No ordinance shall be passed until a public hearing has been held on it, which hearing shall be advertised in a newspaper of general circulation or posted in at least three public places at least 15 days prior to the hearing. No ordinance shall be adopted by the Board of Directors on the day of introduction. Ordinances must be adopted by a roll call vote.
- B. All ordinances shall be printed after passage, and maintained in METRO Administrative Offices.
- C. The enacting clause of all ordinances shall be as follows:

"Be it enacted by the Board of Directors of the Santa Cruz Metropolitan Transit District:..."
- D. All ordinances shall be signed by the Chair of the Board or Vice-Chair and attested by the CEO/General Manager.

Article XIII Method of Voting

§1.2.1301 Voice Vote

Unless a roll call vote is specifically requested by a Director, all matters, except the voting on Ordinances, shall be decided by voice vote. All actions of the Board of Directors shall be approved by affirmative vote of a minimum of six voting members of the Board of Directors unless otherwise specifically required.

§1.2.1302 Silence Recorded as Affirmative Vote

A member's silence shall be recorded as an affirmative vote.

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§1.2.1303 Duty to Vote

Each Director has a duty to vote when present at a meeting on matters coming before the Board of Directors or a Board Committee unless he/she has notified the Board of Directors of a legal conflict of interest in accordance with California state law. If a conflict of interest is disclosed, the Director shall adhere to all California legal requirements.

Article XIV Committees And Appointments

§1.2.1401 Creation of Committees

- A. The Board of Directors may establish committees for a stated purpose. If required by California Law, committees and their members shall comply with the Ralph M. Brown Open Meeting Act (Brown Act). Committees are required to comply with these Rules and Regulations. The CEO/General Manager shall provide adequate staffing to assist the committees in doing their work.
- B. Directors who are not committee members may attend committee meetings as long as they attend only as observers when a majority of the Board of Directors is in attendance at the committee meeting. Appointees to committees serve at the pleasure of the Board of Directors, except that no appointee will be removed from office for an illegal reason including the exercise of his/her right to speak about matters of public concern.
- C. The committees shall include the following:
 - i. Working committees or subcommittees (Standing Committees) of the Board of Directors analyze, review, and make recommendations to the Board of Directors on items to be presented to the full Board. The Chair of the Board shall appoint members of the Board to such committees or subcommittees. If a vacancy occurs, the Board Chair shall appoint a Director to fill the vacancy. Minutes shall be taken at each committee meeting and shall be prepared and distributed to the Directors at least two days prior to the regular Board meeting.
 - ii. The Board Chair may from time to time create advisory committees (Ad Hoc Committees) that shall be charged with giving advice to the Board of Directors regarding an issue relevant to METRO's business. Appointments to advisory committees may be made by the Chair, or the Board of Directors. Directors, employees or members of the public may sit on an advisory committee. Advisory committees shall not be Brown Act bodies, so long as the committees qualify as advisory committees as defined by the Brown Act.

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- iii. The Metro Advisory Committee (MAC) is a citizen advisory committee of the Santa Cruz Metropolitan Transit District. Its purpose is to provide a citizen forum (through the MAC) in which the METRO Board and CEO/General Manager can delegate topics for discussion, and assign other duties, and in which recommendations can be formulated and communicated to the Board of Directors. The MAC may also address issues that MAC members or the public raise with respect to the services provided by Santa Cruz METRO. MAC shall be composed of no greater than seven (7) members appointed by the Board of Directors. All MAC members shall serve for a term of four (4) years and will serve at the pleasure of the Board of Directors. The Board of Directors shall approve bylaws to be followed by MAC.

§1.2.1402 Appointment to Santa Cruz County Regional Transportation Commission

- A. The Board of Directors shall each year in either January or February, as determined by the Board Chair, nominate three representatives and three alternates (in order of priority) to the Santa Cruz County Regional Transportation Commission (SCCRTC) who must be members of the Board of Directors. The Board Chair shall also submit nominations of three representatives at the meeting in either January or February. At that meeting, the Chair shall entertain other nominations for SCCRTC representatives and alternates from the Directors. Nominations may be received until final selections occur. Thereafter at the meeting in either February or March, the Board of Directors shall vote on the nominations via a motion and a second. To be appointed, a nomination shall receive at least six affirmative votes. A Director may move a slate of three representatives or a slate of three alternates for appointment.
- B. The Board of Directors may provide its SCCRTC representatives with guidance on issues coming before the Commission to assist the director/commissioner in serving the best interests of METRO.

Article XV Official Bulletin Board

§1.2.1501 Posting of Notices

- A. For purposes of posting official notices of the Board of Directors, notices of public hearings, and any other official papers of the Santa Cruz Metropolitan Transit District where posting is required by the law, the Official Bulletin Board of METRO shall be the bulletin board at the entrance of METRO Administrative Office located at 110 Vernon Street, Santa Cruz, California 95060. Should the Board of Directors hold a public hearing at any location other than its regular

Attachment A - REDLINE VERSION

place of meeting, then, in addition to the posting of the notice on the Official Bulletin Board above listed, posting shall also be made upon or near the door of the place of meeting and on METRO's website.

- B. All Standing Committees created by the Board of Directors are required to post any and all official notices including those notices required by law at the official bulletin board at METRO's Administrative office entrance. Additionally, METRO staff may also post notices on the bulletin board(s) at the transit centers below:
 - i. Bart Cavallaro Transit Center, 246 Kings Village Road, Scotts Valley, CA 95066
 - ii. Capitola Transit Center, 1855 41st Avenue, Capitola, CA 95010
 - iii. Pacific Station, 920 Pacific Avenue, Santa Cruz, CA 95060;
 - iv. Watsonville Transit Center, 475 Rodriguez Street, Watsonville, CA 95076.

Article XVI Other Offices

§1.2.1601 CEO/General Manager; Powers and Duties

In addition to the powers, duties and obligations of the CEO/General Manager, as set forth above; those powers and duties identified in the CEO/General Manager's contract; and the applicable Public Utilities Code pertaining to the Santa Cruz Metropolitan Transit District, the powers and duties of the CEO/General Manager shall include the following:

- A. To have charge, subject to the policy direction and control of the Board of Directors, of the acquisition, construction, maintenance, and operation of the facilities of METRO.
- B. To have charge, subject to the policy direction and control of the Board of Directors, of the administration of the business affairs of METRO.
- C. To insure that all ordinances of METRO are enforced.
- D. To administer the personnel system and collective bargaining agreements adopted by the Board of Directors and, except for officers appointed by the Board, to appoint, discipline or remove all officers and employees subject to the rules and regulations adopted by the Board, and the applicable provisions of any adopted collective bargaining agreement.
- E. To prepare and submit or cause to be prepared and submitted to the Board of Directors within 90 days after the end of each fiscal year a complete report

Attachment A - REDLINE VERSION

(unaudited) of the finances and the administrative activities of METRO for the preceding year, and the financial status of METRO on the last day thereof.

- F. To keep the Board of Directors advised as to the needs of METRO.
- G. To formulate and present to the Board of Directors all plans and specifications for the construction of the works of METRO and the means to finance them.
- H. To cause to be installed and maintained a system of auditing and accounting which shall completely and at all times show the financial condition of METRO.
- I. Attend meetings of the Board of Directors as directed by the Board, and act as Secretary to the Board.
- J. To perform such other and additional duties as the Board may require.

§1.2.1602 CEO/General Manager; Qualifications and Experience

The CEO/General Manager shall be chosen on the basis of his/her qualifications with special reference to his/her actual experience in or knowledge of accepted practices and respect to the duties of his/her office as herein above set forth.

§1.2.1603 CEO/General Manager; Pro Tempore Appointments

The Board of Directors may appoint a CEO/General Manager pro tempore during any absence or disability of the CEO/General Manager.

§1.2.1604 CEO/General Manager; Resident Requirement

The CEO/General Manager need not be a resident of this State at the time of his/her appointment, however he/she shall establish a California residency within 30 days of the commencement of his or her duties with the Transit District.

§1.2.1605 District General Counsel; Appointment, Powers and Duties

The District General Counsel shall be admitted to the practice of law in all courts of this State. The District General Counsel has a direct reporting relationship to the Board and a matrix reporting relationship to the CEO/General Manager who will oversee the District General Counsel's day-to-day business activities. The District General Counsel shall have the power and be required to:

- A. Represent and advise, if authorized and directed by the Board of Directors, the Board of Directors and all METRO officers, committees or departments in all matters pertaining to their office.
- B. Represent and appear, if authorized and directed by the Board of Directors, for METRO and any officer or employee, in any and all actions and proceedings in

Attachment A - REDLINE VERSION

which METRO or any officer or employee, in or by reason of their official capacity, is concerned or is a party; however, the Board of Directors shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter, or to assist the District General Counsel therein.

- C. Attend all meetings of the Board of Directors as directed by the Board of Directors and give legal advice or opinions in writing whenever requested to do so by the Board of Directors, or by any of the committees or officers of METRO.
- D. Review all contracts to be made by METRO and provide the Board of Directors, its officers and staff with legal advice regarding same.
- E. Review any and all proposed ordinances or resolutions for METRO and amendments thereto.
- F. Perform such other acts relating to the office as the Board of Directors shall require; and
- G. On vacating the office, surrender all books, papers, files, and documents pertaining to METRO's affairs.

§1.2.1606 Disclaimer

Unless Bylaw provisions set forth herein are required pursuant to METRO's enabling legislation or other applicable law (i.e., the Brown Act), the METRO Board of Directors may waive any provision herein. Waiver may occur in one or more ways, including but not limited to, by action or by motion by a majority of the voting Directors.

Attachment B



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

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

A RESOLUTION ADOPTING REVISIONS TO TITLE I, CHAPTER 2 OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT ADMINISTRATIVE CODE

WHEREAS, the Santa Cruz Metropolitan Transit District was created pursuant to the "Santa Cruz Metropolitan Transit District Act of 1967" as codified in Public Utilities Code sections 98000 et. seq; and

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

WHEREAS, the Board of Directors pursuant to its authority established an Administrative Code for the proper administration of the District, which Code incorporated the Bylaws of the Board of Directors as Title I, Chapter 2; and

WHEREAS, the Board of Directors desires to adopt revisions to its Bylaws.

NOW THEREFORE, BE IT RESOLVED by the Santa Cruz Metropolitan Transit District as follows:

Revisions to Title I, Chapter 2 of the Administrative Code of Santa Cruz Metropolitan Transit District are hereby adopted by the Board of Directors as set forth in Exhibit A to this Resolution, with the understanding that such revisions are effective January 1, 2020.

Attachment B

Resolution No.
Page 2 of 2

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on November 15, 2019, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSTAIN: DIRECTORS –

ABSENT: DIRECTORS –

ED BOTTORFF
Chairperson

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE SHERMAN
General Counsel



DATE: November 15, 2019
TO: Board of Directors
FROM: Julie A. Sherman, General Counsel
**SUBJECT: AMENDMENTS TO TITLE II OF THE ADMINISTRATIVE CODE –
PROCUREMENT POLICY**

I. RECOMMENDED ACTION

**That the Board of Directors Adopt a Resolution to Amend Title II of the
METRO Administrative Code – Procurement Policy**

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) Procurement Policy was last revised on August 14, 2015.
- The Procurement Policy now contains inconsistencies with the provisions of METRO's enabling legislation, which was amended pursuant to Assembly Bill 1089 (AB 1089), which will be effective January 1, 2020.
- In addition, the amendments make other non-substantive corrections to reflect current job titles and procurement practices.
- The Board of Directors (Board) is asked to approve these amendments to its Procurement Policy, as set forth in the Exhibit to the Resolution provided for consideration by the Board.

III. DISCUSSION/BACKGROUND

In April of 2014, the Board adopted its Procurement Policy as Title II to the District's Administrative Code, which Policy was last amended on August 14, 2015. Assembly Bill 1089 (AB 1089) was adopted by the Legislature and signed by the Governor in July 2019.

AB 1089 made certain changes to METRO's procurement rules, which provide greater procurement flexibility as follows:

1. Procurements for supplies, materials and equipment exceeding \$50,000 may be let either to the lowest responsible bidder or to the responsible bidder that submits a proposal that provides the "best value" to METRO. Previously, only a low bid basis was permitted for these types of procurements.

2. METRO is required to obtain a minimum of three quotations for a procurement exceeding \$5,000 and, in the case of the purchase of supplies, equipment, or materials, not exceeding \$50,000 or, in the case of the construction of facilities and works, not exceeding \$10,000.

Contracts for the construction of facilities and works exceeding \$10,000 must still be let through a low bid basis.

In addition to those required revisions, the amendments make other non-substantive corrections to reflect current job titles and procurement practices. After Board approval, the CEO/General Manager will approve corresponding updates to METRO's Procurement Manual.

IV. FINANCIAL CONSIDERATIONS/IMPACT

This action will not have an effect on budget, as all the procurements that are authorized under the Procurement Policy require approved and budgeted funding.

V. ALTERNATIVES CONSIDERED

None, the substantive changes are required to reflect changes in METRO's enabling legislation.

VI. ATTACHMENTS

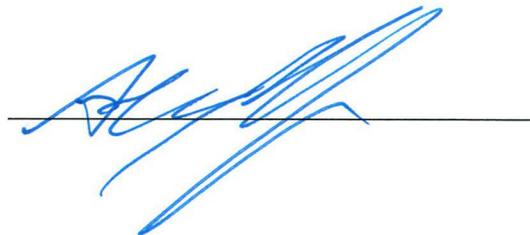
Attachment A: Resolution to Amend Title II to the METRO Administrative Code

Attachment B: Procurement Policy Amendments – Clean and Redline Versions

Prepared by: Julie A. Sherman, General Counsel

VII. APPROVALS

Alex Clifford, CEO/General Manager



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Attachment A



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

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

A RESOLUTION ADOPTING REVISIONS TO TITLE II OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT ADMINISTRATIVE CODE – PROCUREMENT POLICY

WHEREAS, the Santa Cruz Metropolitan Transit District was created pursuant to the "Santa Cruz Metropolitan Transit District Act of 1967" as codified in Public Utilities Code sections 98000 et. seq; and

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

WHEREAS, the Board of Directors pursuant to its authority established an Administrative Code for the proper administration of the District, which Code includes a Procurement Policy, Title II; and

WHEREAS, the Board of Directors desires to adopt revisions to its Procurement Policy.

NOW THEREFORE, BE IT RESOLVED by the Santa Cruz Metropolitan Transit District as follows:

Revisions to Title II of the Administrative Code of Santa Cruz Metropolitan Transit District are hereby adopted by the Board of Directors as set forth in Exhibit A to this Resolution, with the understanding that such revisions are effective January 1, 2020.

Attachment A

Resolution No.
Page 2 of 2

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on November 15, 2019, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSTAIN: DIRECTORS –

ABSENT: DIRECTORS –

ED BOTTORFF
Chairperson

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE SHERMAN
General Counsel

Attachment B - CLEAN VERSION

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADMINISTRATIVE CODE

TITLE II – PROCUREMENT POLICY

CHAPTER 1

SOLICITATION AND AWARD OF CONTRACTS

(This Chapter replaces AR-1005, AR-1003 and AR-1027 pursuant to Resolution No. 15-09-05)

Table of Contents:

Article I	General Requirements
Article II	Santa Cruz METRO Code of Conduct
Article III	Contents of Solicitation Documents
Article IV	Solicitation Procedures
Article V	Evaluation of Bids and Proposals
Article VI	Methods of Procurements, Awarding Procurements and Issuing Change Orders
Article VII	Bid/Proposal Protest Procedures
Article VIII	Debarment

Article 1 General Requirements

§ 1.101 Definitions

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

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

CONTRACT shall mean a written agreement, binding the parties thereto to legal obligations; including, without limitation, letter of agreement, memorandum of understanding, contract, contract change order, purchase order, or an amendment or supplemental agreement to any of the foregoing.

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

Attachment B - CLEAN VERSION

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

INVITATION FOR BIDS (IFB) shall mean a solicitation for submittal of bids for SUPPLIES, NONPROFESSIONAL SERVICES or PUBLIC WORKS.

NONPROFESSIONAL SERVICES shall mean and include services of a nonprofessional character of any type, description or variety, including, without limitation, landscape maintenance services, janitorial services, repair of office machines and equipment, and security guard services.

PROCUREMENT shall mean a CONTRACT for SUPPLIES, SERVICES, or PUBLIC WORKS.

PROFESSIONAL SERVICES shall mean and include professional services of any type or variety, including, without limitation, services rendered by accountants, actuaries, appraisers, architects, attorneys, consultants, doctors, and engineers.

PUBLIC WORKS shall mean a project for the erection, construction, alteration, repair or improvement of any kind. (*Public Contract Code §1101.*)

PURCHASE shall mean the acquisition, renting, or leasing of SUPPLIES.

“Santa Cruz METRO” shall mean the Santa Cruz Metropolitan Transit District as established and operated under Part 10, Division 10 of the *California Public Utilities Code*.

REQUEST FOR PROPOSAL (RFP) shall mean a solicitation for submittal of proposals for SUPPLIES or SERVICES.

REQUEST FOR QUALIFICATIONS (RFQ) shall mean a solicitation for submittal of qualifications to perform PROFESSIONAL SERVICES.

SERVICES shall mean PROFESSIONAL or NONPROFESSIONAL SERVICES, or both, in accordance with the solicitation.

SUPPLIES shall mean and include personal property, goods, equipment and materials, including, without limitation, materials required for the maintenance and repair of any property of Santa Cruz METRO or of any other person or agency for which it is the duty of Santa Cruz METRO to maintain or repair.

§1.102 Administrative Procedures

The CEO/GENERAL MANAGER shall approve administrative procedures to carry out the intent of this Chapter. The procedures shall establish a system for informal bidding or informal proposals when advertising for bids or proposals is not required. The procedures shall establish additional guidance for staff and the public with

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regard to Santa Cruz METRO's formal procurement requirements, as an addition to this Chapter.

§1.103 Unauthorized Procurement

Any CONTRACT made contrary to the provisions of this Chapter shall be null and void unless the contrary action is waived or the CONTRACT is ratified by the BOARD upon a determination that it is in the best interest of Santa Cruz METRO to do so. Notwithstanding the foregoing, a CONTRACT for SERVICES approved by the BOARD or GENERAL MANAGER shall not be void or voidable by either party to the CONTRACT or any third party due to failure to adhere to any solicitation procedure set forth in Article III of this Chapter, or the Procedures adopted by the GENERAL MANAGER.

§ 1.104 Splitting Procurement Prohibited

Splitting or separating PROCUREMENTS into smaller units for the purpose of evading the provisions of this Chapter is prohibited. Splitting or separating a PROCUREMENT shall mean and include reducing the amount of any SUPPLIES, SERVICES, or PUBLIC WORKS to be furnished when there is reasonable knowledge that the same SUPPLIES, SERVICES, or PUBLIC WORKS will be additionally required within the same Santa Cruz METRO fiscal year, and when the primary purpose of splitting or separating the PROCUREMENT is to evade the purposes of this Chapter, including formally calling for bids or proposals.

§ 1.105 Collusion with Bidder or Proposer

A Santa Cruz METRO officer or employee is prohibited from engaging in collusion with a bidder or proposer. Collusion includes, without limitation, knowingly doing any of the following:

- A. Aiding or assisting a bidder or proposer in securing a PROCUREMENT at a higher price than that proposed by any other bidder or proposer; or
- B. Favoring one bidder or proposer over another by giving or withholding information; or
- C. Willfully misleading any bidder or proposer as the character of the work or service to be performed or product to be supplied; or
- D. Accepting SUPPLIES, SERVICES, or PUBLIC WORKS that are inferior to that called for in the CONTRACT; or
- E. Falsely reporting the receipt of a greater amount or different kind of SUPPLIES, SERVICES or PUBLIC WORKS than has been actually received; or
- F. Intentionally acting or failing to act in relation to a bid/bidder or proposal/proposer by wrongfully favoring a bidder's or proposer's interest over Santa Cruz METRO's interests.

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§ 1.106 Independent Price Determination

It is prohibited for a bidder or proposer to:

- A. Propose or bid prices that have not been arrived at independently without consultation, communication, or agreement with any other bidder, offeror or competitor for the purpose of restricting competition as to any matter relating to the prices bid or proposed; or
- B. Knowingly disclose any price bid or proposal to any other bidder, offeror, or to any competitor prior to opening of the bids or proposals, unless otherwise required by law; or
- C. Make or attempt to induce any other person, firm or other entity or association to submit or not to submit a bid or proposal for the purpose of restricting competition; or
- D. Knowingly be interested in more than one bid as the principal bidder; provided, however, subcontract bids to the principal bidders or proposers are excluded from this paragraph D.

In case of joint venture bids or proposals, the joint venture itself and each and every member of the joint venture shall, for purposes of the foregoing, be construed to be the person submitting the bid or proposal.

Any bid or proposal received or CONTRACT awarded where there was a violation of this section shall be null and void. Santa Cruz METRO shall dispose of the matter in that manner as if the bidder or proposer involved had failed to enter the CONTRACT after award.

§ 1.107 Compliance with Federal Law

A PROCUREMENT funded in full or in part pursuant to the terms of a federal grant or loan shall be advertised, prepared, awarded, performed, and administered in compliance with all applicable requirements of federal laws, regulations and orders whenever compliance with those laws, regulations and orders is a prerequisite of federal financial assistance.

§ 1.108 Execution of Contracts

The CEO/GENERAL MANAGER shall institute control procedures for the execution of CONTRACTS as required herein. Santa Cruz METRO's GENERAL COUNSEL shall approve the form and legality of all CONTRACTS prior to the execution thereof. If the CEO/GENERAL MANAGER will be unavailable to sign a CONTRACT, he/she or the BOARD may delegate such authority in writing to a named Santa Cruz METRO employee who shall be authorized to sign CONTRACTS on behalf of the CEO/GENERAL MANAGER. A copy of such authorization shall be filed with the

Attachment B - CLEAN VERSION

Administrative Services Coordinator to be included in the Santa Cruz METRO official records.

§ 1.109 Severance

If any provision or part of the Chapter conflicts with state or federal laws, regulations, or grant conditions applicable to Santa Cruz METRO PROCUREMENTS, or decisional law binding upon Santa Cruz METRO, the provision or part in conflict shall be deemed severed from this Chapter, and the remainder shall stay in full force and effect.

Article II

Santa Cruz METRO Code of Conduct

§ 1.201 Purpose And Applicability

- A. As a public entity and recipient of state, federal and local funds, Santa Cruz METRO must be vigilant in its protection of the public trust. Toward that end, employees, officers, and agents of Santa Cruz METRO must conduct themselves in a manner that will foster public confidence in the integrity of the procurement system. This section is intended to prescribe standards of conduct to ensure honesty and integrity in all Santa Cruz METRO procurements.
- B. The standards established herein shall apply to all activities associated with all procurements by METRO.

§ 1.202 Conflict of Interest

- A. No Santa Cruz METRO employee, officer, agent or his/her immediate family member, partner or organization that employs or is about to employ any of the foregoing individuals may participate in the selection, award, or administration of a Santa Cruz METRO contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of those previously listed individuals has a financial or other interest in a firm/individual who may be selected and/or is selected for the award.
- B. Santa Cruz METRO employees, officers and agents are prohibited from making, participating in or in any way attempting to use their METRO employment or affiliation to influence a Santa Cruz METRO decision in which they know or have reason to know they have a financial interest or other interest in the firm/individual who may be selected and/or is selected for the award.
- C. Santa Cruz METRO employees, officers, and agents and their immediate families, their business partners and/or an organization that employs or is about to employ the employee, his/her immediate family and/or his/her business partner, shall not be financially interested in any Santa Cruz METRO contract made by them in their official capacity. They shall not be purchasers at any sale or vendors

Attachment B - CLEAN VERSION

at any purchase made by them in their official capacity. The Santa Cruz METRO Board of Directors may void a contract made in violation of this section.

- D. Santa Cruz METRO employees, officers and agents shall be subject to the laws of the United States and the State of California concerning conflicts of interest. Anyone found to violate the standards established by such laws may be subject to statutory penalties or sanctions, criminal consequences and disciplinary action up to and including employment termination issued by Santa Cruz METRO.
- E. In a procurement in which a Santa Cruz METRO employee, officer and/or agent may have a conflict or potential conflict of interest, such individual(s) must promptly report the conflict in writing to the CEO/GENERAL MANAGER or designee so that appropriate action can be taken to assign the work to another employee to avoid the conflict of interest.
- F. In a procurement in which a vendor, contractor or consultant or a prospective vendor, contractor or consultant may have a conflict or potential conflict of interest, such individual or firm shall immediately report the nature of the conflict and the existence or potential existence of the conflict to Santa Cruz METRO's Purchasing and Special Projects Director who shall in consultation with the Santa Cruz METRO CEO/General Manager and the Santa Cruz METRO General Counsel determine the appropriate action to be taken.
- G. Santa Cruz METRO's Purchasing and Special Projects Director in consultation with the CEO/General Manager and the Santa Cruz METRO District Counsel is responsible to identify any real or apparent organizational conflict-of-interests that may exist in each procurement. An organizational conflict of interest exists when the nature of the work to be performed under a proposed third party contract or sub-agreement may, without some restrictions on future activities result in an unfair competitive advantage to the third party contractor or sub-recipient or impair their objectivity in performing the contract work.

§ 1.203 Gifts and Gratuities

- A. No Santa Cruz METRO employee, officer or agent shall solicit or accept gratuities, favors or anything of monetary value, including personal loans, from contractors, subcontractors, consultants, potential contractors, potential consultants, or potential subcontractors, except an unsolicited gift of nominal intrinsic value. Nominal intrinsic value for purposes of this section shall mean a value of less than \$25, within a twelve-month period from a single source.
- B. Invitations for business lunches, parties, or similar functions must be declined if received from bidders or other parties involved in a pending procurement. This policy is intended to avoid any situation, which may give an appearance of improper influence in Santa Cruz METRO procurement activities.

§ 1.204 Contacts with Vendor, Bidders and Proposers

Attachment B - CLEAN VERSION

- A. Prior to the issuance of a procurement solicitation, informational and research contacts with prospective vendors may be made for the purpose of gathering data. However, in making such contacts, Santa Cruz METRO employees, officers, and agents shall avoid any commitment, or implication thereof, of a possible future award. Any such proposed contacts must be reported to the Santa Cruz METRO Purchasing and Special Projects Director.
- B. Accordingly, requests for substantial complimentary services or supplies, which may imply an obligation on the part of Santa Cruz METRO, are prohibited. Requests for testing services, product samples, or demonstrations, or free trips to examine vendor products are prohibited.
- C. Whenever a procurement is in progress (e.g., during the solicitation, evaluation, negotiation, and award phases) all contacts with potential contractors, consultants or vendors shall be made through the CEO/General Manager or the Purchasing and Special Projects Director.

§ 1.205 Release and Use of Information

- A. With the exception of formally advertised sealed bid procurements (i.e., Invitations for bid (IFB)) all cost and pricing information received by Santa Cruz METRO in negotiated procurements is to be treated as confidential, until the selection and award.
- B. All technical data received in response to Requests for Proposals (RFP), with the exception of data contained in any contracts awarded by Santa Cruz METRO shall be maintained in a confidential manner until the selection and award.
- C. No Santa Cruz METRO employee, officer, or agent shall use confidential information obtained through procurement for the actual or anticipated benefit of themselves, their relatives, persons with whom they have a common financial interest or any person.

Article III

Contents of Solicitation Documents

§ 1.301 Bid Forms

All formal bids shall be made on forms provided by Santa Cruz METRO. The execution of the forms by bidders shall be subject to procedures formulated by the CEO/GENERAL MANAGER and shall include controls over erasures, corrections, and interlineations.

§ 1.302 Invitation for Bids (IFB)

All IFBs shall at a minimum, include all of the following information:

Attachment B - CLEAN VERSION

- A. A description of the PUBLIC WORKS, NONPROFESSIONAL SERVICES or SUPPLIES required without use of brand or trade names except as authorized by state law or federal grant conditions. (Public Contract code §3400.)
- B. Time for performance or delivery.
- C. The time period that the bidder's offer must be held open for Santa Cruz METRO acceptance.
- D. Disadvantaged Business Enterprise goals and good faith efforts requirements if required by the terms of the federal grant.
- E. Criteria for CONTRACT award to the lowest responsive and responsible bidder.
- F. Date and time for bid submittal.
- G. Bid protest procedures as set forth in Article VII of this Chapter.
- H. For PUBLIC WORKS projects, the contractor licensing and subcontractor listing requirements, prevailing wage notification, the required bid security as set out in Section 1.305, and all statutorily required bonds.
- I. Federal and/or state requirements, including contract clauses, certifications, and bonds (bid, maintenance, performance, and payment). For federally funded SUPPLY and NONPROFESSIONAL SERVICES CONTRACTS, Santa Cruz METRO may allow submittal of an irrevocable letter of credit or other negotiable instrument in-lieu of a bond.
- J. Santa Cruz METRO contract clauses.
- K. Notification that Santa Cruz METRO reserves the right to reject all bids and to waive minor irregularities in a bidder's bid.

§ 1.303

Request for Proposals (RFP)

All REQUESTS FOR PROPOSALS shall include at a minimum all the following information:

- A. A description of the type of SUPPLIES or SERVICES required without use of brand or trade names except as authorized by state law or federal grant conditions.
- B. Time for performance, delivery or length of service.
- C. The time period that the proposer's proposal must be held open for Santa Cruz METRO acceptance.
- D. The required work products and/or tasks.
- E. A request for a description of the firm's qualifications, size and prior experience in performing similar SERVICES, unless a prior REQUEST FOR QUALIFICATIONS was issued to pre-qualify potential proposers.
- F. Disadvantaged business enterprise goals and good faith efforts requirements if required by the terms of a federal grant.
- G. Selection criteria, weighting factors and selection process.
- H. Date and time for proposal submittal.
- I. Protest procedures as set out in Article VII of this Chapter.
- J. Federal and/or state contract clauses, certifications and insurance requirements.

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Notwithstanding the foregoing, an RFQ may be issued for SERVICES if approved by the BOARD.

§ 1.304 Request for Qualifications (RFQ)

An RFQ may be issued in order to pre-qualify proposers for a particular RFP or to establish a listing of pre-qualified proposers when several RFPs for separate CONTRACTS will be issued for the same discipline of PROFESSIONAL SERVICES. The listing of pre-qualified professionals shall be effective if approved by the CEO/GENERAL MANAGER, unless BOARD approval is required. The listing must be approved by the BOARD to be effective if: (i) any one CONTRACT would require BOARD approval as set forth in Section 1.605 or (ii) the list will be effective for more than three years. The RFQ shall, at a minimum, include or request all of the following information:

- A. Description of the type of PROFESSIONAL SERVICES required.
- B. Number of years that the firm has provided such services.
- C. Size of firm and, if applicable, a breakdown of number of employees by employment classification.
- D. Prior experience in performing desired PROFESSIONAL SERVICES, and, if applicable, same work products.
- E. Listing of references.

§ 1.305 Bid Security on Public Works Contracts

For any PUBLIC WORKS CONTRACT, the solicitation documents shall require the bidder to submit with the bid as security one of the following:

- A. Cash; or
- B. Cashier's check or certified check made payable to Santa Cruz METRO; or
- C. Bidder's bond executed by an admitted surety insurer and made payable to Santa Cruz METRO.

The security shall be an amount determined by Santa Cruz METRO to be sufficient, but shall not exceed 10% of the bid amount.

If within twenty calendar days after CONTRACT award, the successful bidder fails to enter into the CONTRACT or, if applicable, provide all required insurance certificates and bonds, the bid security shall be forfeited in favor of Santa Cruz METRO. Upon good cause being shown, the CEO/GENERAL MANAGER in his/her discretion may extend the time for the bidder to enter the CONTRACT for a period not to exceed thirty (30) additional days.

Upon award to the lowest responsible bidder, the security of an unsuccessful bidder shall be returned no later than sixty (60) days after CONTRACT award. However, if a bid protest is timely filed, the security of unsuccessful bidders shall not be returned

Attachment B - CLEAN VERSION

until the expiration of the bid validity period. The bid security of the successful bidder shall be returned after execution of the CONTRACT and receipt of the applicable insurance certificate and performance, payment and service disruption bonds. (Public CONTRACT Code §20322.)

Article IV Solicitation Procedures

§ 1.401 Santa Cruz METRO's Current Needs

Santa Cruz METRO staff may contract/purchase only for Santa Cruz METRO's current and reasonably expected public transportation needs and may not add quantities or options to its third party contracts solely to permit assignment to another party at any time.

§ 1.402 Approval of Solicitations

With the exception of contracts procured pursuant to Section 1.507, for a PROCUREMENT expected to be awarded for an amount equal to or greater than the amount set out in Section 1.403 for a CONTRACT for PUBLIC WORKS, SUPPLIES, EQUIPMENT AND MATERIALS, NONPROFESSIONAL SERVICES or PROFESSIONAL SERVICES, respectively, a written IFB or RFP must be prepared and thereafter authorized for issuance by either the BOARD or the CEO/GENERAL MANAGER or his/her designee prior to its release. BOARD approval for the release of the IFB or RFP is required if the resulting contract would require BOARD approval as set forth in Section 1.605 of this Chapter.

§ 1.403 Submittal of Sealed Bids and Proposals

With the exception of contracts procured pursuant to Section 1.507, all bids/proposals for CONTRACTS expected to be awarded for an amount in excess of Ten Thousand Dollars (\$10,000) for PUBLIC WORKS, and Fifty Thousand (\$50,000) for SUPPLIES and SERVICES, shall be sealed, identified as a bid/proposal on the envelope, and shall be submitted to the CEO/GENERAL MANAGER or his/her designee at the place and time specified in the public notice inviting bids/proposals. The time specified in the public notice may be extended and notice of the extension may be given by addendum. Submittals received after the time shall not be accepted and shall be returned to the bidder or proposer unopened.

The CEO/GENERAL MANAGER shall issue procurement policies for the procurement of PUBLIC WORKS, SUPPLIES and SERVICES in excess of the amounts set forth above, which shall include provisions for procurement procedures that require a price or cost analysis/independent cost estimate and the acquisition of quotes, bids or proposals.

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§ 1.406 Opening of Bids/Proposals

Bids shall be opened by the CEO/GENERAL MANAGER or his/her designee, in public, at the time and place designated in the notice inviting bids or any extension that may be given by addendum to the bid documents. *(Adopted eff. April 25, 2014. Amended effective Sept. 25, 2015.)*

Article V Evaluation of Bids and Proposals

§ 1.501 Responsibility Factors

In determining whether a bidder is responsible, consideration shall be given to each of the following factors:

- A. The ability, capacity and skill of the bidder to satisfactorily perform the CONTRACT;
- B. The ability of the bidder to perform the CONTRACT within the time specified, without delay;
- C. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- D. The bidder possesses the required licenses/certifications and is not on any suspended or debarment list; and
- E. The quality of bidder's performance on previous CONTRACTS with Santa Cruz METRO.

§ 1.502 Responsiveness

- A. A bid/proposal is responsive if the bidder/proposer submits all information and documents required by the IFB, RFP, or RFQ in the form and at the time required by the IFB, RFP or RFQ, and the bidder/proposer is offering to perform pursuant to the IFB, RFP, or RFQ requirements.
- B. The BOARD may adopt programs or procedures to promote the participation and use of minority, women-owned or disadvantaged business enterprises, and/or small business enterprises.

§ 1.503 Application of Responsibility Factors

The BOARD or CEO/GENERAL MANAGER shall award CONTRACTS solicited pursuant to a competitive sealed bid basis (IFB) to the lowest bidder submitting a responsive bid, unless the BOARD or CEO/GENERAL MANAGER makes a finding that such bidder

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is not responsible based upon its failure to satisfy one or more of the criteria set forth in Section 1.501 of this Chapter.

§ 1.504 Evaluation of Competitive Proposals

Proposals shall be evaluated based upon the criteria set out in the RFP. Santa Cruz METRO may reject any proposer that is nonresponsible or any proposal that is nonresponsive, it may waive any required information for all proposers, and it may waive minor irregularities in any proposal as provided in Section 1.611 of this Chapter.

§ 1.505 Noncompetitive and Sole Source Procurement

A noncompetitive or sole source PROCUREMENT is the award of CONTRACT to only one source. An amendment to an existing CONTRACT to include PUBLIC WORKS, SUPPLIES, or SERVICES outside the scope of that CONTRACT is also deemed a sole source PROCUREMENT. Noncompetitive and sole source PROCUREMENTS are not permitted unless at least one of the following circumstances occurs:

- A. The BOARD or CEO/GENERAL MANAGER, as applicable, has determined that the PUBLIC WORKS, SUPPLIES, or SERVICES can be provided only by one firm and that efforts to seek competition would be futile. The CEO/GENERAL MANAGER may not delegate his/her authority to make such a determination. However, if the CEO/GENERAL MANAGER is unavailable and has delegated authority for execution of CONTRACTS, such delegation may also include his/her authority under this paragraph.
- B. For PROCUREMENTS involving an expenditure in excess of Ten Thousand Dollars (\$10,000) for PUBLIC WORKS, upon four-fifths (4/5) vote of the BOARD if it finds that an emergency exists and that it is in the best interests of Santa Cruz METRO to suspend competitive bidding.
- C. Noncompetitive PROCUREMENT is otherwise authorized under applicable federal and state statutes and/or case law.

The Board of Directors, or the CEO/GENERAL MANAGER for procurements within his or her procurement authority, may waive the requirements for formal competitive bidding or other procedures set forth in this Procurement Policy when permissible under applicable law, when the best interests of Santa Cruz METRO would be served by waiving such requirements under the circumstances, and when a determination is made that competitive bidding procedures would be unavailing, not in furtherance of the purposes of the competitive bidding statutes and Santa Cruz METRO's procurement policy. These circumstances shall be evaluated on a case-by-case basis,

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keeping in mind the fundamental principles of procurement followed by Santa Cruz METRO. In circumstances where services are needed on an expedited basis that do not permit the time required for the RFP or Simplified Negotiations Procurement process, and such circumstances were not caused by Santa Cruz METRO's action(s), e.g., lack of planning, the CEO/GENERAL MANAGER may waive such procedures, provided there is adequate documentation of the need for such services in accordance with Federal and State procurement requirements.

§ 1.506 Alternative Procurement Methods

The CEO/GENERAL MANAGER may establish procedures for Santa Cruz METRO's participation in Joint Procurements, State and Local Government Purchasing Schedules or Contracts and use of existing contract rights for the purchase of SUPPLIES, MATERIALS or SERVICES.

§ 1.507 Simplified Negotiations for Professional Service Contracts

1. Professional Services Not Exceeding \$10,000 Annually.

Professional services may be retained without obtaining competitive quotations, if the estimate does not exceed \$10,000 annually up to a maximum total contract amount of \$50,000. Work should not be arbitrarily segmented or split in order to avoid the requirements for competition.

a. Procurement and Evaluation Process.

When the District Counsel determines that a need exists for professional services not exceeding \$10,000, it will request that the consultant submit in writing a brief proposal that includes (a) a description of the services to be provided; (b) an estimated schedule for completion; (c) fee structure, including a total all-inclusive sum including hourly rates and expenses; and (d) indemnification and insurance requirements as prescribed by the District. (A separate description of the District's insurance and indemnification requirements is available to be used for this purpose.)

The District Counsel must evaluate the proposed price and determine if it is fair and reasonable, and may negotiate final terms and conditions of the engagement with the proposer. Upon review and acceptance of the proposal, the District Counsel will create a Requisition and submit it to procurement staff. The consultant's written proposal shall be attached to the requisition.

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The Requisition will indicate that the District Counsel has determined that the scope of work is suitable for a noncompetitive approach and that the cost is fair and reasonable. The Purchasing Department will process a purchase order, and the Legal Department will prepare a Professional Services Agreement to formalize the engagement.

2. Simplified Negotiations for Professional Service Contracts Over \$10,000 but not Exceeding \$50,000.

To retain professional services over \$10,000 annually but not exceeding a total contract value of \$50,000, a simplified negotiations process may be used in lieu of the formal competitive procurement process. To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral. Generally, this process consists of the District issuing a written request for quotations to an adequate number of qualified sources, describing, to the extent practicable, the scope of services required, time frame, and deliverables. Formal advertising is not required, but the District will always endeavor to maximize competition. On a case-by-case basis, it may choose the appropriate method of publicizing procurements —such a method may, when appropriate, include posting on the District's website and/or formal advertisement. Selection is made based upon the proposer's qualifications and experience, timeliness, approach, and, for non-architectural/engineering services, cost. The District may negotiate the terms and conditions of the engagement with the highest ranked proposer, or may award the contract without negotiations.

The District shall not arbitrarily split work so as to avoid formal Request for Proposals process described in Section 1.403.

a. Procurement Process.

The District Counsel shall initiate the simplified negotiations process by creating a Requisition and submitting it to Procurement staff specifying the services desired and the estimated cost. The District Counsel should verify that funds are available within the approved budget. District Counsel shall prepare a simple written request for quotations describing the scope of services requested, time for completion, minimum qualifications, and selection criteria in relative order of importance, and attach a sample Professional Services Agreement that will apply to the engagement.

District Counsel, in consultation with the District's risk management department, will determine what types and levels of insurance, if

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any, shall apply, taking into consideration the risk factors associated with the engagement. Typically the consultant shall be required to have a minimum of \$1,000,000 per occurrence general and automobile liability insurance, and may be required to maintain professional liability insurance.

To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral, but generally in writing, utilizing names obtained from locator files, internet, trade journals, trade sources, and the DBE Vendor Lists. Written proposals shall be submitted within the time frame specified in the request for quotations and shall describe the proposer's qualifications and experience, approach to the work, and cost proposal (for non-architectural/engineering contracts).

b. Evaluation and Award of Contract.

Proposals shall be evaluated by District Counsel. The proposer that best meets the District's needs in accordance with the selection criteria identified in the request for quotations shall be selected for award or for further negotiations as to the final scope of work and price, if necessary in order to reach agreement. Legal Department staff will draft the Professional Services Agreement for execution by the consultant and the District's authorized representative. If the service contract is over \$25,000 but does not exceed \$50,000, the Legal Department staff shall prepare and circulate a staff report to the BOARD OF DIRECTORS for review. The executed agreement will be retained by the Procurement Staff. Required insurance coverage shall be verified before the District issues the Notice to Proceed for all Simplified Negotiations. (Adopted eff. April 25, 2014. Amended effective Sept. 25, 2015.)

Article VI

Methods of Procurements, Awarding Procurements and Issuing Change Orders

§ 1.601 General

All purchases and contracts, whether by informal bidding, formal bidding or proposals, shall be made on a competitive basis to the greatest extent practicable. The method of procurement, such as small purchases, informal bids or proposals, formal competitive bidding, requests for proposals, etc., shall be appropriate for the type of project or procurement and shall be in the best interest of the District.

§ 1.602 Public Works Projects Exceeding \$10,000

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CONTRACTS involving expenditures in excess of Ten Thousand Dollars (\$10,000) for PUBLIC WORKS shall be awarded to the responsible bidder submitting the lowest responsive bid.

§ 1.603 Informal Procurements

An informal procurement method may be utilized for the purchase of SUPPLIES or SERVICES when the estimated expenditure is between \$5,000 and \$50,000, and for PUBLIC WORKS projects when the estimated expenditure is between \$5,000 and \$10,000. To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral, that permit prices and other terms to be compared.

§ 1.604 Formal Competitive Procurements

Formal competitive bidding (IFB) should be used when purchasing SUPPLIES or NONPROFESSIONAL SERVICES over \$50,000, but a “best value” approach (RFP) may be used in circumstances where it is determined to be in the best interest of Santa Cruz METRO. “Best value” means a process in which the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit to Santa Cruz METRO.

Formal competitive proposals (RFP), which consider and evaluate factors in addition to price, will be used to retain PROFESSIONAL SERVICES when the estimated expenditure exceeds \$50,000. Specialized State and federal laws will apply to the procurement of architectural and engineering services as defined by applicable laws and regulations, regardless of the estimated expenditure.

§ 1.605 Authority to Award Procurements Exceeding \$50,000

Unless otherwise provided herein, all PROCUREMENTS involving an expenditure exceeding Fifty Thousand Dollars (\$50,000) shall be subject to award and/or approval by the BOARD. Said PROCUREMENTS shall be formal written CONTRACTS executed by the BOARD Chair and/or CEO/GENERAL MANAGER on behalf of Santa Cruz METRO as set out in the authorizing resolution.

§ 1.606 Authority to Award Procurements of \$50,000 or less

Subject to the availability of funds and the procedures set forth in this Chapter, the CEO/GENERAL MANAGER is authorized to award and bind Santa Cruz METRO to PROCUREMENTS and CONTRACTS involving a total expenditure of Fifty Thousand

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Dollars (\$50,000) or less. DISTRICT COUNSEL is authorized to award and bind Santa Cruz METRO to Professional Service contracts obtained through the Simplified Negotiated PROCUREMENTS involving a total expenditure of Fifty Thousand Dollars (\$50,000) or less.

§ 1.607 Authority to Approve Amendments to SUPPLY and SERVICE CONTRACTS

The CEO/GENERAL MANAGER is authorized to bind Santa Cruz METRO to amendments to BOARD approved SUPPLIES or SERVICE CONTRACTS provided that the sum of all such amendments for any single CONTRACT shall not exceed: \$50,000.

§ 1.608 Authority to Issue Change Orders for Public Works CONTRACTS

Subject to the availability of funds, the CEO/GENERAL MANAGER is authorized to bind Santa Cruz METRO to change orders for work being performed under a PUBLIC WORKS CONTRACT provided that the change order meets all of the following requirements:

- A. For CONTRACTS originally awarded for a price of One-Hundred Thousand Dollars (\$100,000) or less, the CEO/GENERAL MANAGER shall have authority to issue change orders, provided that the sum of all such change orders does not exceed Fifty Thousand Dollars (\$50,000).
- B. For CONTRACTS originally awarded for a price of greater than One Hundred Thousand Dollars (\$100,000) but less than One Million Dollars (\$1,000,000) the CEO/GENERAL MANAGER shall have authority to issue change orders up to \$50,000, provided that the sum of all such change orders for any single CONTRACT shall not exceed ten percent (10%) of the original CONTRACT price.
- C. For CONTRACTS originally awarded for a price of Million Dollars (\$1,000,000) or more, the CEO/GENERAL MANAGER shall have the authority to issue change orders up to \$50,000, provided that the sum of all such change orders for any single CONTRACT shall not exceed the following percentages of the original CONTRACT amount: ten percent (10%) of the first Million Dollars, plus eight percent (8%) of the next Nine Million Dollars, plus six percent (6%) of the balance.
- D. Notwithstanding the foregoing, any single change order which exceeds Fifty Thousand Dollars (\$50,000) shall require BOARD approval.
- E. Notwithstanding the foregoing, the CEO/GENERAL MANAGER shall have authority to issue change orders in such sums as may reasonably be necessary if the CEO/GENERAL MANAGER determines a change order is required to:

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1. Prevent interruption of the work which would result in a substantial increase in cost to Santa Cruz METRO; or
2. Protect the work, or equipment or materials to be used in the work, human safety, or the environment at or near the site of the work from substantial and immediate danger or injury; or
3. Protect the work, or equipment or materials to be used in the work, or human safety or the environment at or near the work site where damage or injury has occurred from further or additional damage or injury or deterioration caused by man, nature or other source.

The CEO/GENERAL MANAGER shall report such action to the BOARD as soon as reasonably possible but in no event more than thirty (30) days after the action is taken.

§ 1.609 Delegation of Authority

- A. Notwithstanding anything to the contrary herein, the BOARD may by resolution delegate authority to the CEO/GENERAL MANAGER to bind Santa Cruz METRO to a CONTRACT for any amount under the terms and conditions set forth in the resolution delegating such authority.
- B. The CEO/GENERAL MANAGER may delegate his or her power under Sections 1.606, 1.607, 1.608 and 1.609 A, to bind Santa Cruz METRO by CONTRACT. The delegation shall be made in writing and shall specifically designate the Santa Cruz METRO employee(s) who may act for the CEO/GENERAL MANAGER. Santa Cruz METRO employees who are authorized to act for the CEO/GENERAL MANAGER to bind Santa Cruz METRO by CONTRACT shall be bonded for the faithful performance of their duties in such amounts as the CEO/GENERAL MANAGER reasonably determines to be adequate. A copy of the written delegation shall be retained in Santa Cruz METRO's official files. Upon request, the CFO shall certify the continuing validity of a written delegation made pursuant to this Section.

§ 1.610 Award in Case of Identical Bids

The CEO/GENERAL MANAGER or the BOARD shall determine by lot which bid shall be accepted when two (2) or more responsible bidders submit responsive bids in the same amount. (*Government Code Section 53064.*)

§ 1.611 Rejection of Bids/Proposals; Waiver of Minor Irregularities

The CEO/GENERAL MANAGER or the BOARD, as appropriate, may reject any and all bids or proposals and may waive minor irregularities in the bids or proposals. An irregularity in a bid or proposal may be waived if such waiver does not give the

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bidder/proposer an unfair advantage. If the CEO/GENERAL MANAGER or the BOARD rejects all bids or proposals, the CEO/GENERAL MANAGER or BOARD shall re-evaluate the cost estimates for the project. The project shall then either be abandoned, a new solicitation issued in the manner prescribed in Article IV. If a new solicitation is issued and the CEO/GENERAL MANAGER or BOARD again rejects all bids and proposals submitted, the CEO/GENERAL MANAGER or BOARD may proceed with the project using Santa Cruz METRO personnel, or issue another SOLICITATION.

§ 1.612 Alternative Award; Failure to Enter Into Contract

If the bidder or proposer to whom the CONTRACT is awarded fails to enter into the CONTRACT as required, the CEO/GENERAL MANAGER or BOARD, as appropriate, may declare the award to that bidder or proposer a nullity and award the CONTRACT to the next lowest responsible and responsive bidder or proposer, or re-advertise. *(Adopted eff. April 25, 2014. Amended effective Sept. 25, 2015.)*

Article VII Bid/Proposal Protest Procedure

§ 1.701 Scope of Protest Procedure

METRO has established these Pre-Bid, Pre-Award and Post-Award Procurement Protest Policy and Procedures so that all procurement protests/disputes are filed, processed and resolved in a manner consistent with the requirements of the Federal Transit Administration (FTA) Circular (4220.1F) *Third Party Contracting Guidance*, dated November 1, 2008, which are on file at METRO's Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060, and available upon request.

§ 1.702 Types of Protests

There are three basic types of Protests pursuant to this regulation, based on the time in the procurement cycle when they occur:

- A. A pre-bid or solicitation phase Protest is received prior to the bid opening or proposal due date. Pre-bid protests are those based on the content of the initial Notice and/or solicitation published by METRO requesting bids from vendors or other interested parties.
- B. A pre-award Protest is a protest against making an award and is received after receipt of proposals or bids, but before award of a contract.
- C. A post-award Protest is a protest received after award of a contract. A post-award Protest must be received within 5 business days of the making of the award. A post-award Protest generally alleges a violation of applicable federal or state law and/or METRO policy or procedures relative to the seeking, evaluating and/or awarding of the contract.

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§ 1.703 **Protest Procedures**

All Protests must be filed in writing with the METRO Administrative Offices, CFO, Santa Cruz Metropolitan Transit District, 110 Vernon Street, Santa Cruz, CA 95060, or electronically at financemanager@scmttd.com. No other location is acceptable.

The protest must be in writing and set forth the specific grounds of the dispute and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protest shall include the name and contact information of the Protester, solicitation/contract number or description, and what remedy the Protester is seeking. The Protester is responsible for adhering to this regulation.

§ 1.704 **Santa Cruz METRO's Response to Protest**

- A. METRO's CFO shall make a determination on the Protest generally within ten (10) working days from receipt of the Protest. The Decision of the CFO must be in writing and shall include a response to each substantive issue raised in the Protest.
- B. Any Decision by the CFO may be appealed to the Board of Directors. The Protester has the right within five (5) business days of receipt of the CFO's Decision to file an appeal restating the basis of the Protest and the grounds of the appeal. In the appeal, the Protester is only permitted to raise information and issues previously provided in the Protest or discovered after the Protest was submitted to the CFO for Decision and directly related to the grounds of the Protest. The Protester shall be provided with at least 72-hour notification of when the Board of Directors will hear the Appeal. The Protestor may appear, be represented and present evidence and testimony at the Appeal Hearing. The Board of Directors' decision shall constitute METRO's final administrative determination.

§ 1.705 **Appeal of Santa Cruz METRO's Decision**

- A. In the event that the Protester is not satisfied with METRO's Board of Directors' final administrative determination, he/she 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 the jurisdiction over Protest(s) and Appeal(s).
- B. At any time, the Protester may request reconsideration of METRO's Final Decision if data or information becomes available that was not previously known, or there has been an error of law or regulations.
- C. The Protester may withdraw its Protest or Appeal at any time before METRO issues a final decision.
- D. If METRO postpones the date of proposal submission because of a Protest or Appeal of the solicitation specifications, addenda, dates or any other issue relating to the procurement, METRO will notify, via addendum, all parties who are on

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record as having obtained a copy of the solicitation documents that a Protest/Appeal had been filed, and the due date for proposal submission shall be postponed until METRO has issued its final Decision.

§ 1.706 Santa Cruz METRO's Responsibilities to FTA

In cases where Contracts are substantially funded by the FTA, as a best practice, Santa Cruz METRO's CFO will notify its FTA regional office when it receives a third party Contract protest and keep FTA informed about the status of the protest. Contracts and Procurements staff will advise Santa Cruz METRO's grants department of relevant information concerning protests so that appropriate reporting will be accomplished.

Article VIII Debarment

§ 1.801 Scope of Debarment Procedure

This Article specifies procedures for Santa Cruz METRO's debarring potential bidders or proposers from award of a Santa Cruz METRO CONTRACT. The provisions set forth in 49 CFR Part 29 are hereby incorporated by reference. "Debarment" is defined as an action which excludes a firm from contracting directly with Santa Cruz METRO or participating as a subcontractor for a Santa Cruz METRO CONTRACT.

§ 1.802 Violations Subject to Debarment

A contractor who commits, based on information sufficient to support a reasonable belief, any of the following acts or omissions is subject to a Santa Cruz METRO debarment action:

- A. Any action set forth in 49 CFR Section 29.305; or
- B. Willful failure to perform or violation of any term or condition of a CONTRACT with Santa Cruz METRO, including violation of any federal or state statutory or regulatory provision.

§ 1.803 Debarment Procedures

- A. If a contractor is alleged to have committed any one of the violations set forth in Section 1.802, the CEO/GENERAL MANAGER shall give notice in writing by certified mail, return receipt requested, of the reasons for the proposed debarment. The notice shall contain the following information:
 - 1. That debarment is being considered;
 - 2. The reasons for the proposed debarment;

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3. Conduct or transaction(s) upon which the action is based;
 4. Potential effect of a debarment;
 5. Proposed scope of debarment;
 6. Proposed period of debarment; and
 7. Opportunity to contest proposed debarment.
- B. The contractor shall have thirty (30) days from the date of receipt of the notice of proposed debarment to submit any written objections. After consideration of the contractor's written response, the CEO/GENERAL MANAGER shall provide written notice by certified mail, return receipt requested, of the time, date and place of a meeting with the CEO/GENERAL MANAGER, or designee, to discuss the proposed debarment.
- C. In actions not based upon a conviction or civil judgment, if the CEO/GENERAL MANAGER finds that the contractor's response raises a dispute over facts material to the proposed debarment, the contractor shall be afforded an opportunity to appear with a representative before the CEO/GENERAL MANAGER, or designee, submit evidence, present witnesses, and confront any witness Santa Cruz METRO presents.
- D. Within thirty (30) days after the meeting, the CEO/GENERAL MANAGER shall provide written notice by certified mail, return receipt requested, of the final decision of the CEO/GENERAL MANAGER regarding the debarment. Within thirty (30) days after receipt of the CEO/GENERAL MANAGER's final decision, the contractor shall give the CEO/GENERAL MANAGER written notice of appeal of the debarment decision. Failure to submit a written notice of appeal shall constitute consent to the debarment and the CEO/GENERAL MANAGER's decision shall be final as of the date on the notice.
- E. If a written appeal is timely submitted, the CEO/GENERAL MANAGER shall provide written notice by certified mail, return receipt requested, of the date, time and place of the BOARD meeting at which the appeal of the contractor shall be considered and the date the contractor must submit written comments for submittal to the BOARD. The BOARD's debarment agenda package shall be sent to the contractor at least five (5) days before the meeting.
- F. At the BOARD meeting in which the matter is scheduled to be heard, the BOARD may elect to receive and file the CEO/GENERAL MANAGER's decision, set the matter for hearing at a subsequent BOARD meeting, or hire an impartial hearing officer to conduct a hearing and prepare a written decision, including findings of fact.

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- G. Within thirty (30) days after the BOARD meeting, the CEO/GENERAL MANAGER shall provide written notification of the BOARD's action via certified mail, return receipt requested, to the appellant. If the BOARD receives and accepts the CEO/GENERAL MANAGER's decision, the debarment decision shall be final as of the date of the written notice described in this part.
- H. If the BOARD elects to hold a hearing or to hire an impartial hearing officer to conduct a hearing, Santa Cruz METRO staff and the appellant may present evidence related to the appeal of the CEO/GENERAL MANAGER's decision at the hearing. At the beginning of the hearing, the BOARD Chair or hearing officer may announce time limits on testimony and any other procedural rules which, in their sole opinion, are reasonably necessary to preclude repetitious or irrelevant testimony. If either party arranges for the use of a court reporter to transcribe the hearing, the other party shall share the cost of transcribing the hearing if it requests a copy of the transcript.
- I. If an impartial hearing officer conducts the hearing, the CEO/GENERAL MANAGER shall provide written notice by certified mail, return receipt requested, of the selected hearing officer, the date, time and place of the BOARD meeting at which the hearing officer's recommendation will be considered for adoption, and the date that the contract must provide written comments for submittal to the BOARD. A copy of the BOARD of Directors' debarment agenda package shall be sent to the contractor at least five (5) days before the meeting.
- J. In rendering its decision on the debarment, the BOARD may elect to receive and file the CEO/GENERAL MANAGER's decision, adopt the written recommendation and findings of fact prepared by the hearing officer, or adopt a separate decision. Santa Cruz METRO shall provide contractor with written notice of the BOARD's decision by certified mail, return receipt requested, within thirty (30) days after the BOARD meeting. All BOARD decisions are final as of the date on the written notice of the BOARD's action.

§ 1.804 CEO/General Manager's/Board of Directors' Decision

- A. Debarment shall be imposed by the CEO/GENERAL MANAGER or BOARD only when it finds, based on a preponderance of the evidence, that the contract committed one of the violations referenced in Section 1.702 and that debarment is in the best interest of the public and the protection of Santa Cruz METRO. The seriousness of the contractor's acts or omissions and any mitigating factors shall be considered in making any debarment decision.

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- B. Debarment constitutes debarment of all divisions or other organizational elements of the contractor, unless the debarment decision is limited by its terms to specific divisions, organizational elements or commodities.
- C. In imposing debarment, the CEO/GENERAL MANAGER or BOARD shall specify the scope and term of the debarment. Debarment shall not exceed three (3) years, unless circumstances warrant a longer period.
- D. In order to protect the interests of Santa Cruz METRO, the period of debarment may be extended, modified or suspended by the CEO/GENERAL MANAGER or BOARD after compliance with the procedures set forth in Section 1.803. Such actions may be initiated by Santa Cruz METRO or by the contractor after receipt of a written request, including documentation of the proposed modifications.

§ 1.805 Affect of Debarment on Submittal of Bids or Proposals

If the CEO/GENERAL MANAGER or BOARD acts to debar a contractor, that contractor shall be precluded from submitting any bids or proposals for a PROCUREMENT as a prime contractor or subcontractor during the time of debarment, unless debarment is limited in scope and the contractor is authorized under the terms of the debarment to submit a bid or proposal for a particular CONTRACT.

A contractor that has been debarred or suspended by the federal government or the state shall be prohibited from submitting any bids or proposals for a federally-funded or State funded PROCUREMENT during the period of debarment or suspension.

If Santa Cruz METRO receives an unauthorized bid or proposal from a contractor debarred by Santa Cruz METRO and/or the federal or state governments, the bid or proposal shall be returned and such bid or proposal shall not be evaluated or considered in determining the lowest responsive and responsible bidder or the highest ranked proposer.

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADMINISTRATIVE CODE

TITLE II – PROCUREMENT POLICY

CHAPTER 1

SOLICITATION AND AWARD OF CONTRACTS

(This Chapter replaces AR-1005, AR-1003 and AR-1027 pursuant to Resolution No. 15-09-05)

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Article 1

General Requirements

§ 1.101 Definitions

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

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

CONTRACT shall mean a written agreement, binding the parties thereto to legal obligations; including, without limitation, letter of agreement, memorandum of understanding, contract, contract change order, purchase order, or an amendment or supplemental agreement to any of the foregoing.

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

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

INVITATION FOR BIDS (IFB) shall mean a solicitation for submittal of bids for SUPPLIES, NONPROFESSIONAL SERVICES or PUBLIC WORKS.

NONPROFESSIONAL SERVICES shall mean and include services of a nonprofessional character of any type, description or variety, including, without limitation, landscape maintenance services, janitorial services, repair of office machines and equipment, and security guard services.

PROCUREMENT shall mean a CONTRACT for SUPPLIES, SERVICES, or PUBLIC WORKS.

PROFESSIONAL SERVICES shall mean and include professional services of any type or variety, including, without limitation, services rendered by accountants, actuaries, appraisers, architects, attorneys, consultants, doctors, and engineers.

PUBLIC WORKS shall mean a project for the erection, construction, alteration, repair or improvement of any kind. (*Public Contract Code* §1101.)

PURCHASE shall mean the acquisition, renting, or leasing of SUPPLIES.

“Santa Cruz METRO” shall mean the Santa Cruz Metropolitan Transit District as established and operated under Part 10, Division 10 of the *California Public Utilities Code*.

REQUEST FOR PROPOSAL (RFP) shall mean a solicitation for submittal of proposals for SUPPLIES or ~~PROFESSIONAL~~ SERVICES.

REQUEST FOR QUALIFICATIONS (RFQ) shall mean a solicitation for submittal of qualifications to perform PROFESSIONAL SERVICES.

SERVICES shall mean PROFESSIONAL or NONPROFESSIONAL SERVICES, or both, in accordance with the solicitation.

SUPPLIES shall mean and include personal property, goods, equipment and materials, including, without limitation, materials required for the maintenance and repair of any property of Santa Cruz METRO or of any other person or agency for which it is the duty of Santa Cruz METRO to maintain or repair.

§1.102 Administrative Procedures

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The CEO/GENERAL MANAGER shall approve administrative procedures to carry out the intent of this Chapter. The procedures shall establish a system for informal bidding or informal proposals when advertising for bids or proposals is not required. The procedures shall establish additional guidance for staff and the public with regard to Santa Cruz METRO's formal procurement requirements, as an addition to this Chapter.

§1.103 Unauthorized Procurement

Any CONTRACT made contrary to the provisions of this Chapter shall be null and void unless the contrary action is waived or the CONTRACT is ratified by the BOARD upon a determination that it is in the best interest of Santa Cruz METRO to do so. Notwithstanding the foregoing, a CONTRACT for ~~PROFESSIONAL~~ or ~~NONPROFESSIONAL~~ SERVICES approved by the BOARD or GENERAL MANAGER shall not be void or voidable by either party to the CONTRACT or any third party due to failure to adhere to any solicitation procedure set forth in Article III of this Chapter, or the Procedures adopted by the GENERAL MANAGER.

§ 1.104 Splitting Procurement Prohibited

Splitting or separating PROCUREMENTS into smaller units for the purpose of evading the provisions of this Chapter is prohibited. Splitting or separating a PROCUREMENT shall mean and include reducing the amount of any SUPPLIES, SERVICES, or PUBLIC WORKS to be furnished when there is reasonable knowledge that the same SUPPLIES, SERVICES, or PUBLIC WORKS will be additionally required within the same Santa Cruz METRO fiscal year, and when the primary purpose of splitting or separating the PROCUREMENT is to evade the purposes of this Chapter, including formally calling for bids or proposals.

§ 1.105 Collusion with Bidder or Proposer

A Santa Cruz METRO officer or employee is prohibited from engaging in collusion with a bidder or proposer. Collusion includes, without limitation, knowingly doing any of the following:

- A. Aiding or assisting a bidder or proposer in securing a PROCUREMENT at a higher price than that proposed by any other bidder or proposer; or
- B. Favoring one bidder or proposer over another by giving or withholding information; or
- C. Willfully misleading any bidder or proposer as the character of the work or service to be performed or product to be supplied; or
- D. Accepting SUPPLIES, SERVICES, or PUBLIC WORKS that are inferior to that called for in the CONTRACT; or
- E. Falsely reporting the receipt of a greater amount or different kind of SUPPLIES, SERVICES or PUBLIC WORKS than has been actually received; or

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- F. Intentionally acting or failing to act in relation to a bid/bidder or proposal/proposer by wrongfully favoring a bidder's or proposer's interest over Santa Cruz METRO's interests.

§ 1.106 Independent Price Determination

It is prohibited for a bidder or proposer to:

- A. Propose or bid prices that have not been arrived at independently without consultation, communication, or agreement with any other bidder, offeror or competitor for the purpose of restricting competition as to any matter relating to the prices bid or proposed; or
- B. Knowingly disclose any price bid or proposal to any other bidder, offeror, or to any competitor prior to opening of the bids or proposals, unless otherwise required by law; or
- C. Make or attempt to induce any other person, firm or other entity or association to submit or not to submit a bid or proposal for the purpose of restricting competition; or
- D. Knowingly be interested in more than one bid as the principal bidder; provided, however, subcontract bids to the principal bidders or proposers are excluded from this paragraph D.

In case of joint venture bids or proposals, the joint venture itself and each and every member of the joint venture shall, for purposes of the foregoing, be construed to be the person submitting the bid or proposal.

Any bid or proposal received or CONTRACT awarded where there was a violation of this section shall be null and void. Santa Cruz METRO shall dispose of the matter in that manner as if the bidder or proposer involved had failed to enter the CONTRACT after award.

§ 1.107 Compliance with Federal Law

~~Pursuant to California Government Code section 53702.2, a~~ PROCUREMENT funded in full or in part pursuant to the terms of a federal grant or loan shall be advertised, prepared, awarded, performed, and administered in compliance with all applicable requirements of federal laws, regulations and orders whenever compliance with those laws, regulations and orders is a prerequisite of federal financial assistance.

§ 1.108 Execution of Contracts

The ~~CEO~~/GENERAL MANAGER shall institute control procedures for the execution of CONTRACTS as required herein. Santa Cruz METRO's ~~DISTRICT GENERAL~~ COUNSEL

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shall approve the form and legality of all CONTRACTS prior to the execution thereof. If the CEO/GENERAL MANAGER will be unavailable to sign a CONTRACT, he/she or the BOARD may delegate such authority in writing to a named Santa Cruz METRO employee who shall be authorized to sign CONTRACTS on behalf of the CEO/GENERAL MANAGER. A copy of such authorization shall be filed with the Administrative Services Coordinator to be included in the Santa Cruz METRO official records.

§ 1.109 Severance

If any provision or part of the Chapter conflicts with state or federal laws, regulations, or grant conditions applicable to Santa Cruz METRO PROCUREMENTS, or decisional law binding upon Santa Cruz METRO, the provision or part in conflict shall be deemed severed from this Chapter, and the remainder shall stay in full force and effect.

Article II Santa Cruz METRO Code of Conduct

§ 1.201 Purpose And Applicability

- A. As a public entity and recipient of state, federal and local funds, Santa Cruz METRO must be vigilant in its protection of the public trust. Toward that end, employees, officers, and agents of Santa Cruz METRO must conduct themselves in a manner that will foster public confidence in the integrity of the procurement system. This section is intended to prescribe standards of conduct to ensure honesty and integrity in all Santa Cruz METRO procurements.
- B. The standards established herein shall apply to all activities associated with all procurements by METRO.

§ 1.202 Conflict of Interest

- A. No Santa Cruz METRO employee, officer, agent or his/her immediate family member, partner or organization that employs or is about to employ any of the foregoing individuals may participate in the selection, award, or administration of a Santa Cruz METRO contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of those previously listed individuals has a financial or other interest in a firm/individual who may be selected and/or is selected for the award.
- B. Santa Cruz METRO employees, officers and agents are prohibited from making, participating in or in any way attempting to use their METRO employment or affiliation to influence a Santa Cruz METRO decision in which they know or have reason to know they have a financial interest or other interest in the firm/individual who may be selected and/or is selected for the award.

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- C. Santa Cruz METRO employees, officers, and agents and their immediate families, their business partners and/or an organization that employs or is about to employ the employee, his/her immediate family and/or his/her business partner, shall not be financially interested in any Santa Cruz METRO contract made by them in their official capacity. They shall not be purchasers at any sale or vendors at any purchase made by them in their official capacity. The Santa Cruz METRO Board of Directors may void a contract made in violation of this section.
- D. Santa Cruz METRO employees, officers and agents shall be subject to the laws of the United States and the State of California concerning conflicts of interest. Anyone found to violate the standards established by such laws may be subject to statutory penalties or sanctions, criminal consequences and disciplinary action up to and including employment termination issued by Santa Cruz METRO.
- E. In a procurement in which a Santa Cruz METRO employee, officer and/or agent may have a conflict or potential conflict of interest, such individual(s) must promptly report the conflict in writing to the CEO/GENERAL MANAGER or designee so that appropriate action can be taken to assign the work to another employee to avoid the conflict of interest.
- F. In a procurement in which a vendor, contractor or consultant or a prospective vendor, contractor or consultant may have a conflict or potential conflict of interest, such individual or firm shall immediately report the nature of the conflict and the existence or potential existence of the conflict to Santa Cruz METRO's Purchasing ~~Manager and Special Projects Director~~ who shall in consultation with the Santa Cruz METRO CEO/General Manager and the Santa Cruz METRO ~~District General~~ Counsel determine the appropriate action to be taken.
- G. Santa Cruz METRO's Purchasing ~~and Special Projects Director~~ Manager—in consultation with the CEO/General Manager and the Santa Cruz METRO District Counsel is responsible to identify any real or apparent organizational conflict-of-interests that may exist in each procurement. An organizational conflict of interest exists when the nature of the work to be performed under a proposed third party contract or sub-agreement may, without some restrictions on future activities result in an unfair competitive advantage to the third party contractor or sub-recipient or impair their objectivity in performing the contract work.

§ 1.203 Gifts and Gratuities

- A. No Santa Cruz METRO employee, officer or agent shall solicit or accept gratuities, favors or anything of monetary value, including personal loans, from contractors, subcontractors, consultants, potential contractors, potential consultants, or potential subcontractors, except an unsolicited gift of nominal intrinsic value. Nominal intrinsic value for purposes of this section shall mean a value of less than \$25, within a twelve-month period from a single source.

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- B. Invitations for business lunches, parties, or similar functions must be declined if received from bidders or other parties involved in a pending procurement. This policy is intended to avoid any situation, which may give an appearance of improper influence in Santa Cruz METRO procurement activities.

§ 1.204

Contacts with Vendor, Bidders and Proposers

- A. Prior to the issuance of a procurement solicitation, informational and research contacts with prospective vendors may be made for the purpose of gathering data. However, in making such contacts, Santa Cruz METRO employees, officers, and agents shall avoid any commitment, or implication thereof, of a possible future award. Any such proposed contacts must be reported to the Santa Cruz METRO Purchasing and Special Projects Director~~Manager~~.
- B. Accordingly, requests for substantial complimentary services or supplies, which may imply an obligation on the part of Santa Cruz METRO, are prohibited. Requests for testing services, product samples, or demonstrations, or free trips to examine vendor products are prohibited.
- C. Whenever a procurement is in progress (e.g., during the solicitation, evaluation, negotiation, and award phases) all contacts with potential contractors, consultants or vendors shall be made through the CEO/General Manager or the Purchasing and Special Projects Director~~Manager~~.

§ 1.205

Release and Use of Information

- A. With the exception of formally advertised sealed bid procurements (i.e., Invitations for bid (IFB)) all cost and pricing information received by Santa Cruz METRO in negotiated procurements is to be treated as confidential, until the selection and award.
- B. All technical data received in response to Requests for Proposals (RFP), with the exception of data contained in any contracts awarded by Santa Cruz METRO shall be maintained in a confidential manner until the selection and award.
- C. No Santa Cruz METRO employee, officer, or agent shall use confidential information obtained through procurement for the actual or anticipated benefit of themselves, their relatives, persons with whom they have a common financial interest or any person.

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Article III Contents of Solicitation Documents

§ 1.301 Bid Forms

All formal bids shall be made on forms provided by Santa Cruz METRO. The execution of the forms by bidders shall be subject to procedures formulated by the CEO/GENERAL MANAGER and shall include controls over erasures, corrections, and interlineations.

§ 1.302 Invitation for Bids (IFB)

All IFBs shall at a minimum, include all of the following information:

- A. A description of the PUBLIC WORKS, NONPROFESSIONAL SERVICES or SUPPLIES required without use of brand or trade names except as authorized by state law or federal grant conditions. (Public Contract code §3400.)
- B. Time for performance or delivery.
- C. The time period that the bidder's offer must be held open for Santa Cruz METRO acceptance.
- D. Disadvantaged Business Enterprise goals and good faith efforts requirements if required by the terms of the federal grant.
- E. Criteria for CONTRACT award to the lowest responsive and responsible bidder.
- F. Date and time for bid submittal.
- G. Bid protest procedures as set forth in Article VII of this Chapter.
- H. For PUBLIC WORKS projects, the contractor licensing and subcontractor listing requirements, prevailing wage notification, the required bid security as set out in Section 1.305, and all statutorily required bonds.
- I. Federal and/or state requirements, including contract clauses, certifications, and bonds (bid, maintenance, performance, and payment). For federally funded SUPPLY and NONPROFESSIONAL SERVICES CONTRACTS, Santa Cruz METRO may allow submittal of an irrevocable letter of credit or other negotiable instrument in-lieu of a bond.
- J. Santa Cruz METRO contract clauses.
- K. Notification that Santa Cruz METRO reserves the right to reject all bids and to waive minor irregularities in a bidder's bid.

~~Notwithstanding the foregoing, an RFP may be issued for NONPROFESSIONAL SERVICES if approved by the BOARD or GENERAL MANAGER.~~ § 1.303 Request for Proposals (RFP)

All REQUESTS FOR PROPOSALS shall include at a minimum all the following information:

- A. A description of the type of SUPPLIES or SERVICES required without use of brand or trade names except as authorized by state law or federal grant conditions.

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- B. Time for performance, delivery or length of service.
- C. The time period that the proposer's proposal must be held open for Santa Cruz METRO acceptance.
- D. The required work products and/or tasks.
- E. A request for a description of the firm's qualifications, size and prior experience in performing similar ~~PROFESSIONAL~~ SERVICES, unless a prior REQUEST FOR QUALIFICATIONS was issued to pre-qualify potential proposers.
- F. Disadvantaged business enterprise goals and good faith efforts requirements if required by the terms of a federal grant.
- G. ~~S~~Consultant selection criteria, weighting factors and selection process.
- H. Date and time for proposal submittal.
- I. Protest procedures as set out in Article VII of this Chapter.
- J. Federal and/or state contract clauses, certifications and insurance requirements.

Notwithstanding the foregoing, an RFQ may be issued for SERVICES if approved by the BOARD.

§ 1.304 Request for Qualifications (RFQ)

An RFQ may be issued in order to pre-qualify proposers for a particular RFP or to establish a listing of pre-qualified proposers when several RFPs for separate CONTRACTS will be issued for the same discipline of PROFESSIONAL SERVICES. The listing of pre-qualified professionals shall be effective if approved by the CEO/GENERAL MANAGER, unless BOARD approval is required. The listing must be approved by the BOARD to be effective if: (i) any one CONTRACT would require BOARD approval as set forth in Section 1.60~~53~~ or (ii) the list will be effective for more than three years. The RFQ shall, at a minimum, include or request all of the following information:

- A. Description of the type of PROFESSIONAL SERVICES required.
- B. Number of years that the firm has provided such services.
- C. Size of firm and, if applicable, a breakdown of number of employees by employment classification.
- D. Prior experience in performing desired PROFESSIONAL SERVICES, and, if applicable, same work products.
- E. Listing of references.

§ 1.305 Bid Security on Public Works Contracts

For any PUBLIC WORKS CONTRACT, the solicitation documents shall require the bidder to submit with the bid as security one of the following:

- A. Cash; or
- B. Cashier's check or certified check made payable to Santa Cruz METRO; or

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- C. Bidder's bond executed by an admitted surety insurer and made payable to Santa Cruz METRO.

The security shall be an amount determined by Santa Cruz METRO to be sufficient, but shall not exceed 10% of the bid amount.

If within twenty calendar days after CONTRACT award, the successful bidder fails to enter into the CONTRACT or, if applicable, provide all required insurance certificates and bonds, the bid security shall be forfeited in favor of Santa Cruz METRO. Upon good cause being shown, the CEO/GENERAL MANAGER in his/her discretion may extend the time for the bidder to enter the CONTRACT for a period not to exceed thirty (30) additional days.

Upon award to the lowest responsible bidder, the security of an unsuccessful bidder shall be returned no later than sixty (60) days after CONTRACT award. However, if a bid protest is timely filed, the security of unsuccessful bidders shall not be returned until the expiration of the bid validity period. The bid security of the successful bidder shall be returned after execution of the CONTRACT and receipt of the applicable insurance certificate and performance, payment and service disruption bonds. (Public CONTRACT Code §20322.)

Article IV Solicitation Procedures

§ 1.401 Santa Cruz METRO's Current Needs

Santa Cruz METRO staff may contract/purchase only for Santa Cruz METRO's current and reasonably expected public transportation needs and may not add quantities or options to its third party contracts solely to permit assignment to another party at any time.

§ 1.402 Approval of Solicitations

With the exception of contracts procured pursuant to Section 1.507, for a PROCUREMENT expected to be awarded for an amount equal to or greater than the amount set out in Section 1.403 for a CONTRACT for PUBLIC WORKS, SUPPLIES, EQUIPMENT AND MATERIALS, NONPROFESSIONAL SERVICES or PROFESSIONAL SERVICES, respectively, a written IFB or RFP must be prepared and thereafter authorized for issuance by either the BOARD or the CEO/GENERAL MANAGER or his/her designee prior to its release. BOARD approval for the release of the IFB or RFP is required if the resulting contract would require BOARD approval as set forth in Section 1.60~~53~~ of this Chapter.

§ 1.403 Submittal of Sealed Bids and Proposals

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With the exception of contracts procured pursuant to Section 1.507, all bids/proposals for CONTRACTS expected to be awarded for an amount in excess of Ten Thousand Dollars (\$10,000) for PUBLIC WORKS, and ~~Twenty Five Thousand Dollars (\$25,000) for SUPPLIES, EQUIPMENT AND MATERIALS, and~~ Fifty Thousand (\$50,000) for ~~NONPROFESSIONAL SERVICES or PROFESSIONAL SUPPLIES and SERVICES~~, shall be sealed, identified as a bid/proposal on the envelope, and shall be submitted to the CEO/GENERAL MANAGER or his/her designee at the place and time specified in the public notice inviting bids/proposals. The time specified in the public notice may be extended and notice of the extension may be given by addendum. Submittals received after the time shall not be accepted and shall be returned to the bidder or proposer unopened.

The CEO/GENERAL MANAGER shall issue procurement policies for the procurement of PUBLIC WORKS, SUPPLIES, ~~EQUIPMENT AND MATERIALS, , NON-PROFESSIONAL and PROFESSIONAL and~~ SERVICES in excess of the amounts set forth above, which shall include provisions for procurement procedures that require a price or cost analysis/independent cost estimate and the acquisition of quotes, bids or proposals.

§ 1.406 **Opening of Bids/Proposals**

Bids shall be opened by the CEO/GENERAL MANAGER or his/her designee, in public, at the time and place designated in the notice inviting bids or any extension that may be given by addendum to the bid documents. *(Adopted eff. April 25, 2014. Amended effective Sept. 25, 2015.)*

Article V Evaluation of Bids and Proposals

§ 1.501 **Responsibility Factors**

In determining whether a bidder is responsible, consideration shall be given to each of the following factors:

- A. The ability, capacity and skill of the bidder to satisfactorily perform the CONTRACT;
- B. The ability of the bidder to perform the CONTRACT within the time specified, without delay;
- C. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- D. The bidder possesses the required licenses/certifications and is not on any suspended or debarment list; and

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- E. The quality of bidder's performance on previous CONTRACTS with Santa Cruz METRO.

§ 1.502 Responsiveness

- A. A bid/proposal is responsive if the bidder/proposer submits all information and documents required by the IFB, RFP, or RFQ in the form and at the time required by the IFB, RFP or RFQ, and the bidder/proposer is offering to perform pursuant to the IFB, RFP, or RFQ requirements.
- B. The BOARD may adopt programs or procedures to promote the participation and use of minority, women-owned or disadvantaged business enterprises, and/or small business enterprises.

§ 1.503 Application of Responsibility Factors

The BOARD or CEO/GENERAL MANAGER shall award CONTRACTS ~~for PUBLIC WORKS, SUPPLIES, or NONPROFESSIONAL SERVICES solicited pursuant to a competitive sealed bid basis (IFB)~~ to the lowest bidder submitting a responsive bid ~~as provided by Section 1.601 of this Chapter~~, unless the BOARD or CEO/GENERAL MANAGER makes a finding that such bidder is not responsible based upon its failure to satisfy one or more of the criteria set forth in Section 1.501 of this Chapter.

§ 1.504 Evaluation of ~~Professional Service~~ Competitive Proposals

Proposals ~~for PROFESSIONAL SERVICES~~ shall be evaluated based upon the criteria set out in the RFP. Santa Cruz METRO may reject any proposer that is nonresponsive or any proposal that is nonresponsive, it may waive any required information for all proposers, and it may waive minor irregularities in any proposal as provided in Section 1.6~~1109~~ of this Chapter.

§ 1.505 Noncompetitive and Sole Source Procurement

A noncompetitive or sole source PROCUREMENT is the award of CONTRACT to only one source. An amendment to an existing CONTRACT to include PUBLIC WORKS, SUPPLIES, or SERVICES outside the scope of that CONTRACT is also deemed a sole source PROCUREMENT. Noncompetitive and sole source PROCUREMENTS are not permitted unless at least one of the following circumstances occurs:

- A. The BOARD or CEO/GENERAL MANAGER, as applicable, has determined that the PUBLIC WORKS, SUPPLIES, or SERVICES can be provided only by one firm and that efforts to seek competition would be futile. The CEO/GENERAL MANAGER may not delegate his/her authority to make such a determination. However, if

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the CEO/GENERAL MANAGER is unavailable and has delegated authority for execution of CONTRACTS, such delegation may also include his/her authority under this paragraph.

- B. For PROCUREMENTS involving an expenditure in excess of ~~Fifty Thousand Dollars (\$50,000) for SUPPLIES or~~ Ten Thousand Dollars (\$10,000) for PUBLIC WORKS, upon four-fifths (4/5) vote of the BOARD if it finds that an emergency exists and that it is in the best interests of Santa Cruz METRO to suspend competitive bidding.
- C. Noncompetitive PROCUREMENT is otherwise authorized under applicable federal and state statutes and/or case law.

The Board of Directors, or the CEO/GENERAL MANAGER for procurements within his or her procurement authority, may waive the requirements for formal competitive bidding or other procedures set forth in this Procurement Policy when permissible under applicable law, when the best interests of ~~Santa Cruz METRO the District~~ would be served by waiving such requirements under the circumstances, and when a determination is made that competitive bidding procedures would be unavailing, not in furtherance of the purposes of the competitive bidding statutes and ~~the Santa Cruz METRO District's~~ procurement policy. These circumstances shall be evaluated on a case-by-case basis, keeping in mind the fundamental principles of procurement followed by ~~Santa Cruz METRO the District~~. In circumstances where services are needed on an expedited basis that do not permit the time required for the RFP or Simplified Negotiations Procurement process, and such circumstances were not caused by ~~Santa Cruz METRO the District's~~ action(s), e.g., lack of planning, the CEO/GENERAL MANAGER may waive such procedures, provided there is adequate documentation of the need for such services in accordance with Federal and State procurement requirements.

§ 1.506 Alternative Procurement Methods

The CEO/GENERAL MANAGER may establish procedures for Santa Cruz METRO's participation in Joint Procurements, State and Local Government Purchasing Schedules or Contracts and use of existing contract rights for the purchase of SUPPLIES, MATERIALS or SERVICES.

§ 1.507 Simplified Negotiations for Professional Service Contracts

1. Professional Services Not Exceeding \$10,000 Annually.

Professional services may be retained without obtaining competitive quotations, if the estimate does not exceed \$10,000 annually up to a

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maximum total contract amount of \$50,000. Work should not be arbitrarily segmented or split in order to avoid the requirements for competition.

a. Procurement and Evaluation Process.

When the District Counsel determines that a need exists for professional services not exceeding \$10,000, it will request that the consultant submit in writing a brief proposal that includes (a) a description of the services to be provided; (b) an estimated schedule for completion; (c) fee structure, including a total all-inclusive sum including hourly rates and expenses; and (d) indemnification and insurance requirements as prescribed by the District. (A separate description of the District's insurance and indemnification requirements is available to be used for this purpose.)

The District Counsel must evaluate the proposed price and determine if it is fair and reasonable, and may negotiate final terms and conditions of the engagement with the proposer. Upon review and acceptance of the proposal, the District Counsel will create a Requisition and submit it to procurement staff. The consultant's written proposal shall be attached to the requisition.

The Requisition will indicate that the District Counsel has determined that the scope of work is suitable for a noncompetitive approach and that the cost is fair and reasonable. The Purchasing Department will process a purchase order, and the Legal Department will prepare a Professional Services Agreement to formalize the engagement.

2. Simplified Negotiations for Professional Service Contracts Over \$10,000 but not Exceeding \$50,000.

To retain professional services over \$10,000 annually but not exceeding a total contract value of \$50,000, a simplified negotiations process may be used in lieu of the formal competitive procurement process. To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral. Generally, this process consists of the District issuing a written request for quotations to an adequate number of qualified sources, describing, to the extent practicable, the scope of services required, time frame, and deliverables. Formal advertising is not required, but the District will always endeavor to maximize competition. On a case-by-case basis, it may choose the appropriate method of publicizing procurements —such a method may,

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when appropriate, include posting on the District's website and/or formal advertisement. Selection is made based upon the proposer's qualifications and experience, timeliness, approach, and, for non-architectural/engineering services, cost. The District may negotiate the terms and conditions of the engagement with the highest ranked proposer, or may award the contract without negotiations.

The District shall not arbitrarily split work so as to avoid formal Request for Proposals process described in Section 1.403.

a. Procurement Process.

The District Counsel shall initiate the simplified negotiations process by creating a Requisition and submitting it to Procurement staff specifying the services desired and the estimated cost. The District Counsel should verify that funds are available within the approved budget. District Counsel shall prepare a simple written request for quotations describing the scope of services requested, time for completion, minimum qualifications, and selection criteria in relative order of importance, and attach a sample Professional Services Agreement that will apply to the engagement.

District Counsel, in consultation with the District's risk management department, will determine what types and levels of insurance, if any, shall apply, taking into consideration the risk factors associated with the engagement. Typically the consultant shall be required to have a minimum of \$1,000,000 per occurrence general and automobile liability insurance, and may be required to maintain professional liability insurance.

To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral, but generally in writing, utilizing names obtained from locator files, internet, trade journals, trade sources, and the DBE Vendor Lists. Written proposals shall be submitted within the time frame specified in the request for quotations and shall describe the proposer's qualifications and experience, approach to the work, and cost proposal (for non-architectural/engineering contracts).

b. Evaluation and Award of Contract.

Proposals shall be evaluated by District Counsel. The proposer that best meets the District's needs in accordance with the selection criteria identified in the request for quotations shall be selected for

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award or for further negotiations as to the final scope of work and price, if necessary in order to reach agreement. Legal Department staff will draft the Professional Services Agreement for execution by the consultant and the District's authorized representative. If the service contract is over \$25,000 but does not exceed \$50,000, the Legal Department staff shall prepare and circulate a staff report to the BOARD OF DIRECTORS for review. The executed agreement will be retained by the Procurement Staff. Required insurance coverage shall be verified before the District issues the Notice to Proceed for all Simplified Negotiations. (Adopted eff. April 25, 2014. Amended effective Sept. 25, 2015.)

Article VI

Awarding Methods of Procurements, Awarding Procurements and Issuing Change Orders

§ 1.601 General

All purchases and contracts, whether by informal bidding, formal bidding or proposals, shall be made on a competitive basis to the greatest extent practicable. The method of procurement, such as small purchases, informal bids or proposals, formal competitive bidding, requests for proposals, etc., shall be appropriate for the type of project or procurement and shall be in the best interest of the District.

§ 1.602 ~~Award to Lowest Responsive Bidder (IFB)~~ Public Works Projects Exceeding \$10,000

CONTRACTS involving expenditures in excess of Ten Thousand Dollars (\$10,000) for PUBLIC WORKS ~~and Twenty Five Thousand Dollars (\$25,000) for SUPPLIES, EQUIPMENT AND MATERIALS~~ shall be awarded to the responsible bidder submitting the lowest responsive bid. ~~Routine NONPROFESSIONAL SERVICES may also utilize an IFB process.~~

§ 1.603~~2~~ Informal Procurements

An informal procurement method may be utilized for the purchase of SUPPLIES or SERVICES when the estimated expenditure is between \$5,000 and \$50,000, and for PUBLIC WORKS projects when the estimated expenditure is between \$5,000 and \$10,000. To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral, that permit prices and other terms to be compared. ~~Award of Contracts (RFP)~~

§ 1.604 Formal Competitive Procurements

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Formal competitive bidding (IFB) should be used when purchasing SUPPLIES or NONPROFESSIONAL SERVICES over \$50,000, but a “best value” approach (RFP) may be used in circumstances where it is determined to be in the best interest of Santa Cruz METRO. “Best value” means a process in which the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit to Santa Cruz METRO.

Formal competitive proposals (RFP), which consider and evaluate factors in addition to price, will be used to retain PROFESSIONAL SERVICES when the estimated expenditure exceeds \$50,000. Specialized State and federal laws will apply to the procurement of architectural and engineering services as defined by applicable laws and regulations, regardless of the estimated expenditure.

~~With the exception of routine NONPROFESSIONAL SERVICES procured pursuant to Section 1.601, a CONTRACT for SERVICES shall be awarded to the responsible firm whose proposal is deemed responsive and with the highest rank based on evaluation criteria. Neither the CEO/GENERAL MANAGER nor the BOARD is required to award the CONTRACT to the proposer offering the lowest price.~~

§ 1.605 Authority to Award Procurements Exceeding \$50,000

Unless otherwise provided herein, all PROCUREMENTS involving an expenditure exceeding Fifty Thousand Dollars (\$50,000) shall be subject to award and/or approval by the BOARD. Said PROCUREMENTS shall be formal written CONTRACTS executed by the BOARD Chair and/or CEO/GENERAL MANAGER on behalf of Santa Cruz METRO as set out in the authorizing resolution.

§ 1.606 Authority to Award Procurements of \$50,000 or less

Subject to the availability of funds and the procedures set forth in this Chapter, the CEO/GENERAL MANAGER is authorized to award and bind Santa Cruz METRO to PROCUREMENTS and CONTRACTS involving a total expenditure of Fifty Thousand Dollars (\$50,000) or less. DISTRICT COUNSEL is authorized to award and bind Santa Cruz METRO to Professional Service contracts obtained through the Simplified Negotiated PROCUREMENTS involving a total expenditure of Fifty Thousand Dollars (\$50,000) or less.

§ 1.607 Authority to Approve Amendments to SUPPLY and SERVICE CONTRACTS

The CEO/GENERAL MANAGER is authorized to bind Santa Cruz METRO to amendments to BOARD approved SUPPLIES or SERVICE CONTRACTS provided that the sum of all such amendments for any single CONTRACT shall not exceed: \$50,000.

ADMINISTRATIVE CODE

Revised:

911/2515/1519

TITLE II, CHP. 1 – PROCUREMENT POLICY

15986574.1

16B.17.REDLINE

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§ 1.608 Authority to Issue Change Orders for Public Works CONTRACTS

Subject to the availability of funds, the CEO/GENERAL MANAGER is authorized to bind Santa Cruz METRO to change orders for work being performed under a PUBLIC WORKS CONTRACT provided that the change order meets all of the following requirements:

- A. For CONTRACTS originally awarded for a price of One-Hundred Thousand Dollars (\$100,000) or less, the CEO/GENERAL MANAGER shall have authority to issue change orders, provided that the sum of all such change orders does not exceed Fifty Thousand Dollars (\$50,000).
- B. For CONTRACTS originally awarded for a price of greater than One Hundred Thousand Dollars (\$100,000) but less than One Million Dollars (\$1,000,000) the CEO/GENERAL MANAGER shall have authority to issue change orders up to \$50,000, provided that the sum of all such change orders for any single CONTRACT shall not exceed ten percent (10%) of the original CONTRACT price.
- C. For CONTRACTS originally awarded for a price of Million Dollars (\$1,000,000) or more, the CEO/GENERAL MANAGER shall have the authority to issue change orders up to \$50,000, provided that the sum of all such change orders for any single CONTRACT shall not exceed the following percentages of the original CONTRACT amount: ten percent (10%) of the first Million Dollars, plus eight percent (8%) of the next Nine Million Dollars, plus six percent (6%) of the balance.
- D. Notwithstanding the foregoing, any single change order which exceeds Fifty Thousand Dollars (\$50,000) shall require BOARD approval.
- E. Notwithstanding the foregoing, the CEO/GENERAL MANAGER shall have authority to issue change orders in such sums as may reasonably be necessary if the CEO/GENERAL MANAGER determines a change order is required to:
 1. Prevent interruption of the work which would result in a substantial increase in cost to Santa Cruz METRO; or
 2. Protect the work, or equipment or materials to be used in the work, human safety, or the environment at or near the site of the work from substantial and immediate danger or injury; or
 3. Protect the work, or equipment or materials to be used in the work, or human safety or the environment at or near the work site where damage or injury has occurred from further or additional damage or injury or deterioration caused by man, nature or other source.

Attachment B - REDLINE VERSION

The CEO/GENERAL MANAGER shall report such action to the BOARD as soon as reasonably possible but in no event more than thirty (30) days after the action is taken.

§ 1.609 Delegation of Authority

- A. Notwithstanding anything to the contrary herein, the BOARD may by resolution delegate authority to the CEO/GENERAL MANAGER to bind Santa Cruz METRO to a CONTRACT for any amount under the terms and conditions set forth in the resolution delegating such authority.
- B. The CEO/GENERAL MANAGER may delegate his or her power under Sections 1.60~~64~~, 1.60~~75~~, 1.60~~86~~ and 1.60~~97~~ A, to bind Santa Cruz METRO by CONTRACT. The delegation shall be made in writing and shall specifically designate the Santa Cruz METRO employee(s) who may act for the CEO/GENERAL MANAGER. Santa Cruz METRO employees who are authorized to act for the CEO/GENERAL MANAGER to bind Santa Cruz METRO by CONTRACT shall be bonded for the faithful performance of their duties in such amounts as the CEO/GENERAL MANAGER reasonably determines to be adequate. A copy of the written delegation shall be retained in Santa Cruz METRO's official files. Upon request, the ~~Finance Manager~~CFO shall certify the continuing validity of a written delegation made pursuant to this Section.

§ 1.610 Award in Case of Identical Bids

The CEO/GENERAL MANAGER or the BOARD shall determine by lot which bid shall be accepted when two (2) or more responsible bidders submit responsive bids in the same amount. (*Government Code Section 53064.*)

§ 1.611 Rejection of Bids/Proposals; Waiver of Minor Irregularities

The CEO/GENERAL MANAGER or the BOARD, as appropriate, may reject any and all bids or proposals and may waive minor irregularities in the bids or proposals. An irregularity in a bid or proposal may be waived if such waiver does not give the bidder/proposer an unfair advantage. If the CEO/GENERAL MANAGER or the BOARD rejects all bids or proposals, the CEO/GENERAL MANAGER or BOARD shall re-evaluate the cost estimates for the project. The project shall then either be abandoned, a new solicitation issued in the manner prescribed in Article IV. If a new solicitation is issued and the CEO/GENERAL MANAGER or BOARD again rejects all bids and proposals submitted, the CEO/GENERAL MANAGER or BOARD may proceed with the project using Santa Cruz METRO personnel, or issue another SOLICITATION.

§ 1.612 Alternative Award; Failure to Enter Into Contract

ADMINISTRATIVE CODE

Revised:

~~911/2515/1519~~

TITLE II, CHP. 1 – PROCUREMENT POLICY

15986574.1

16B.19.REDLINE

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If the bidder or proposer to whom the CONTRACT is awarded fails to enter into the CONTRACT as required, the CEO/GENERAL MANAGER or BOARD, as appropriate, may declare the award to that bidder or proposer a nullity and award the CONTRACT to the next lowest responsible and responsive bidder or proposer, or re-advertise. *(Adopted eff. April 25, 2014. Amended effective Sept. 25, 2015.)*

Article VII Bid/Proposal Protest Procedure

§ 1.701 Scope of Protest Procedure

METRO has established these Pre-Bid, Pre-Award and Post-Award Procurement Protest Policy and Procedures so that all procurement protests/disputes are filed, processed and resolved in a manner consistent with the requirements of the Federal Transit Administration (FTA) Circular (4220.1F) *Third Party Contracting Guidance*, dated November 1, 2008, which are on file at METRO's Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060, and available upon request.

§ 1.702 Types of Protests

There are three basic types of Protests pursuant to this regulation, based on the time in the procurement cycle when they occur:

- A. A pre-bid or solicitation phase Protest is received prior to the bid opening or proposal due date. Pre-bid protests are those based on the content of the initial Notice and/or solicitation published by METRO requesting bids from vendors or other interested parties.
- B. A pre-award Protest is a protest against making an award and is received after receipt of proposals or bids, but before award of a contract.
- C. A post-award Protest is a protest received after award of a contract. A post-award Protest must be received within 5 business days of the making of the award. A post-award Protest generally alleges a violation of applicable federal or state law and/or METRO policy or procedures relative to the seeking, evaluating and/or awarding of the contract.

§ 1.703 Protest Procedures

All Protests must be filed in writing with the METRO Administrative Offices, ~~Finance Manager~~CFO, Santa Cruz Metropolitan Transit District, 110 Vernon Street, Santa Cruz, CA 95060, or electronically at financemanager@scmtd.com. No other location is acceptable.

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~~A.~~—The protest must be in writing and set forth the specific grounds of the dispute and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protest shall include the name and contact information of the Protester, solicitation/contract number or description, and what remedy the Protester is seeking. The Protester is responsible for adhering to this regulation. ~~B.~~—~~A Protester must exhaust all of METRO's administrative remedies before pursuing a protest with the FTA.~~

§ 1.704 Santa Cruz METRO's Response to Protest

- A. METRO's ~~Finance Manager~~CFO shall make a determination on the Protest generally within ten (10) working days from receipt of the Protest. The Decision of the ~~CFO Finance Manager~~ must be in writing and shall include a response to each substantive issue raised in the Protest.
- B. Any Decision by the ~~CFO Finance Manager~~ may be appealed to the Board of Directors. The Protester has the right within five (5) business days of receipt of the ~~CFO Finance Manager's~~ Decision to file an appeal restating the basis of the Protest and the grounds of the appeal. In the appeal, the Protester is only permitted to raise information and issues previously provided in the Protest or discovered after the Protest was submitted to the ~~CFO Finance Manager~~ for Decision and directly related to the grounds of the Protest. The Protester shall be provided with at least 72-hour notification of when the Board of Directors will hear the Appeal. The Protestor may appear, be represented and present evidence and testimony at the Appeal Hearing. The Board of Directors' decision shall constitute METRO's final administrative determination.

§ 1.705 Appeal of Santa Cruz METRO's Decision

- A. In the event that the Protester is not satisfied with METRO's Board of Directors' final administrative determination, he/she 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 the jurisdiction over Protest(s) and Appeal(s).
- B. At any time, the Protester may request reconsideration of METRO's Final Decision if data or information becomes available that was not previously known, or there has been an error of law or regulations.
- C. The Protester may withdraw its Protest or Appeal at any time before METRO issues a final decision.
- D. If METRO postpones the date of proposal submission because of a Protest or Appeal of the solicitation specifications, addenda, dates or any other issue relating to the procurement, METRO will notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that a Protest/Appeal

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had been filed, and the due date for proposal submission shall be postponed until METRO has issued its final Decision.

- ~~E. Reviews of Protests by FTA are limited to 1) METRO's failure to have or follow its protest procedures, or its failure to review a complaint or Protest; or 2) violations of Federal law or regulation.~~
- ~~F. A Protest Appeal to the FTA must be filed in accordance with the provisions of FTA Circular 4220.1F. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under METRO's protest procedure. Protest appeals should be filed with:~~

Federal Transit Administration

Regional Administrator Region IX
201 Mission Street, Suite 1650
San Francisco, CA 94105-1839
Telephone: (415) 744-3133
Fax: (415) 744-2726

§ 1.706

Santa Cruz METRO's Responsibilities to FTA

~~In cases where Contracts are substantially funded by the FTA, as a best practice, Santa Cruz METRO's CFO will notify its FTA regional office when it receives a third party Contract protest and keep FTA informed about the status of the protest. Contracts and Procurements staff will advise Santa Cruz METRO's grants department of relevant information concerning protests so that appropriate reporting will be accomplished. METRO's Finance Manager will notify the FTA when he/she receives a third party contract protest to which the FTA Circular (4220.1F) *Third Party Contracting Guidance* applies, and will keep the FTA informed about the status of the Protest including any appeals.~~

~~METRO's Finance Manager will provide the following information to FTA:~~

- ~~A. Subjects: A list of Protests involving third party contracts and potential third party contracts that:
 - ~~— Have a value exceeding \$100,000, or~~
 - ~~1. Involve controversial matter, irrespective of amount, or~~
 - ~~1. Involve a highly publicized matter, irrespective of amount.~~~~
- ~~A. Details: The following information about each Protest:
 - ~~0. A brief description of the Protest,~~
 - ~~0. The basis of disagreement, and~~
 - ~~0. If open, how far the Protest has proceeded, or~~
 - ~~0. If resolved, the agreement or decision reached, and~~
 - ~~0. Whether an appeal has been taken or is likely to be taken.~~~~

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~~A. When and Where: METRO will provide this information:~~

~~0. In its next quarterly Milestone Progress Report, and~~

~~0. At its next Project Management Oversight review, if any.~~

~~D. FTA Officials to Notify: When METRO's Board of Directors denies a bid Protest, and an appeal is likely to occur, METRO's Finance Manager will inform the FTA Regional Administrator for Region IX, or the FTA Associate Administrator for the program office administering a headquarters project directly about the likely appeal.~~

~~METRO's Finance Manager will disclose information about any third party procurement Protest to FTA upon request. FTA reserves the right to require METRO to provide copies of a particular Protest or all Protests, and any or all related supporting documents, as FTA may deem necessary.~~

Article VIII Debarment

§ 1.801 Scope of Debarment Procedure

This Article specifies procedures for Santa Cruz METRO's debarring potential bidders or proposers from award of a Santa Cruz METRO CONTRACT. The provisions set forth in 49 CFR Part 29 are hereby incorporated by reference. "Debarment" is defined as an action which excludes a firm from contracting directly with Santa Cruz METRO or participating as a subcontractor for a Santa Cruz METRO CONTRACT.

§ 1.802 Violations Subject to Debarment

A contractor who commits, based on information sufficient to support a reasonable belief, any of the following acts or omissions is subject to a Santa Cruz METRO debarment action:

A. Any action set forth in 49 CFR Section 29.305; or

B. Willful failure to perform or violation of any term or condition of a CONTRACT with Santa Cruz METRO, including violation of any federal or state statutory or regulatory provision.

§ 1.803 Debarment Procedures

A. If a contractor is alleged to have committed any one of the violations set forth in Section 1.802, the CEO/GENERAL MANAGER shall give notice in writing by

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certified mail, return receipt requested, of the reasons for the proposed debarment. The notice shall contain the following information:

1. That debarment is being considered;
 2. The reasons for the proposed debarment;
 3. Conduct or transaction(s) upon which the action is based;
 4. Potential effect of a debarment;
 5. Proposed scope of debarment;
 6. Proposed period of debarment; and
 7. Opportunity to contest proposed debarment.
- B. The contractor shall have thirty (30) days from the date of receipt of the notice of proposed debarment to submit any written objections. After consideration of the contractor's written response, the CEO/GENERAL MANAGER shall provide written notice by certified mail, return receipt requested, of the time, date and place of a meeting with the CEO/GENERAL MANAGER, or designee, to discuss the proposed debarment.
- C. In actions not based upon a conviction or civil judgment, if the CEO/GENERAL MANAGER finds that the contractor's response raises a dispute over facts material to the proposed debarment, the contractor shall be afforded an opportunity to appear with a representative before the CEO/GENERAL MANAGER, or designee, submit evidence, present witnesses, and confront any witness Santa Cruz METRO presents.
- D. Within thirty (30) days after the meeting, the CEO/GENERAL MANAGER shall provide written notice by certified mail, return receipt requested, of the final decision of the CEO/GENERAL MANAGER regarding the debarment. Within thirty (30) days after receipt of the CEO/GENERAL MANAGER's final decision, the contractor shall give the CEO/GENERAL MANAGER written notice of appeal of the debarment decision. Failure to submit a written notice of appeal shall constitute consent to the debarment and the CEO/GENERAL MANAGER's decision shall be final as of the date on the notice.
- E. If a written appeal is timely submitted, the CEO/GENERAL MANAGER shall provide written notice by certified mail, return receipt requested, of the date, time and place of the BOARD meeting at which the appeal of the contractor shall be considered and the date the contractor must submit written comments for submittal to the BOARD. The BOARD's debarment agenda package shall be sent to the contractor at least five (5) days before the meeting.
- F. At the BOARD meeting in which the matter is scheduled to be heard, the BOARD may elect to receive and file the CEO/GENERAL MANAGER's decision, set the

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matter for hearing at a subsequent BOARD meeting, or hire an impartial hearing officer to conduct a hearing and prepare a written decision, including findings of fact.

- G. Within thirty (30) days after the BOARD meeting, the CEO/GENERAL MANAGER shall provide written notification of the BOARD's action via certified mail, return receipt requested, to the appellant. If the BOARD receives and accepts the CEO/GENERAL MANAGER's decision, the debarment decision shall be final as of the date of the written notice described in this part.
- H. If the BOARD elects to hold a hearing or to hire an impartial hearing officer to conduct a hearing, Santa Cruz METRO staff and the appellant may present evidence related to the appeal of the CEO/GENERAL MANAGER's decision at the hearing. At the beginning of the hearing, the BOARD Chair or hearing officer may announce time limits on testimony and any other procedural rules which, in their sole opinion, are reasonably necessary to preclude repetitious or irrelevant testimony. If either party arranges for the use of a court reporter to transcribe the hearing, the other party shall share the cost of transcribing the hearing if it requests a copy of the transcript.
- I. If an impartial hearing officer conducts the hearing, the CEO/GENERAL MANAGER shall provide written notice by certified mail, return receipt requested, of the selected hearing officer, the date, time and place of the BOARD meeting at which the hearing officer's recommendation will be considered for adoption, and the date that the contract must provide written comments for submittal to the BOARD. A copy of the BOARD of Directors' debarment agenda package shall be sent to the contractor at least five (5) days before the meeting.
- J. In rendering its decision on the debarment, the BOARD may elect to receive and file the CEO/GENERAL MANAGER's decision, adopt the written recommendation and findings of fact prepared by the hearing officer, or adopt a separate decision. Santa Cruz METRO shall provide contractor with written notice of the BOARD's decision by certified mail, return receipt requested, within thirty (30) days after the BOARD meeting. All BOARD decisions are final as of the date on the written notice of the BOARD's action.

§ 1.804 CEO/General Manager's/Board of Directors' Decision

- A. Debarment shall be imposed by the CEO/GENERAL MANAGER or BOARD only when it finds, based on a preponderance of the evidence, that the contract committed one of the violations referenced in Section 1.702 and that debarment is in the best interest of the public and the protection of Santa Cruz METRO. The

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seriousness of the contractor's acts or omissions and any mitigating factors shall be considered in making any debarment decision.

- B. Debarment constitutes debarment of all divisions or other organizational elements of the contractor, unless the debarment decision is limited by its terms to specific divisions, organizational elements or commodities.
- C. In imposing debarment, the CEO/GENERAL MANAGER or BOARD shall specify the scope and term of the debarment. Debarment shall not exceed three (3) years, unless circumstances warrant a longer period.
- D. In order to protect the interests of Santa Cruz METRO, the period of debarment may be extended, modified or suspended by the CEO/GENERAL MANAGER or BOARD after compliance with the procedures set forth in Section 1.803. Such actions may be initiated by Santa Cruz METRO or by the contractor after receipt of a written request, including documentation of the proposed modifications.

§ 1.805 **Affect of Debarment on Submittal of Bids or Proposals**

If the CEO/GENERAL MANAGER or BOARD acts to debar a contractor, that contractor shall be precluded from submitting any bids or proposals for a PROCUREMENT as a prime contractor or subcontractor during the time of debarment, unless debarment is limited in scope and the contractor is authorized under the terms of the debarment to submit a bid or proposal for a particular CONTRACT.

A contractor that has been debarred or suspended by the federal government or the state shall be prohibited from submitting any bids or proposals for a federally-funded or State funded PROCUREMENT during the period of debarment or suspension.

If Santa Cruz METRO receives an unauthorized bid or proposal from a contractor debarred by Santa Cruz METRO and/or the federal or state governments, the bid or proposal shall be returned and such bid or proposal shall not be evaluated or considered in determining the lowest responsive and responsible bidder or the highest ranked proposer.



DATE: November 15, 2019

TO: Board of Directors

FROM: Angela Aitken, CFO

SUBJECT: CONSIDERATION OF CHANGES TO THE RESERVE FUND POLICY

I. RECOMMENDED ACTION

That the Board of Directors consider changes to the Reserve Fund Policy recommended by the Finance, Budget, and Audit Standing Committee

II. SUMMARY

- At the January 23, 2015 Board of Directors (Board) meeting, the Board gave Staff direction to create a formal policy on Reserve Funds that would ensure strong fiscal management.
- Santa Cruz Metropolitan Transit District (METRO) has created an Administrative Code to codify policies enacted by the Board.
- At the October 23, 2015 Board meeting, the Board adopted the current Reserve Fund Policy within the Administrative Code.
- Staff recommends that the Board adopt the proposed clarifying changes to the Reserve Fund Policy within the Administrative Code, so that it reflects the current responsibilities and practices of the Finance Department in relation to the use and replenishment of the Reserve Funds.
- Staff recommends that the Board change the Operations Sustainability Reserve Fund target minimum balance from two (2) months to three (3) months.

III. DISCUSSION/BACKGROUND

During FY15, the METRO Board was presented with, and discussed, the impending “Fiscal Cliff” and Structural Deficit via numerous workshop presentations to the Board. At the November 14, 2014 meeting, the Board received recommendations on how each Reserve “bucket” should be established and funded. CEO, Alex Clifford, and CFO, Angela Aitken, talked through the various Reserve “buckets”, how they were each used, guidelines that were in place to follow, the funding status and deficit status of each “bucket”, industry policy or guidelines, and then presented a recommendation on how and to what level each Reserve “bucket” should be funded.

The Board came to a consensus on these Reserve Funds and was presented with the individual fund agreements via a presentation to the Board at the January 23, 2015 meeting. Direction was also given during the November 14,

2014 meeting to create a formal Reserve Funds Policy, with an objective to establish sound formal fiscal reserve guidelines that will ensure strong fiscal management, guide future Agency decisions, maintain the fiscal stability of the organization, and place the Agency in a position to better respond to unanticipated fiscal challenges and risk.

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

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

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

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

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

Reporting of Fund Balances (defined as the excess of assets over liabilities) is guided by complying with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB 54 defines five separate components of Fund balance, each of which identifies the extent to which METRO is bound to honor constraints on the specific purposes for which amounts can be spent:

- a. **Nonspendable** fund balance (not in spendable form such as inventories, prepaids, long-term receivables, or non-financial assets held for resale).

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

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

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

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

METRO's Reserve Funds are as follows currently:

- **Operations Sustainability Reserve Fund**
 - a. Classified as a committed fund balance
 - b. Sometimes referred to as the "rainy day fund".
 - c. Target minimum is equal to two months of average operating expenses for the most current fiscal year's budget
 - d. The target minimum is \$7.5M
 - e. Should not be used for recurring expenses

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

- **Operating and Capital Reserve Fund**
 - a. Classified as an unassigned fund balance
 - b. Funded by carryover, alternative fuel tax credits, excess sales tax revenue, and other fungible revenues
 - c. No target minimum amount designated
 - d. The Operating and Capital Reserve Fund has no target minimum
 - This fund would be a source for various Capital purchases and for use as local match for State and Federal grants
 - a. Should avoid using for recurring expenses

- **Workers' Compensation Reserve Fund**
 - a. Classified as a committed fund balance
 - b. Target minimum amount will be based on a bi-annual study of potential liability areas and risk
 - c. The Workers' Compensation Reserve Fund target minimum is \$2.1M
 - d. Should not be used for recurring expenses

- **Liability Insurance Reserve Fund**
 - a. Classified as a committed fund balance
 - b. Target minimum amount will be calculated annually based on the 5-year rolling average of outstanding claims at fiscal year-end, and an analysis of other potential risk considerations
 - c. The Liability Insurance Reserve Fund target minimum is \$767K
 - d. Should not be used for recurring expenses

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

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

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

This Policy is reviewed every other year, at minimum, by the Finance Department, or sooner if warranted by internal or external events or changes. The following clarification modifications to the Reserve Fund Policy are recommended to the Board of Directors by Staff:

- 1.7.1010 - Additional Definitions and Acronyms
- 1.7.206 - Purpose and Applicability
- 1.7.401 – Operations Sustainability Reserve Fund
- 1.7.502 – Cash Flow Reserve Fund, Board Policy
- 1.7.1102 – Administration of Policy

Staff is also recommending changing the Operations Sustainability Reserve Fund target minimum balance from two (2) months to three (3) months. This would change the target minimum from \$7.5M to \$11.25M.

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

METRO has created an Administrative Code to codify policies enacted by the Board. Staff recommends that the Board adopt the revised Reserve Fund Policy within the Administrative Code, so that it reflects the current responsibilities and practices of the Finance Department, in relation to the use and replenishment of the Reserve Funds.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Revising the Reserve Fund Policy, via the Administrative Code, will give guidance on how revenues above reoccurring expenses will be placed back into the Reserve Funds.

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

V. ALTERNATIVES CONSIDERED

- Do nothing is an alternative but not recommended. These changes are needed so that the Reserve Fund Policy reflects the current responsibilities and practices of the Finance Department, in relation to the use and replenishment of the Reserve Funds.

VI. ATTACHMENTS

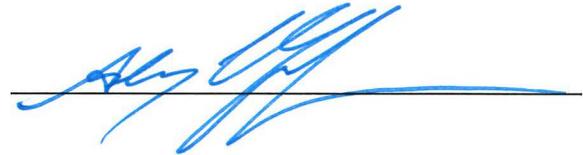
- Attachment A:** Resolution adopting Chapter 7 to Title I of the Santa Cruz METRO Administrative Code
- Exhibit A:** Reserve Fund Policy – Redline Version
- Exhibit B:** Reserve Fund Policy – Clean Version

VII. APPROVALS

Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



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

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

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

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

WHEREAS, on October 23, 2015 meeting, the BOD created a formal policy on Reserves that will ensure strong fiscal management; and

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

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

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

PASSED AND ADOPTED this 15th Day of November, 2019 by the following vote:

AYES: Directors -

NOES: Directors –

ABSTAIN: Directors -

ABSENT: Directors -

ED BOTTORFF
Chairperson

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE SHERMAN
District Counsel

Exhibit A - REDLINE

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADMINISTRATIVE CODE

TITLE I – ADMINISTRATION

CHAPTER 7

RESERVE FUND POLICY

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Article 1

General Requirements

Definitions

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

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

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

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

§1.7.1010 Additional Definitions and Acronyms

CARRYOVER – End of Fiscal Year favorable variance

FTA - Federal Transit Agency Administration

GASB – Governmental Accounting Standards Board

STA – State Transit Assistance

STIC –Small Transit Intensive Cities Program (FTA)

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

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

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Article II

Purpose and Applicability

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

Article III

Goals

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

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Article IV

Operations Sustainability Reserve Fund

- §1.7.401** The Operations Sustainability Reserve Fund is an unrestricted fund intended to provide an internal source of funds for unanticipated situations such as a sudden increase in expenses, significant one-time unbudgeted expenses, unanticipated loss in funding, economic downturns, or uninsured losses. This reserve fund ~~will ensure~~ intends to provide continuity of service (on a short-term basis)—regardless of disruptions in cash flow, and is considered working capital to be used to fund current non-recurring expenses as needed without borrowing. This fund is sometimes referred to as a “rainy day fund”.
- §1.7.402** The Operations Sustainability Reserve Fund is not intended to replace a permanent loss of funds or fill an ongoing budget gap such as a structural deficit. It is the intention of Santa Cruz METRO that when the Operations Sustainability Reserve Fund is used, they be used on a short-term basis and replenished within a reasonably short period of time (i.e. one fiscal year).
- §1.7.403** **Board Policy** - The Operations Sustainability Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund balance. The minimum amount to be designated as Operations Sustainability Reserve will be established in an amount sufficient to cover all operating expenses for a set period of time, measured in months. The minimum Operations Sustainability Reserve Fund shall be equal to ~~two (2)~~ three (3) months of the average operating expenses for the most current fiscal year’s budget, and will be adjusted annually through the budget process. The calculation of average monthly operating costs includes, but is not limited to all recurring, operating expenses such as salaries and benefits, overhead, travel and training, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The Board will attempt to fully fund the Operations Sustainability Reserve Fund within three-years of the adoption of this policy. The Operations Sustainability Reserve Fund shall not be used to support recurring operating expenditures.

Article V

Cash Flow Reserve Fund

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

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§1.7.502 **Board Policy** - The Cash Flow Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund balance. The target minimum amount ~~to be designated~~ to the as Cash Flow Reserve Fund will be ~~set reviewed~~ annually ~~through~~ during the budget process. Recommended changes to the target minimum will be communicated when the Schedule of Reserve Account Balances is presented to the Finance, Budget, and Audit Committee and the Board. ~~The target minimum amount and~~ is calculated ~~annually~~ based on a review of all current reimbursable grants, a revenue flow analysis, and invoice payments. In tight or difficult financial times, a fully funded Operations Sustainability Reserve Fund can double as the Cash Flow Fund. The Board will attempt to fully fund the Cash Flow Reserve Fund within three-years of the adoption of this policy. The Cash Flow Reserve Fund shall not be used to support recurring operating expenditures.

Article VI

Operating and Capital Reserve Fund

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

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

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

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Article VII

Workers' Compensation Reserve Fund

§1.7.701 The Workers' Compensation Reserve Fund is intended to provide funds to meet expenses associated with Santa Cruz METRO's self-insurance programs, losses that exceed insurance coverage, as well as deductible costs or losses not covered by insurance. The Workers' Compensation Reserve Fund shall be maintained at a level that will adequately indemnify the agency against loss. A bi-annual study of potential liability areas and risk shall be the basis for determining minimum reserves.

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

Article VIII

Liability Insurance Reserve Fund

§1.7.801 The Liability Insurance Reserve Fund is intended to provide funds to meet Santa Cruz METRO's self-insurance programs, liability, insurance deductibles, self-insurance minimums, the first layer of a multi-layered insurance program, and to cover exposure where no insurance exists. This Fund is also used when exposure or losses exceed insurance coverage.

§1.7.802 **Board Policy** - The Liability Insurance Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund balance. The Liability Insurance Reserve Fund will be calculated annually based on the 5-year rolling average of outstanding claims at fiscal year end, and an analysis of other potential risk considerations. The Liability Insurance Reserve Fund balance will be approved by the Board through the annual fiscal budget process. The Board will attempt to fully fund the Liability Insurance Reserve Fund within the next fiscal year budget following the adoption of this policy. The Liability Insurance Reserve Fund shall not be used to support recurring operating expenditures.

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Article IX

Funding and Accounting for Reserve Funds

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

Article X

Reporting, Monitoring and Replenishing of Reserves

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

Article XI

Administration of Policy

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

Article XII

Changes/Waivers to the Reserve Fund Policy

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

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Administration of Policy

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- §1.7.1102** The Finance Department shall review this policy every other year, at a minimum, or sooner if warranted by internal or external events or changes. Modifications to the Reserve Fund Policy will be recommended by the Finance Department to the Finance, Budget and Audit Committee, and ultimately the Board.

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Changes/Waivers to the Reserve Fund Policy

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DATE: November 15, 2019

TO: Board of Directors

FROM: Angela Aitken, CFO

**SUBJECT: CONSIDERATION OF ACCEPTING THE FINANCE, BUDGET, AND AUDIT
STANDING COMMITTEE'S RECOMMENDATIONS REGARDING PENSION
(UAL) AND RETIREE MEDICAL LIABILITIES (OPEB)**

I. RECOMMENDED ACTION

That the Board of Directors accept the Finance, Budget and Audit Committee's recommendations regarding Pension and Retiree Medical liabilities

II. SUMMARY

- Staff presented an overview and updates from the May 17, 2019 Board presentations on Pension (UAL) and Retiree Medical (OPEB) liabilities to the Finance, Budget and Audit Standing Committee on November 8, 2019.
- The Finance, Budget, and Audit Committee discussed with staff items that we have done since May 2019 to reduce our Pension and Retiree Medical liabilities, as well as recommendations to further reduce our liabilities.
- The Finance, Budget, and Audit Committee is recommending that the Board direct staff to contract with an Actuarial to run various financial scenarios to help us come up with a plan to reduce our liabilities.
- The Finance, Budget, and Audit Committee is also recommending in concept that the Board consider establishing an Irrevocable Trust for our pension and retiree medical liabilities, subject to the Board's review of the Actuarial's recommendations.

III. DISCUSSION/BACKGROUND

Staff presented an overview and updates from the May 17, 2019 Board presentation on pension (UAL) and retiree medical (OPEB) liabilities to the Finance, Budget and Audit Committee on November 8, 2019.

Pension (UAL) Liability

The present value of projected benefits for our pension is \$211M, but our normal accrued liability is \$186M. The assets we have against this liability are \$123M (66.4% funded) versus \$117M (67.4% funded), which leaves \$62M in pension liability (UAL) in FY18, versus \$56.5M in FY17. The accepted "normal" assets percentage (%) funded amount is usually around 80%.

We do not expect to pay this liability off, as the amount of this liability can fluctuate continually, with so many variables effecting it; i.e., age of employee, death age of retiree, length of service, investment return, etc. Interest accrues against this liability; hence the creation of an irrevocable trust is being recommended for this pension liability (UAL).

Employer Contributions

Forecasted employer contributions to the pension liability from FY21 – FY26, according to the CalPERS Actuarial Valuation Report as of June 30, 2018, reflect the following:

- Normal Cost (% of Payroll) will remain around 10.4%, but the payment we make every year will range between \$2.1M to \$2.4M.
- If we continue on the path of prepaying the pension (UAL) liability in full prior to July 31st of every year, that payment will range between \$4M to 5.5M. This yearly payment would increase by more than \$150K per year if we made monthly payments instead of the once yearly payment.
- The normal cost and pension liability payments together will be \$6.7M – \$8.2M over the next six (6) years.
- This is between 33.6% and 36.2% of our payroll and is projected to go from \$19.8M to 22.7M; with a 2.75% growth factored in.

Retiree Medical (OPEB) Liability

The total retiree medical (OPEB) liability for FY19 is \$115M, up from \$107M in FY18. Because we do not have an irrevocable trust setup, our net FY19 liability is also \$115M.

Currently, interest is not accruing on this liability, as it does on the pension liability. CalPERS bills us for what our retirees' costs are every year. Currently, we have more retirees than we do employees. We do not make additional payments towards this liability to pay it down; hence, the Finance, Budget, and Audit Committee's recommendation to create an irrevocable trust for the medical (OBPEB) liability account, which would allow dedicated money to go towards this liability.

What have we done so far?

Since May 2019, we have done or implemented the following:

- Understand the liabilities and make them visible to the public
 - BOD and Committee meetings in 2019
- Approve budget plans to set aside funds to reduce the liabilities
 - BOD approved \$2M/yr in transfers to a dedicated Reserve fund
- Prepay the pension (UAL) portion for the FY, before July 31st
 - In FY20, paid \$4M in July; saved \$144K for the year

- Closely monitor and control personnel costs
 - Average labor costs increase for the past 5 years is .4%
 - As of Fall 2019:
 - (i) Negotiated 5% employee contribution for any medical plan for SEIU and SMART-Fixed Route as of January 2021
 - (ii) Negotiated 3% employee contribution for any medical plan for SMART-ParaCruz as of January 2022
 - (iii) Negotiated an increase in the quarterly payments to employees waiving our medical insurance program from \$300 to \$1K

What do we recommend?

Some of the options staff are considering in concept are the following:

Make additional discretionary pension (UAL) liability payments

- This would bring down our liability faster, and allow for budgeting flexibility, but may put a strain on our operating budget
- We can use one time funding or new revenue
- Any additional payments made to the principle reduces the amount of interest paid in the future
 - (i) \$1M paid today reduces the amount of total interest paid by \$1.6M
 - (ii) \$1M paid every year for the next five (5) years = \$6.8M of saved interest payments (as per CalPERS actuarial estimate based on our 2017 Valuation Report)

Fresh start (Full or Partial) pension (UAL) liability amortization

- This option is very similar to the discretionary pension liability payments option, but you are locked into a new higher amortization schedule of 10 or 15 years instead of 20 years.
 - (i) 15 Year Amortization = \$16M estimated savings
 - (ii) 10 Year Amortization = \$32M estimated savings
 - a. As per CalPERS Annual Valuation Report as of June 30, 2018
- There would be significant long-term savings
- If a full fresh start amortization is chosen, it would be an irrevocable choice
 - (i) If a partial fresh start amortization is chosen, it would stop new increased payments

Contract with an Actuarial to run various financial scenarios to help us come up with a plan to help reduce pension and retiree medical liabilities

- The Actuarial would be able to
 - (i) Incorporate changes to our employee medical benefits currently offered and analyze:
 - a. The benefits of additional contributions to both liabilities
 - b. How those contributions are implemented to achieve maximum savings
 - c. The benefits of creating the trusts to pay towards both the pension and retiree medical liabilities

Consider establishing and prefund an Irrevocable Section 115 Trust for pension (UAL) and retiree medical (OPEB)

- Contributions put into this trust are restricted and cannot be used for other purposes
- Setting up this trust will improve our credit rating
- Our net pension and medical liabilities will be reduced by the contributions to this trust
- There are no costs associated with funding and managing the trust

Staff is recommending the following two options, with the concurrence of the Finance, Budget, and Audit Committee:

- Contract with an Actuarial to run various financial scenarios to help us come up with a plan to help reduce pension and retiree medical liabilities
- Consider the concept of establishing and prefunding an Irrevocable Section 115 Trust for pension (UAL) and retiree medical (OPEB), subject to a review of the Actuarial 's recommendations.
- Return to the Committee with the Actuarial's recommendations when available.

IV. FINANCIAL CONSIDERATIONS/IMPACT

This action will result in a cost of approximately \$50K to procure initial Actuarial services and minimal costs to consider setting up an irrevocable trust. As options with the Actuarial are put together, staff will return to the Board for future guidance and additional direction on funding those options, to reduce our pension and retiree medical liabilities.

V. ALTERNATIVES CONSIDERED

The alternative is to continue making payments and contributions to the pension and retiree medical liabilities as we are today.

- Staff does not recommended this strategy, as our liability in our Pension and Retiree Medical accounts will continue to increase exponentially.

VI. ATTACHMENTS

Attachment A: Pension (UAL) and Retiree Medical (OPEB) Liabilities Presentation

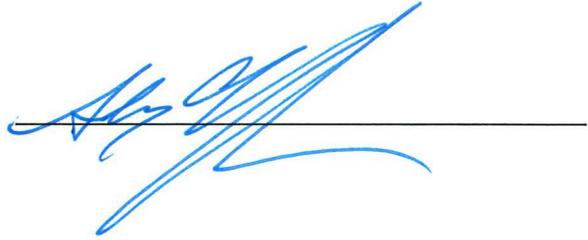
Prepared by: Angela Aitken, CFO

VII. APPROVALS

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager





**Pension (UAL)
and
Retiree Medical (OPEB)
Liabilities
Recommendations to Reduce Liabilities**

Santa Cruz METRO Board of Directors

November 8, 2019

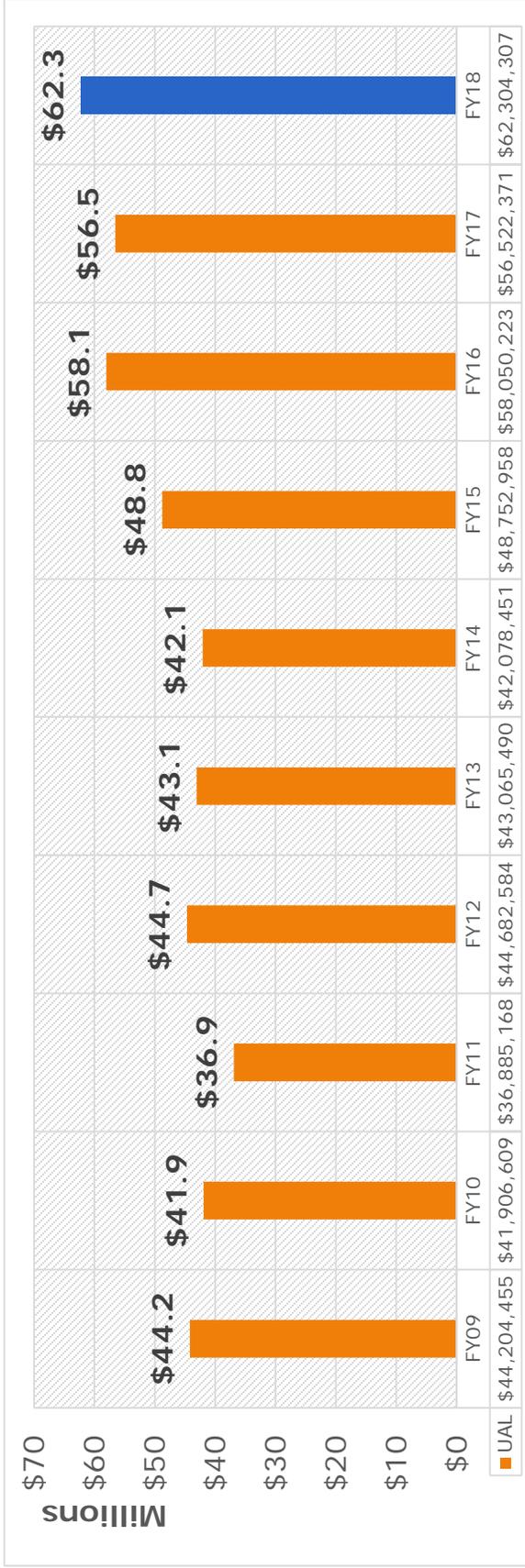
Angela Aitken, Chief Financial Officer

Overview of Today's Presentation

- Pension Liability (UAL): Overview and Updates
- Retiree Medical Liability (OPEB): Overview and Updates
- What can we do to reduce the liabilities?
- What have we done so far to reduce the liabilities?
- What do we recommend to further reduce the liabilities?
- Questions

Pension Liability (UAL): Overview & Updates

(as per CalPERS Actuarial Valuation Report as of June 30, 2018)



	June 30, 2017	June 30, 2018
1. Present Value of Projected Benefits	\$197,740,176	\$211,046,469
2. Entry Age Normal Accrued Liability	\$173,211,950	\$185,503,758
3. Market Value of Assets (MVA)	\$116,689,579	\$123,199,451
4. Pension Liability (UAL) (2-3) *	\$56,522,371	\$62,304,307
5. Funding Ratio (3/2)	67.4%	66.4%

* UAL is the gap between funds available and funds needed for retiree benefits.



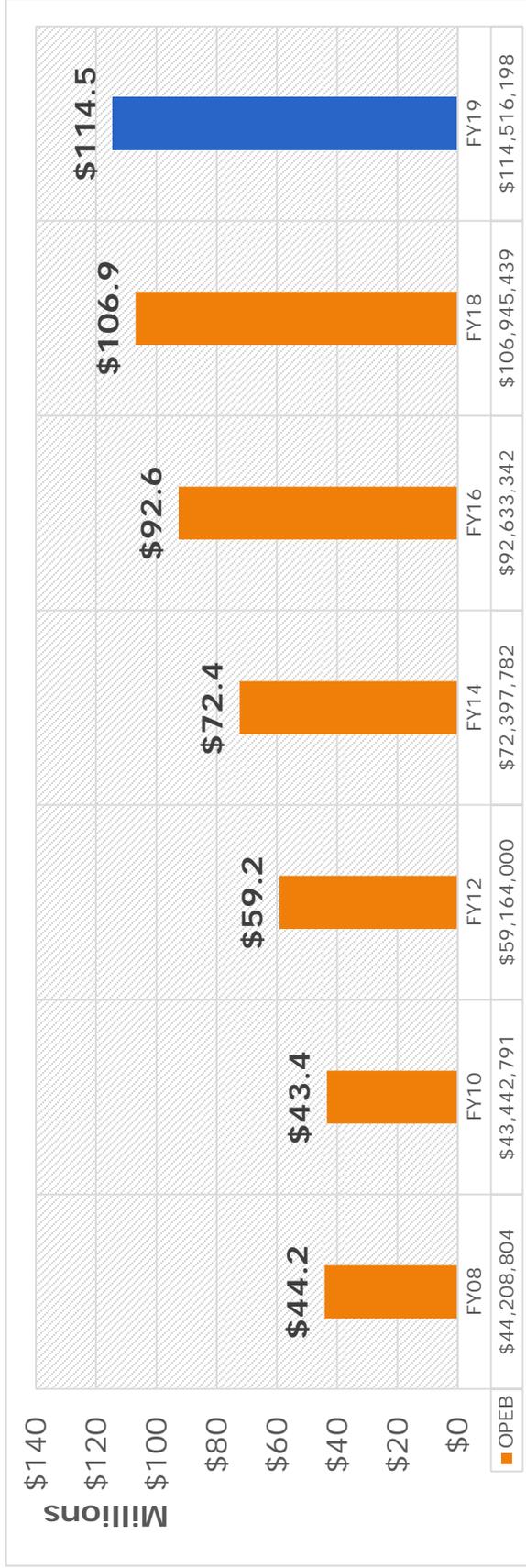
Employer Contributions: Normal Cost & UAL
Santa Cruz METRO: Projections FY21 – FY26
 (as per CalPERS Actuarial Valuation Report as of June 30, 2018)

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal FY19) *				
Fiscal Year	FY21	FY22	FY23	FY24	FY25	FY26
Normal Cost (% of Payroll)	10.448%	10.4%	10.4%	10.4%	10.4%	10.4%
Normal Cost \$ Payment (A)	\$2,071,638	\$2,118,829	\$2,177,097	\$2,236,967	\$2,298,484	\$2,361,692
UAL Payment (B)	\$4,586,794	\$5,052,000	\$5,437,000	\$5,674,000	\$5,955,000	\$5,837,000
Projected Payroll (2.75% growth)	\$19,828,082	\$20,373,354	\$20,933,622	\$21,509,297	\$22,100,803	\$22,708,574
Total Contribution (Illustrative only based on projected payroll) (A+B)	\$6,658,432	\$7,170,829	\$7,614,097	\$7,910,967	\$8,253,484	\$8,198,692
Total Contribution as a % of Payroll	33.6%	35.2%	36.4%	36.8%	37.4%	36.2%

*The Preliminary Rate of Return for FY19 is **6.7%**.

Retiree Medical Liability (OPEB): Overview & Updates

(as of June 30, 2019)



METRO – OPEB Funding Status:

	as of June 30, 2018	as of June 30, 2019
1. Total OPEB Liability (TOL)	\$106,945,439	\$114,516,198
2. Fiduciary Net Position (Value of Trust Assets) (Create an Irrevocable Trust)	\$0	\$0
3. Net Retiree Medical Liability OPEB Liability * (NOL) (1 - 2)	\$106,945,439	\$114,516,198

* Net OPEB Liability is the gap between funds available and funds needed for retiree benefits.



What can we do to reduce the liabilities?

- Things we have done so far to reduce the liabilities:
 - 😊 Understand the two liabilities and make them visible to the public: **DONE**
 - 😊 Approve budget plans to set aside funds to reduce the liabilities: **DONE**
 - 😊 Prepay the Pension (UAL) portion for the Fiscal Year, before July 31st: **DONE**
 - 😊 Closely monitor and control personnel costs: **DONE**
- What do we recommend to further reduce our liabilities:
 - Make Additional Discretionary Payments (ADPs) toward paying down UAL
 - Work with CalPERS to establish Fresh Start UAL Amortization
 - Establish and prefund an Irrevocable Section 115 Trust for UAL and OPEB
 - Contract with an actuarial to run various financial scenarios

What have we done, so far?

Understand the Liabilities and Make them Visible to the Public: Presentations to Board Members, Staff and Public at Finance Committee and Board Meetings in 2019

Approve Budget Plans to Set Aside Funds to Reduce the Liabilities: Board Approved (June 2019) transfers of \$2M*/Year to a dedicated reserve fund

(*The exact amount of the transfers depends on the availability of excess funds in the operating budget at year-end, unplanned / unbudgeted expense could reduce /eliminate the transfers)

Prepay the Pension Liability UAL Portion for the Year in FY20:
\$4,044,788 Paid in July 2019
= \$144,064 Savings for the Year

Closely Monitor and Control

Personnel Costs:

Average Labor Cost Increase for the last 5 Years
(FY15-FY19) = **0.4%**;

As of Fall Negotiations with Unions:

- Negotiated **5% employee contribution for any medical plan** for SEIU and SMART FR, effective Jan 2021; **3%** for SMART PC, effective Jan 2022;
- Negotiated **increase in the quarterly payments** for those METRO employees **waiving our medical insurance program** (from \$300 to \$1,000/Qtr.)



What Do We Recommend?

Make Additional Discretionary Pension Liability (UAL) Payments:

- ✓ Payments can be made at a dedicated amount
- ✓ Allows for budgeting flexibility
- ✓ Can dedicate one-time funding or new revenue
- ✓ **Any additional payments made to the principal reduces the amount of interest paid in the future**

\$1M paid today reduces the amount of total interest paid by **\$1.6M**

\$1M paid every year for the next five years = **\$6.8M** of saved interest payments (as per CalPERS actuarial estimate based on our 2017 Valuation Report)

Fresh Start (Full or Partial) Pension Liability (UAL) Amortization:

- ✓ Must pay off faster than existing amortization schedule
- ✓ Create new minimum payment
- ✓ Significant long-term savings
- ✓ **Irrevocable (Full)**
- ✓ No Irrevocable election (Partial)

15 Year Amortization = \$16M Estimated Savings

10 Year Amortization = \$32M Estimated Savings
(as per CalPERS Annual Valuation Report as of June 30, 2018)

OR



What Do We Recommend?

Establish and Pre-Fund Irrevocable Section 115 Trusts for Pension (UAL) and Retiree Medical (OPEB):

(In concept)

- ✓ Contributions are restricted and cannot be used for other purposes
- ✓ Improved Credit Rating
- ✓ Reduction of Net Pension and Retiree Medical Liabilities
- ✓ There are costs associated with funding and managing a trust

Contract with an Actuarial to Run Various Financial Scenarios to Help Reduce Pension and Retiree Medical Liabilities:

- ✓ They would incorporate changes to our Employee medical benefits currently offered
- ✓ They would analyze:
 - ✓ benefits of additional contributions to both liabilities
 - ✓ how those contributions are implemented to achieve maximum savings
 - ✓ benefits of creating the Trusts to pay towards both liabilities



Questions

18A.10



VERBAL PRESENTATION ONLY

CITY OF SANTA CRUZ DOWNTOWN BUS PASS
UPDATE

Barrow Emerson
Planning and Development Director

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VERBAL PRESENTATION ONLY

PACIFIC STATION UPDATE

Barrow Emerson
Planning and Development Director

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

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

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT IN HONOR OF THE FIFTEENTH ANNIVERSARY OF PARACRUZ

WHEREAS, the Santa Cruz Metropolitan Transit District (METRO) established the ParaCruz service, providing complementary paratransit service to METRO's customers who are not able to use the bus due to a physical, cognitive, or psychiatric on November 1, 2004; and

WHEREAS, ParaCruz is celebrating its fifteen year anniversary providing these crucial services.

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

The Board of Directors hereby celebrates the fifteenth anniversary of ParaCruz and recognizes the accomplishments of ParaCruz staff in reaffirming the principles of equality and inclusion in their performance of the highest levels of accessible services for our customers.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District this 15th day of November, 2019 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Ed Botorff, Board Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie A. Sherman, General Counsel

- ADDITIONAL MATERIALS DISTRIBUTED
AT BOARD MEETING -

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NEWS CLIPS

October 25, 2019 – November 15, 2019

**SANTA CRUZ
COUNTY
ARTICLES**

Santa Cruz Sentinel

santacruz

TWITTER.COM/SCSENTINEL

FACEBOOK.COM/SCSENTINEL

\$1.50

Saturday, November 9, 2019

CAPITOLA

Planners review new mall proposal

Commission, public share concerns

By Elaine Ingalls

eingalls@santacruzsentinel.com
@elaine_ingalls on Twitter

CAPITOLA » Plans for redevelopment of the Capitola Mall are proceeding, following a conceptual review from the mall owners at the Capitola Planning Commission meeting Thursday.

Mall owner Merlone Geier Partners presented design plans to the commission. The city of Capitola's contracted design team, RRM Design Group, responded to the plans, as did the attending public, Capitola city staff and the planning

MALL » PAGE 2

Mall

FROM PAGE 1

commission.

About 30 people attended the meeting. No decisions for the mall's redevelopment were made.

Merlone Geier owns the majority of the mall, excluding anchor tenants Macy's, Target and Kohl's. Merlone Geier's plans are to tear down the mall and create an open-air "Capitola Town Square" with new features that include outdoor gathering areas, a main thoroughfare, shopping, a movie theater and affordable housing.

This translates to nearly 340,000 square feet of commercial and retail space and 637 residential units. This number is derived from the maximum housing allowed, 20 units per acre, according to David Geiser, Merlone Geier's managing director of design and construction. Merlone Geier hasn't decided on what type of housing it will build, but could choose from multifamily renters, independent living and/or senior housing.

Merlone Geier's David Geiser said the company wants to promote a "neighborhood focus for residents" and a new meeting place for visitors. Merlone Geier plans to build two residential parking garages with nearly 1,100 spaces, as well as provide about 2,600 commercial parking spaces.

Merlone Geier also anticipates putting in new signage, improving bicycle and pedestrian pathways and moving the Santa Cruz Metro station from the mall entrance to a location between Macy's and Kohl's.

In order to reconstruct the mall, Merlone Geier needs permission for planned redevelopment zoning, which will allow the company to deviate from zoning regulations in other local districts and focus on providing public benefits of the new space.

Capitola contracted RRM

Design Group to provide two design reviews of the mall redevelopment plan. At the meeting, Scott Martin, an architect with RRM and Matt Ottoson, senior planner at RRM, shared their concerns about the town square concept. Among their suggestions were to keep architectural styles relevant to Capitola's coastal village character, expand public open space, create opportunities for natural light and vary building elements to minimize the appearance of larger buildings — some up to 85 feet.

Capitola also contracted with real estate and financial advisory firm Kosmont Cos. to conduct a fiscal impact analysis. Capitola city staff shared highlights of the analysis at the meeting.

Capitola city staff shared findings from the city's stormwater consultant HydroScience and feedback from the city of Santa Cruz Water Department and the county of Santa Cruz Sanitation District, two stakeholder agencies that serve the mall site. The water department requires a water supply assessment for the environmental review process and the sanitation district believes the project will likely need larger downstream sewer mains, according to city staff.

When the meeting opened for public comment, Capitola and county residents shared concerns around housing, accessibility and Capitola culture. Attendees said that housing wouldn't be built fast enough to meet its immediate need, that more bike and pedestrian paths are needed and architecture must stay true to Capitola.

Capitola resident Cherrie McCoy said she didn't believe the proposal looked like Capitola "at all" and wanted commissioners to "Say no to Santana Row" or a similar shopping center being built here.

Others supported any forms of housing and change to the "dying" mall,

as long as public art and the scale of buildings matched Capitola's village characteristics.

The planning commissioners also spoke about their likes and dislikes. Capitola Planning Commissioner Ed Newman said this was "an excellent effort for what the city is trying to accomplish," but he has issues with the name because it will not be a true town square if it doesn't have official city buildings and is the heart of city events.

Planning Commissioner Peter Wilk expressed that the "Kosmont analysis was striking," that the new idea for the mall could turn out to be a revenue loss and that the concentrated population increase from residential units could cause traffic problems.

"It's a great project," Wilk said. "If we can handle the finance, I'm all for it."

Merlone Geier Partners answered questions from commissioners.

"The type of retail will drive the economic process," said Stephen Logan, vice president of development of Merlone Geier.

Capitola Planning Commissioner Mick Routh agreed that the key to approving the project would be that it would be an "economic driver." Routh suggested reducing housing units and constructing a hotel to generate more revenue for the city.

Plans for the Capitola Mall will be discussed at the Capitola City Council meeting at 7 p.m. Thursday at the Capitola City Hall, 420 Capitola Ave.

After review from the City Council, Merlone Geier will take feedback and submit a formal application in January. With an environmental review and final project approval, construction is expected to start in spring/summer 2021 and be completed in summer 2024, according to Merlone Geier.

Contact reporter Elaine Ingalls at 831-706-3253.

Santa Cruz County Chamber of Commerce

Santa Cruz News

ARTICLE

Date	ArticleType
11/6/2019	Chamber
The Changing Economics The Gig Economy and the Future	
The Changing Economics	
The Gig Economy and the Future	
By Lucy Miller, Chamber intern and Casey Beyer, CEO	

We are in a period of change. Changing populations, technologies and economies are constantly giving way to new, creative solutions for how businesses can run more effectively and more efficiently. Needless to say, some of these innovative ideas face controversy as they shape our present and how we move into the future.

One such change that has sparked recent political debate is the “gig economy,” a term that is relatively new to common vernacular within the last decade but that describes a concept that has been in existence for a long time. In short, it is a labor force based around the concept of being an independent contractor, technically beholden to no boss, who performs a series of small tasks over a long period of time for a variety of clientele (**Forbes**). This is counter to being an employee of a company and thus receive benefits such as PTO or insurance, and be required to report for specific hours of duty to perform work on behalf of an employer. Many of us know the benefits of an employee-employer relationship but in a changing economic picture where young professionals, stay-at-home mothers (and fathers) and retirees are looking to supplement their income with more flexibility – the gig economy is key.

Classic examples of independent contractors include Uber and Lyft drivers, but the same principals of being an independent contractor in many cases also apply to jobs such as business consultants, tradespeople and freelance writers.

To give a sense of the scale of the effect that this economy has on the lives of workers, in 2018 the **Harvard Business Review** reported that there were approximately 150 million individual workers in North America and Western Europe who were part of the “gig economy.”

In California, where many of these gig industries are thriving, action has been taken to begin the process of potentially regulating what was previously an industry independent from uniform guidelines. The state Supreme Court’s **Dynamex decision** created an “**ABC test**” to determine who, under these new specifications, qualified as an employee versus an

independent contractor. With the recent signing of Assembly Bill 5 by Governor Newsom the ABC test -- with a few alterations to the original language, such that many independently contracted professions like doctors, architects and accountants were granted exceptions -- is now becoming law in California (**Cal Matters**).

Gig companies feel that AB 5 will act to restrict their ability to do business in the most effective manner. Gig workers on the other hand, are less unified in their opinion of the new legislation. While some feel that it will greatly benefit them by setting a standard for pay, time off, working hours, etc., others actually enjoy the flexibility that being an independent contractor provides them. In response to Governor Newsom signing AB 5, some of the biggest gig based companies such as Uber, Lyft and DoorDash, each pledged millions of dollars to fight the new legislation via state ballot initiative. Additionally they have proposed lighter restrictions on their modes of operation than AB 5 would create, such as setting minimum income guarantees and providing some sort of stipend to cover vehicle damage, with the hopes that these compromises will satisfy those on the other end of the spectrum fighting for full employee status (**Cal Matters**).

It seems doubtful that when the legislation goes into effect in January 2020, that we will see any immediate changes from the likes of Uber and Lyft. Instead it is more likely that legal and political battles that are already underway will continue as these companies push back against employee designations for their drivers (**Vox**). With drivers themselves on either side of the fight, it will be interesting to see who ends up on top and how these changes will affect our local economy.

The Santa Cruz County Chamber did not take a position on AB 5 during the last legislation session. As a business organization that represents nearly 600 members, many of our member are small one person operations or in some cases independent contractors. It should be further noted that in Santa Cruz County nearly 2/3 of all businesses are small consisting of one to ten employees. As a Chamber advocating for all businesses, we hope that AB 5 or any legal or ballot initiative challenge best serves the changing economy of our region.

Santa Cruz Sentinel

Wednesday, November 6, 2019

\$1.50 FACEBOOK.COM/SCSENTINEL TWITTER.COM/SCSENTINEL

santacruz

HOUSING

Homeless shelter contracts finalized

By Jessica A. York
jjork@santacruzsentinel.com
@reporterjess on Twitter

SANTA CRUZ » For the first time in decades, Santa Cruz County's North County will not look to reopen its homeless winter shelters as cold temperatures and rainy days approach.

Instead, the region will

continue operating once-temporary seasonal shelters nearly year-round, a "deliberate pivot" in the local homeless shelter strategy that increases shelter nights by 36% more than the previous year, according to county Homeless Coordinator Rayne Pérez.

Supporting that effort, the Santa Cruz County

Board of Supervisors on Tuesday voted to approve two state grant-driven contracts worth nearly \$2 million with the Salvation Army for its two Santa Cruz homeless shelter sites, extending already ongoing operations into next year.

The board approved a recommendation to fund a north county shelter at

the Salvation Army's Laurel Street building through June 30 and an outdoor tent encampment in a Santa Cruz city-owned lot at 1220 River St., through March 31, comes at the recommendation of the county's Homeless Action Partnership, a coalition of local jurisdictions and service providers.

HOMELESS » PAGE 2

Homeless

FROM PAGE 1

Nearly \$1.7 million of the \$1.96 million Salvation Army contract will come from state Homeless Emergency Aid Program and California Emergency Solutions and Housing grants and the rest from partnering jurisdictions. The county also approved contributing nearly \$16,000 to the city of Santa Cruz to fund site improvements at the River Street camp.

The 55-bed shelter at 1721 Laurel St. prioritizes

single women, families with children, and adults with mobility challenges, but is open to all single adults and families. The program is overnight-only, with no day services. The 1220 River St. site has the capacity for 60 tent sites and open to adult men, women and couples. The low-barrier shelter site, meaning it has minimal eligibility restrictions on those entering, is open 24 hours a day, seven days a week.

The 1220 River St. site could be extended beyond its March closure, if a major city Water Department project scheduled for the

property is delayed, Pérez said.

Separately, the Salvation Army-operated South County shelter program in Watsonville, operating 24/7, is funded through June 30, 2021. The day services program, providing showers, toilets, washers and dryers, computers, lockers and access to an array of supportive services, serves roughly 50 people per day.

The overnight emergency shelter serves 38 people, including families with children.

Contact reporter Jessica A. York at 831-706-3264.

Friday, November 1, 2019 » MORE AT FACEBOOK.COM/SCSENTINEL AND TWITTER.COM/SCSENTINEL

TRANSPORTATION

ParaCruz will celebrate 15 years of service

Metro's paratransit service provides about 300 rides per day, 75,000 annually

By Elaine Ingalls
 eingalls@santacruzsentinel.com
 @elaine_ingalls on Twitter

SANTA CRUZ » ParaCruz, Santa Cruz Metro's paratransit service will celebrate 15 years of service Friday.

ParaCruz offers door-to-door and accessible shared rides for county residents who can't ride a fixed-route bus because of a physical, cognitive or psychiatric disability. The Americans with Disabilities Act requires public transit agencies that provide fixed-route service to provide complementary paratransit service to people with disabilities.

ParaCruz has 30 operators driving three different-sized vans or vehicles, totaling 32 vehicles, according to Daniel Zaragoza, operations manager of ParaCruz.

ParaCruz was previously contracted out to Community Bridges' Lift Line transportation service, but was brought back to Metro in 2004, according to Zaragoza.

Most ParaCruz drivers came from Lift Line, but Zaragoza was one of the first drivers hired for ParaCruz. Zaragoza drove for ParaCruz for two years, then became a fixed-route operator and was promoted to his current position as operations manager in 2018. Zaragoza said he enjoyed being a ParaCruz driver because he got to know the people using the service and he became sensitive to their needs.

"You leave the day feeling good, knowing that you provided a good service for people," Zaragoza said.

In the past 15 years, ParaCruz technology has advanced, Zaragoza said. Each bus/van is



DAN COYRO — SANTA CRUZ SENTINEL FILE

ParaCruz provides about 300 rides daily during the week, and on average 75,000 rides per year.

equipped with security cameras, and drivers now use a GPS and track data on their computers. Previously, information was written on paper and drivers used maps, he said.

ParaCruz technology will be updated next year, too. At the beginning of 2020, ParaCruz is expected to automate its dis-

patching and scheduling software, which was previously organized and put together manually, Zaragoza said.

"We should see big improvement with on-time performance," Zaragoza said.

ParaCruz fulfills riders' needs to get to and from work, as well

PARACRUZ » PAGE 4

ParaCruz

FROM PAGE 3

as bringing them to medical appointments, grocery shopping and social events.

Watsonville resident Kirk Osborn has been using ParaCruz for nearly seven years. Osborn has had rheumatoid arthritis since he was 2 years old, and after a neck surgery seven years ago, he has more trouble using his legs and driving.

Osborn, 51, takes ParaCruz to and from work at the Santa Cruz County Office of Education five days a week. ParaCruz picks him up from home anytime from 6:30-7 a.m. and picks him up

from work around 3:45-4:15 p.m. every weekday. He "gets home when he gets home" but riding ParaCruz isn't a bad experience because the drivers are friendly and he can nap, he said.

"ParaCruz has been a godsend to keep me working," Osborn said.

Osborn is one of many residents across the county using ParaCruz.

Ben Lomond resident Roger McKowan is a quadriplegic and was riding Lift Line before ParaCruz started. Since Metro claimed the paratransit service back, McKowan has been using it five days per week. McKowan, 62, is a patient scheduler in the acute rehabilitation unit at

Dominican Hospital. ParaCruz is "a lifeline for me," he said

"There's a lot of highly-motivated, very caring people that work for ParaCruz," McKowan said, some of which McKowan calls friends. "They go above and beyond to make sure passengers are safe and well taken care of. I've been well-served for many years."

If not for the service, McKowan said he would have had to quit his job. He said he can't drive himself because of the contractures, or shortening of muscles or joints, in his hands.

ParaCruz provides about 300 rides per day during the week across the county, with service from 5 a.m. to

12:30 a.m. In 2018, more than 73,000 rides were taken, according to Zaragoza. He said on average, ParaCruz provides about 75,000 rides per year.

To ride ParaCruz, users can call Metro's customer service, who will then schedule a free assessment with the eligibility coordinator and confirm that he/she can ride the bus. ParaCruz is a subsidized program and costs a passenger \$4 each way, but can be up to \$6 one way if the passenger comparably would have had to transfer buses if he/she were riding a fixed route bus.

Contact reporter Elaine Ingalls at 831-706-3953



Tarino Hernandez/The Pajaronian

CHANGES COMING *Traffic flows along Main Street in downtown Watsonville.*

A new road

COUNCIL APPROVES PLAN FOR DOWNTOWN STREETS

By TONY NUÑEZ
OF THE PAJARONIAN

WATSONVILLE—The Watsonville City Council on Tuesday unanimously approved the Downtown Complete Streets Plan, a \$27 million project that proposes sweeping changes to the corridor's structure.

The plan presented at Tuesday's meeting included the much-debated lane reduction on Main Street, which the public was strongly opposed to in Phase 3 of community outreach, according to city staff.

The lane reduction cannot happen until the City identifies its effects through a traffic study, set to be completed in 2021 alongside the City's Downtown Specific Plan,

which is currently being developed in consideration of the Complete Streets Plan.

All council members said the implementation of the lane reduction hinges on that traffic study.

Additionally, no changes to Main Street can happen without the approval from CalTrans because the street serves as a highway thoroughfare.

"We need to seriously think about this. When we're hearing a 'no,' it means no," said Councilwoman Trina Coffman-Gomez. "It doesn't mean revisit and going back again and again and rehashing things because it's what the staff wants done versus what the community is saying."

Other improvements to adjacent downtown streets can move forward following Tuesday's decision.

A phased plan of attack will be prepared by staff for Council approval in the coming months.

Any change to the downtown streets would need final approval from the Council.

The proposed improvements include:

Pedestrian improvements

- Curb extensions at almost every intersection
- High-visibility crosswalks
- Widened sidewalks in several areas

Bicycle facilities

- Buffered bicycle lanes on Main Street
- Shared-lane marking on Brennan and Union streets
- Bike lane improvements on Rodriguez Street
- Bicycle lanes on Lake and Beach

→ See *STREETS*, A16

STREETS

→ From page A1

streets

Vehicle travel lane changes

- Removal of one lane each direction on Main Street to allow for bicycle lanes and some added parking

- Removal of one lane on Rodriguez Street between W. Lake and W. Beach streets

Parking changes proposed

- Addition of on-street parking on Main Street in several areas

- Removal of parking on the north side of W. Lake Street between Main and Rodriguez streets

- Removal of parking on Maple Street between Main and Union streets.

its roads safer.

Watsonville was ranked near the bottom of the state in pedestrian safety for cities its size in a recent report by the Community Traffic Safety Coalition. That spurred the City's current push for traffic safety, including the adoption of Vision Zero, a multi-national initiative that acknowledges traffic fatalities are preventable and aims to come up with solutions to achieve a zero death goal by 2030.

Aspects of Vision Zero are already underway, but Council said the education and enforcement in that plan can only do so much to slow down traffic on Main Street.

"Status quo right now is unacceptable... these are all preventable things," Mayor Francisco Estrada said. "It indicates that

we have to do something for our youth, for our older folks and everyone in this community and for their health."

The public in attendance at Tuesday's meeting was in support of the plan.

Foreverfly Skate owner Salvador Orozco said he sees a "near-miss" at the crosswalk of his shop at 442 Main St. every day.

"Cars are flying by—45 mph at least," Orozco said.

Orozco also said the changes to Main Street, such as making the sidewalks bigger, would be a boon for the businesses in the corridor.

"More foot traffic, for me as a business, will turn into sales," Orozco said. "I want Watsonville to be a destination."

Councilman Aurelio Gonzalez said some residents might be

"fearful" of the lane reduction, but the possible economic positives of that proposal could revitalize the sleepy corridor.

"We have an exodus of our communities that are leaving our town and shopping outside of our town. We have a lot of our youth that are leaving our town and shopping out of our town," Gonzalez said. "What we want to do is bring atmosphere that's safe for the people to walk up and down Main Street."

Gonzalez said that interest in downtown spaces has picked up with the recent changes and the plans currently in development.

"We have a lot of people knocking on the door that want to do business downtown," Gonzalez said. "They like the change that's happening."

Santa Cruz Sentinel

Letter | Time To Vote For Better Leadership

By: Letters to the Editor |

October 11, 2019

The Oct. 5 article about Santa Cruz County in danger of losing \$48 million in federal storm-relief funding proves that the leadership in regard to public works infrastructure is pathetic. FEMA grants require engineering, cost estimates and paperwork. Two years is plenty of time.

Ryan Coonerty, with the asset of the entire Public Works Department under his, "supervision," on the Board of Supervisors, says the issue is underscored by the Trump administration's attitude toward California to not grant extensions. Sounds like a convenient excuse from an F-student for more time to study before the final. Mr. Coonerty supports the Train Boondoggle. A plan which includes spending more than \$1 billion on a train carrying only 2% of the population who would be better served with an improved Metro.

Meanwhile, the state has declared a groundwater emergency. It's time to either sell your house or vote for better leadership.

— Bill Smallman, Felton

Other Transit Related Articles

Transit Leaders Approve Vital Agreement For BART Extension

By: Katie Lauer

November 10, 2019



The VTA Board of Directors met Thursday. Photo by Katie Lauer.

A vital agreement between the Santa Clara Valley Transportation Authority and Bay Area Rapid Transit has finally been authorized, just in time for the completion of Phase I of the Silicon Valley expansion project – the 10-mile BART extension to Milpitas and Berryessa.

The VTA Board of Directors voted unanimously Thursday to authorize VTA General Manager Nuria Fernandez to execute the BART Operations & Management agreement, defining each agency's respective rights, responsibilities and costs.

To say it was a long time coming may be an understatement. The newly-approved plan took 3 1/2 years of negotiations, and it's been 18 years since VTA and BART entered into the initial agreement for the expansion into Santa Clara County in Nov. 2001.

Santa Clara County Supervisor Cindy Chavez, the VTA Board's vice chair, said the vote was a historic moment.

“It’s amazing,” Chavez told San José Spotlight. “It takes so long to make this happen, and this is going to be open with a brand new agreement in less than two months.”

Working as partners, VTA will own all Silicon Valley Rapid Transit (SVRT) facilities, while BART will acquire, operate and maintain all needed equipment for performance. The agreement states that VTA is responsible for funding 100 percent of the costs of the extension in the county, as well as fund a proportional percentage of operations and maintenance costs within the BART core system, such as new rail cars and track rehabilitation.

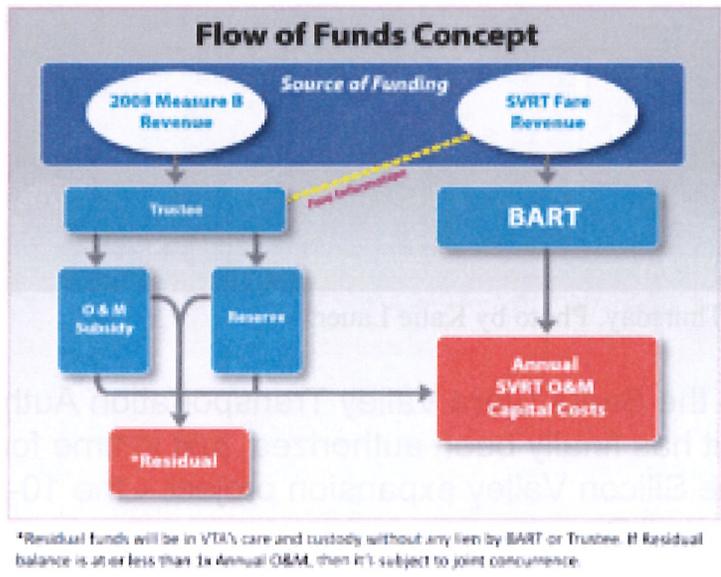


Diagram courtesy of VTA.

The main sources of revenue will come from VTA’s 2008 Measure B 1/8-cent sales tax and VTA fare revenues that will be collected by BART. VTA will also be credited for 100 percent of fares that begin or end in Santa Clara County.

According to Raj Srinath, VTA deputy general manager and CFO, VTA receives approximately \$56 million each year from 2008 Measure B funds, and rider fare revenues are estimated to be around \$25 million each year. Those revenues collectively total \$81 million, while the extension’s operating expenditures are estimated at around \$60 million annually.

Lien Amendment

With such a large project underway, BART wanted a built-in guarantee that VTA could pay. That's where a lien came in.

In earlier drafts of the agreement, a lien – or guarantee of debt payment – was placed on state sales tax funds from the Transportation Development Act, which accounts for 21 percent of VTA's biennial budgeted revenue.

However, the 2008 Measure B sales tax has been collecting taxpayer money since 2012 – now totaling around \$376 million – and the measure was originally dedicated to solely help fund the Silicon Valley extension.

Negotiations finally led to the decision that since this saved revenue was so high, the lien on the TDA could essentially be removed. That last-minute suspension was an important aspect of the new agreement.

“Having the TDA money attached creates lack of flexibility for VTA, and this is all about making sure that we are creating a healthy environment,” Chavez said. “So the idea that we would be risking revenue that we need right now for other operations is why that was such a big deal.” She said the VTA committee that was a part of the negotiations included herself, San Jose Councilmember Raul Peralez, San Jose Mayor Sam Liccardo and Santa Clara Councilmember Teresa O'Neill.

VTA board member and San Jose Councilmember Lan Diep said he was shocked to hear of the change.

“I thought there was no way out of (the lien), so I'm quite impressed that you were able to come to a mutual agreement,” Diep said. “Kudos, because you can't underscore that enough.”

Community transit advocates were actively concerned, too, as they thought the lien could've potentially reallocated current VTA bus and light rail service funding, especially if BART underperformed.

“I'm happy that this agreement has finally been reached and that the lien will not happen,” said Eugene Bradley, Silicon Valley Transit Users founder. “It would've been even more devastating and likely put our bus

and light rail services all the way back to levels roughly last seen in the 1970s. Thanks to the VTA board and staff for at least seeing to it that transit service is not affected by BART coming down here.”

Board Chair O’Neill also thanked the BART board and staff for being willing to move on the issue before the vote to authorize the agreement.

“I think we’re all thrilled this lien will not be impacting the existing transit services,” O’Neill said. “We’re taking our first steps here... but we can all be celebrating soon when we see the service actually beginning.”

Curbed San Francisco

BART Blows Deadline For New San Jose Station

But VTA holds out hope for trains to roll by the end of the year

By: Adam Brinklow

Nov 4, 2019



Photo by Smith Collection/Gado/Getty Images

While BART and the Santa Clara Valley Transportation Authority (VTA) still hope to have the \$2.3 billion Berryessa Station in San Jose ferrying passengers by the end of 2019, the project has missed a critical final deadline.

Last week, VTA announced that the new station, which would provide a 10-mile extension into Silicon Valley, has begun “pre-revenue operations”—i.e., the final phase of testing before allowing riders onboard—at Berryessa, which includes training BART staff on the ins and outs of the new stop, as well as simulated service to help iron out scheduling kinks.

[Correction: The \$2.3 billion budget and 10-mile extension includes Milpitas Station as well as Berryessa Station.]

It's a big milestone for the long-planned BART foray into the South Bay, but it comes late.

Earlier in the year, BART spokesperson Alicia Trost told the *San Jose Mercury-News*, "Service will not start on December 28, 2019 if VTA does not resolve the discrepancies necessary for BART to start Pre-Revenue Testing by October 21."

It looks like the transit agency blew that target by a week. But VTA spokesperson Bernice Alaniz says they can still make the end-of-2019 goal, writing that the new station is "on track to begin prior to the year's end."

Trost now tells Curbed SF that the October 21 deadline "was prior to BART and VTA coming to an agreement to start pre-revenue testing with a condensed testing schedule" and that "the goal remains to open for service by the end of the year."

BART previously shrank its usual 90-day testing period for a station to just two months in an effort to finish by year's end. Trost says the new agreement "allows time each day for both testing and time for VTA to resolve remaining discrepancies."

Earlier this year, BART said it hoped to start carrying passengers to the new station by November 1, but VTA pledged service "no later than December 31, 2019." As months went by, both agencies aligned their goals around a December-or-bust plan.

Plans for San Jose BART service stretch back to the 1950s and the earliest days of BART planning. VTA broke ground on Berryessa Station in 2012. Once upon a time, service was planned for as far back as 2015.

When finally complete, the trip from downtown San Francisco to San Jose will finish take roughly 60 minutes. VTA estimates that by 2030 some 25,000 passengers will enter and exit the station daily.

The planned downtown San Jose BART station, approximately six miles from Berryessa, was not projected to go into service until 2026, but now may take as long as 2030.



CA: Paracruz Celebrates 15 Years Of Service

ParaCruz fulfills riders' needs to get to and from work, as well as bringing them to medical appointments, grocery shopping and social events.

By: Elaine Ingalls
Santa Cruz Sentinel, Calif.

November 1, 2019

Oct. 31--SANTA CRUZ -- ParaCruz, Santa Cruz Metro's paratransit service will celebrate 15 years of service Friday.

ParaCruz offers door-to-door and accessible shared rides for county residents who can't ride a fixed-route bus because of a physical, cognitive or psychiatric disability. The Americans with Disabilities Act requires public transit agencies that provide fixed-route service to provide complementary paratransit service to people with disabilities.

ParaCruz has 30 operators driving three different-sized vans or vehicles, totaling 32 vehicles, according to Daniel Zaragoza, operations manager of ParaCruz.

ParaCruz was previously contracted out to Community Bridges' Lift Line transportation service, but was brought back to Metro in 2004, according to Zaragoza.

Most ParaCruz drivers came from Lift Line, but Zaragoza was one of the first drivers hired for ParaCruz. Zaragoza drove for ParaCruz for two years, then became a fixed-route operator and was promoted to his current position as operations manager in 2018. Zaragoza said he enjoyed being a ParaCruz driver because he got to know the people using the service and he became sensitive to their needs.

"You leave the day feeling good, knowing that you provided a good service for people," Zaragoza said.

In the past 15 years, ParaCruz technology has advanced, Zaragoza said. Each bus/van is equipped with security cameras, and drivers now use a GPS and track data on their computers. Previously, information was written on paper and drivers used maps, he said.

ParaCruz technology will be updated next year, too. At the beginning of 2020, ParaCruz is expected to automate its dispatching and scheduling software, which was previously organized and put together manually, Zaragoza said.

"We should see big improvement with on-time performance," Zaragoza said.

ParaCruz fulfills riders' needs to get to and from work, as well as bringing them to medical appointments, grocery shopping and social events.

Watsonville resident Kirk Osborn has been using ParaCruz for nearly seven years. Osborn has had rheumatoid arthritis since he was 2 years old, and after a neck surgery seven years ago, he has more trouble using his legs and driving.

Osborn, 51, takes ParaCruz to and from work at the Santa Cruz County Office of Education five days a week. ParaCruz picks him up from home anytime from 6:30-7 a.m. and picks him up from work around 3:45-4:15 p.m. every weekday. He "gets home when he gets home" but riding ParaCruz isn't a bad experience because the drivers are friendly and he can nap, he said.

"ParaCruz has been a godsend to keep me working," Osborn said.

Osborn is one of many residents across the county using ParaCruz.

Ben Lomond resident Roger McKowan is a quadriplegic and was riding Lift Line before ParaCruz started. Since Metro claimed the paratransit service back, McKowan has been using it five days per week. McKowan, 62, is a patient scheduler in the acute rehabilitation unit at Dominican Hospital. ParaCruz is "a lifeline for me," he said

"There's a lot of highly-motivated, very caring people that work for ParaCruz," McKowan said, some of which McKowan calls friends. "They go above and beyond to make sure passengers are safe and well taken care of. I've been well-served for many years."

If not for the service, McKowan said he would have had to quit his job. He said he can't drive himself because of the contractures, or shortening of muscles or joints, in his hands.

ParaCruz provides about 300 rides per day during the week across the county, with service from 5 a.m. to 12:30 a.m. In 2018, more than 73,000 rides were taken, according to Zaragoza. He said on average, ParaCruz provides about 75,000 rides per year.

To ride ParaCruz, users can call Metro's customer service, who will then schedule a free assessment with the eligibility coordinator and confirm that he/she can ride the bus. ParaCruz is a subsidized program and costs a passenger \$4 each way, but can be up to \$6 one way if the passenger comparably would have had to transfer buses if he/she were riding a fixed route bus.



On Board With ... Labor Task Force

Featuring Donna DeMartino Chair, California Transit Association Labor Task Force and CEO, San Joaquin Regional Transit District

Since 2001, Donna DeMartino has served as RTD's CEO. Prior to joining RTD, she spent over 14 years at Sacramento Regional Transit (RT), where she was a member of the light rail start-up team and worked in rail operations, contracts administration, engineering and construction, and facilities and capital program management. Donna holds a Bachelor's Degree in Education, a Master's Degree in Transportation Management, and a certificate in Construction Management from the University of California, Davis.

Donna is a past chair of APTA's CEO Committee, a past chair of the California Transit Association's Executive Committee, and the current chair of APTA's Mid-Sized Committee. She teaches transportation-related classes to hundreds of students each year for the University of the Pacific.



Transit California:

What is the charter of the California Transit Association's Labor Task Force and how did it come about?

Donna DeMartino:

The California Transit Association's Labor Task Force, along with Association staff, was chartered to facilitate the sharing of labor-related activities and documents with and between Association member public transit agencies. The idea came about earlier this year from the Association's Executive Committee. The chair, Carl Sedoryk, approached me about heading up the effort. I thought it was a really great idea because we all have labor-related activities and we can learn a lot from each other. We decided that establishing a secure page on the Association's website to house a repository of labor-related documents would be a benefit to members; It would provide easy access to current labor agreements, best practices, and relevant examples.

Transit California:

What has the task force done to get this website established?

Donna DeMartino:

In order to get this project started we requested interested public transit system members to share with us documents such as Collective Bargaining Agreements, Memorandums of Understanding, Arbitration Agreements, and Side Letter Agreements.

Transit California:

While these types of documents are often public, could it be considered sensitive to have them all together in one place?

Donna DeMartino:

It could, which is why the documents are posted to a secure website page. The compilation of PDFs is not searchable via a search engine. As a result the documents are not discoverable outside the secure site. To gain access requires pre-approval and is limited to agency executives and their designated representatives. Of course, these individual documents are all public information; we have just made it easier for member agencies to access all of them at one location.

Transit California:

How did member agencies respond to the repository idea?

Donna DeMartino:

The response has been very positive. What we have collected so far is very informative for all of us and hopefully helpful in our future meetings with our labor unions.

But the task force doesn't stop there. Our charter extends to other labor-related issues that impact us like operator shortages, best recruitment strategies, training, and operator safety.

Transit California:

Is it too early to announce accomplishments from the Labor Task Force?

Donna DeMartino:

No, we have had some very early successes. The repository is well underway and we are now talking about a possible second phase where the search function will be more sophisticated and granular.

Another early success was being able to quickly convene a statewide conference call when the *Janus* decision was announced. During the call, member agency CEOs, attorneys, and HR representatives were able to discuss consistent practices to address the issues and communicate with our employees.

We have also realized our value to the California Transit Association's Legislative Committee. In the area of operator safety, we were able to quickly publish a survey to discover what measures agencies are taking to protect operators beyond what is required by state and federal law.

Transit California:

How is this information of use to the Legislative Committee?

Donna DeMartino:

Here's an example: there is tremendous interest to address operator assault through simply requiring barriers on buses to be constructed to protect them. While this sounds good on paper, in actuality many operators are opposed to this idea. When we are able to do things like surveys and easily reach member agencies through the Labor Task Force efforts, we can better understand the nuances of an issue through compiling findings that can help us when considering laws and speaking to our representatives at the state and federal level.

Transit California:

Is the task force a temporary entity?

Donna DeMartino:

We have seen so much value in the work that has been accomplished to date and can see the potential in future work, that I think it makes sense to keep the task force going, at least in the short term. It might even become a regular committee. That does remain to be seen, but being able to catalog best practices in safety, start a repository of labor documents, have a channel to disseminate valuable labor-related information, and share our wisdom and expertise on possible future legislation is a really good start to our freshman year.

Transit California:

If an agency has questions about the task force or has ideas to share, what is the best way to reach out?

Donna DeMartino:

If an agency wants to contribute to the repository, that still can be done by submitting materials in a PDF format, via email, to labordocs@caltransit.org.

Newsom Fumbles On Transportation

BY: DAN WALTERS

PUBLISHED: OCTOBER 23, 2019

Gavin Newsom has a transportation problem — not personally, but politically.

As governor, Newsom travels in an entourage with a personal driver and lots of security.

However, he shares the road with millions of Californians who must cope with ever-increasing congestion, poorly maintained pavement and sky-high fuel prices.

A couple of years ago, when Jerry Brown was still governor, he and legislators mustered the courage to raise gas taxes to fix some of the state's worst roadway conditions.

It was not popular. One state senator who voted for it was recalled for doing so, and the \$5 billion a year package, Senate Bill 1, survived a repeal initiative thanks only to a very misleading ballot title and a massively financed campaign promising voters they would see improvements.

Understandably, therefore, the business and labor groups that backed SB 1 and legislators who voted for it are very sensitive that funds be spent as promised, which is why there was such a sharp reaction when Newsom appeared to renege.

Just before speaking to a global conference on climate change in New York, Newsom issued an executive order to the state transportation agency to “leverage the more than \$5 billion in annual ... spending for construction, operations and maintenance to help reverse the trend of increased fuel consumption and reduce greenhouse gas emissions.”

Newsom said he wanted to “reduce congestion through innovative strategies designed to encourage people to shift from cars to other modes of transportation” and wanted to “fund transportation options that ... reduce greenhouse gas emissions, such as transit, walking, biking and other active modes.”

Shortly thereafter, the Department of Transportation marked three long-standing highway projects for “deletion,” saying the funds would be “held in reserve for priority rail projects and other priorities aligned with (Newsom’s) executive order.”

Boom. Republican politicians, later joined by Democrats, raised a ruckus, saying that the diversions, while involving relatively small amounts of money, were breaking promises to voters.

Assembly Speaker Anthony Rendon publicly reminded Newsom that “the voters of California recognized those promises and resoundingly defeated a proposal that would have been a roadblock on the way to fixing roads used by residents, businesses and visitors,” adding, “Now is not the time to go back on those promises, and the Legislature will stand by those safeguards.”

Finally, after the flap had percolated in the media for days, Newsom last week denied that funds were being diverted.

“I’m confused. ... I think they’re conflating things,” Newsom told reporters at an event. “Some are doing it, respectfully, intentionally. SB 1 is locked in. That money is used for its intended purposes, period, full stop. One cannot legally redirect those dollars.”

The latter may be technically true, but given the tortured history of SB 1, Newsom should have been much more circumspect about redirecting any money from long-standing and much-needed highway projects.

It was not the first time that the first-term governor had fumbled on transportation matters.

Shortly after being inaugurated, he threatened to withhold SB 1 funds from cities that dragged their feet on housing construction, and had to reverse himself when city officials and legislators cried foul.

He also created needless confusion when he declared that he would not pursue a statewide bullet train project that Jerry Brown had championed, but then said he wanted to continue constructing a stretch in the San Joaquin Valley that would somehow be linked up with the Bay Area.

Newsom seems to misunderstand the importance that Californians attach to transporting themselves and their families and how muddled policy pronouncements can backfire.

San Francisco Examiner



(Kevin N. Hume/S.F. Examiner)

SF Official Threatens To Pull Support For \$100 Billion Megameasure Over Caltrain Spat

By: Joe Fitzgerald Rodriguez

Oct. 23, 2019

Tuesday, San Francisco Supervisor Shamann Walton levied an ultimatum that could impact Bay Area transit for hundreds of thousands of commuters.

Help change Caltrain for the better, he told one group, or San Francisco will drop support for an upcoming \$100 billion regional mega-measure aimed at smoothing connections between public transit agencies for riders across the Bay Area.

Already, at least one transit official on the Peninsula has characterized Walton's effort as "short-sighted." Others in San Francisco have taken Walton's side.

The “Faster Bay Area” measure would levy a 1-cent sales tax in the nine-county Bay Area to raise roughly \$100 billion over 40 years to fund Bay Area transit agencies, aiming to strengthen their connections.

Taking a Muni bus to BART and connecting to AC Transit can be expensive, onerous, and slow, but is sometimes the most efficient public transit option for San Franciscans heading to the East Bay. Faster Bay Area aims to make that long trip shorter, easier to navigate, and affordable.

The Bay Area has 27 transit agencies that rarely work together smoothly, transportation experts have said publicly.

“‘Faster’ is the vision of a single, seamless transit system from the customer perspective,” said Stuart Cohen, a member of a committee leading the Faster Bay Area effort. “The vision is that we have this fragmented system. It’s going to take political will and money to integrate it into something that’s really seamless.”

A key partner in passing that mega-measure is San Francisco.

But Supervisor Shamann Walton, who represents San Francisco’s southeastern neighborhoods, and other city leaders, also want Faster Bay Area to help reform Caltrain.

The agency shares staff with another transit entity, SamTrans, which holds the small-but-growing train system back from reaching its full potential, Walton argues. Caltrain ridership has tripled in the last decade — but officials want it to grow even more to help a booming region commute more efficiently.

Walton’s also got backing from San Francisco Supervisor Aaron Peskin, who is the chair of the San Francisco County Transportation Authority Board, an important purse doling out funding for San Francisco transit projects.

At the transportation authority board on Tuesday, Walton levied his proposal to Faster Bay Area’s leadership.

“We will require any revenue measure, at the state or regional level, include a clause that says Caltrain should separate from SamTrans in order to receive support from the county of San Francisco,” Walton said.

Caltrain and SamTrans sharing staff, Walton said, "is simply bad governance."

Peskin also supported Walton's proposal.

He was particularly concerned with the next construction phase of the Salesforce Transit Terminal, which will see newly electrified Caltrain vehicles run to the station in coming years. The transit terminal project itself went over budget, forcing the previous leadership to be ousted by San Francisco.

"It's going to be very difficult for this county to support that measure until we have a regional governance entity," Peskin said of Faster Bay Area. "If we're really going to make Caltrain everything it can be we're going to have to reset and regionalize that rail opportunity."

It is unclear how many San Francisco officials support the pair of supervisors, but Walton intends to bring a non-binding policy resolution to the Board of Supervisors to put them on the record for or against his plan.

Cohen said the Faster Bay Area effort is trying not to spell out, in detail, every project the \$100 billion would be spent on, since it is a far-reaching funding effort.

Responding to Walton's request for Faster Bay Area to tilt the scales on Caltrain's independence, Cohen said, "That just came up and we haven't entertained it."

Walton also serves as a director on The Peninsula Corridor Joint Powers Board which governs Caltrain. His fellow director, Charles M. Stone, who is also a Belmont city councilmember, said Faster Bay Area could be transformative for the region's transit, which could alleviate clogged roads and crushing traffic.

"To hold it hostage for some sort of power move, that may not be the best for the organization," Stone said, "it seems short-sighted and strange."

Additionally, Stone said, there is already an ongoing effort by Caltrain to analyze its own governance structure, which includes a workshop hosted by Caltrain on November 21.

“Candidly, things are moving along as they should,” he said. “Director Walton has to answer his own conscience regarding if Caltrain and the region should be held hostage over a desire to presuppose the outcome of a process that’s already underway.”

Ten Minutes With APTA's Nuria Fernandez



October 18, 2019

Nuria I. Fernandez, general manager and CEO of the Santa Clara Valley Transportation Authority, is a veteran transportation engineer who has been in leadership positions at the Chicago Transit Authority, the Washington Metropolitan Area Transportation Authority, the New York Metropolitan Transportation Authority, the U.S. Dept. of Transportation and CH2M Hill. She is the new chair of the American Public Transportation Association. She spoke with ENR Senior Transportation Editor Aileen Cho at the APTA annual conference about how public transit agencies face challenges of funding, technology and workforce. This interview was edited and condensed.

What are your goals as APTA chair?

I've reviewed APTA's strategic plan and said that I wanted to glean from four priorities: infrastructure investment, technology, workforce and safety,

security and resiliency. The first is funding. We always need more money. In public transit, we have a \$90-billion backlog created for years of low investment. It's difficult to keep pace with getting new, upgraded infrastructure and new assets to attract more people. We need to plan and expand to connect to where people live and where businesses are relocating.

We need to get increased investment for state of good repair projects. We also want to go back to the [traditional] allocation ratio of 40-40-20 from federal funds: 40% of funds from federal government into capital investment grants, 40% for state of good repair, and 20% for bus/bus facilities. That takes care of the entire broadband: from rural communities, small and suburban communities, and urban centers. Everyone gets a lift.

What about technology?

We are now confronted with more options for mobility. Our traditional go-to constituencies are moving on to new technologies. Uber and Lyft showed up and started to draw away some of our passenger base. It was the advent of the smartphone. Others took advantage of a tool that puts the power of decisions into people's hands. We weren't as fast to adopt it. We can no longer be in catchup mode. We have to be more aggressive in anticipating, planning and even dreaming about what is possible so that we can start building our processes and policies around a flexibility. If something changes, we are there.

Not a whole lot has changed in two centuries in public transit. We have fixed guideways that you can't relocate. Communities have shifted and moved away from some of where those investments were made. Cities are so congested that they don't want to dedicate lanes for buses because they feel the only mobility choices they have is to allow for delivery trucks, private vehicles, taxis and other things that support commerce to have access to those lanes. We're in a paradigm shift. The mobility landscape has transformed. It's time for us to keep pace with that transformation.

What is APTA doing about workforce development?

We've spent a lot of time at APTA developing programs like Leadership APTA and emerging leaders. One segment of our workforce are operators and maintainers. They make up 80% of population at every transit agency. That is the sector we need to pay attention to. They stay with us 30-40

years until they retire. When they start retiring, we have these huge gaps in talent. We need to attract talent and provide training and tools. We need to get management and labor to build alliances together to figure out roadmap for adopting new technologies.

We are the experts in mobility. People are designing tools around mobility that don't move people; they're just tools. We move people. Tech companies keep coming up with new ideas. We should be at the table. We need to get our workforce to feel comfortable with the changes that are happening.

How do you reconcile transit-oriented property values going up with affordable housing?

People who have made a lifetime decision 30 or 40 years ago are being forced out of their homes. What that does to public transit is, we lose ridership. New entrants may or may not use public transportation. What's encouraging is that we are seeing more millennials deciding not to buy automobiles. Yes, they're attracted to their smartphones and to solutions like TNCs. But we have an infrastructure already in place. At Valley Transportation Authority, we adopted an affordable housing policy for transit-oriented development. We did that in recognition that people want to stay where they are. We have a large community of seniors who want to stay in place. That's just one segment.

Our policy has a 30% affordable housing total. We look to minimum of 20% per development as a requirement. Our first TOD at Tamien Station—which has light rail and Caltrain—it's not only 20% but the developer is committed to exceed that amount.

What role will P3s play in transit projects?

Infrastructure was always seen as a government responsibility, but the reality is that our funding and taxes can't keep pace with the level of investments required. Building these partnerships with the private sector will be integral. The private sector also derive benefits from the infrastructure. The Federal Transit Administration has a pilot program for expedited project delivery. We will submit an application next spring. We made it known to FTA and provided them through an RFI our approach to it. One of the requirements in that pilot program is for demonstration of a P3. They're opening up to the fact that if we can have the private sector

play a part in public infrastructure and have developments occur around that, we will create value and capture that value that we can reinvest into the public assets.

As it pertains to high-speed rail, we're seeing that more and more. Cities are looking to get high-speed rail through P3s. We can get access to amazing technology if we let others in. I'm not advocating for one method or another. It's a balance.

What about diversity and inclusion?

APTA has a Diversity and Inclusion Council. We invite businesses, small DBEs to be part of our membership. We encourage corporations to have diverse employees and transit agencies to recruit and retain diversity of people. We also have a group as part of event selection...when we plan a conference, we look for locations that embrace diversity. Those who have passed laws we feel disadvantage segments of our membership...then we bring products, partner with cities and add educational components to demonstrate why diversity is a strength.

Coming to APTA for me initially was about networking, going to training sessions, professional development. As I got more involved, I realized that it was bigger than my projects. This is about lifetime decisions that we make each day. Putting service before self gives you a new perspective on what we do, how we should do it and the thought that needs to go into decisions—because they affect so many aspects that that either help or hurt mobility and communities. What I've seen is the ability that public transportation has to change people's lives – people we will never meet.

MASS TRANSIT

Want Higher Property Values And Lower Transportation Costs? Move Within Half A Mile Of Transit.

Neighborhoods located within a half mile of public transit services outperformed those in areas farther from public transit based on a number of factors, according to a report released by APTA and NAR.

October 15, 2019



Left to right, APTA President and CEO Paul P. Skoutelas, APTA Chair and General Manager and CEO of the Santa Clara Valley Transportation Authority Nuria Fernandez, NAR 2019 First Vice President Charlie Oppler and New York State Association of Realtors 2019 President Moses Seuram.

A report by the American Public Transportation Association (APTA) and the National Association of Realtors® (NAR) highlights the positive impact public transportation has on real estate values, transportation costs and overall quality of life.

The report, “The Real Estate Mantra – Locate Near Public Transportation,” was unveiled at a Monday press conference held during

APTA's 2019 TRANSform Conference. The report explored seven metropolitan regions including Boston, Mass.; Eugene, Ore.; Hartford, Conn.; Los Angeles, Calif.; Minneapolis-St. Paul, Minn.; Phoenix, Ariz.; and Seattle, Wash., that provide access to heavy rail, light rail, commuter rail and bus rapid transit. The report found that residential properties within these areas had a higher median sale price of 4-24 percent between 2012 and 2016. Commercial property values also experienced gains in the studied cities, where four of the regions saw median sales price per square foot increase between five and 42 percentage points in areas close to public transit.

Data also showed that residents of transit-oriented areas experience lower transportation costs, have higher access to jobs and are less likely to own cars. Transportation costs in transit-oriented areas are significantly lower than other regions, with an average annual savings of \$2,500 to \$4,400 for the typical household. One in four households in close proximity to transit do not own a vehicle, according to the study.

The seven sample areas were examined by residential and commercial sales performance, rent, neighborhood characteristics, local government interventions and housing affordability for properties near transit.

"Public transit's benefits go beyond moving people from point A to point B," said APTA President and CEO Paul P. Skoutelas. "Public transportation is a valuable investment in our communities, our businesses, and our country. Public transportation gets people to jobs and educational opportunities and helps businesses attract employees and customers."

"Access to public transportation is a hugely valuable community amenity that increases the functionality and attractiveness of neighborhoods, making nearby communities more desirable places to live, work and raise a family," said NAR 2019 First Vice President Charlie Oppler, who spoke at Monday's press conference. "The results of our report, conducted over

multiple years alongside the American Public Transportation Association, should reiterate to policymakers at all levels of government the importance of investing in modern, efficient infrastructure that facilitates growth and helps our nation keep pace in a rapidly evolving world.”

Neighborhoods with high-frequency public transportation are in high demand. While property values and rents have risen, contributing to a healthy local economy, the rapidly increasing demand for housing near public transit has resulted in constrained housing supplies.

“As the conversation surrounding housing affordability continues, public transportation agencies are critical allies in working with elected officials and community leaders in the effort to increase housing opportunities and maximize value around stations,” said Skoutelas.

The full study can be found at [apta.com/real-estate](https://www.apta.com/real-estate).

METRO

For Transit & Motorcoach Business

Passenger Rail, Bus Service Boosts Real Estate Values, Report Finds

Posted on October 15, 2019



The seven sample areas were examined by residential and commercial sales performance, rent, neighborhood characteristics, local government interventions, and housing affordability for properties near transit. L.A. Metro

Neighborhoods located within one-half mile of public transit services outperformed those in areas farther from public transit based on several factors, according to a report released by the American Public Transportation Association (APTA) and the National Association of Realtors®.

“The Real Estate Mantra – Locate Near Public Transportation” highlighted the critical role public transportation plays in determining real estate values, revealing that commercial and residential real estate market sales thrive when residents have mobility options close by.

The report explored seven metropolitan regions, including Boston, Los Angeles, and Seattle, that provide access to heavy rail, light rail, commuter rail, and bus rapid transit. Residential properties within these areas had a higher median sale price of 4% to 24% between 2012 and 2016, the report found. Commercial property values also experienced gains in the studied cities, where four of the regions saw median sales price per square foot increase between five and 42 percentage points in areas close to public transit.

Data also showed that residents of transit-oriented areas experience lower transportation costs, have higher access to jobs and are less likely to own cars. Transportation costs in transit-oriented areas are significantly lower than other regions, with an average annual savings of \$2,500 to \$4,400 for the typical household. One in four households near transit do not own a vehicle, according to the study.

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“Access to public transportation is a hugely valuable community amenity that increases the functionality and attractiveness of neighborhoods, making nearby communities more desirable places to live, work, and raise a family,” said NAR 2019 First VP Charlie Oppler, who spoke at a press conference held during APTA’s TRANSform Conference in New York. “The results of our report, conducted over multiple years alongside the American Public Transportation Association, should reiterate to policymakers at all levels of government the importance of investing in modern, efficient infrastructure that facilitates growth and helps our nation keep pace in a rapidly evolving world.”