



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA
REGULAR MEETING
JANUARY 24, 2020 – 9:00 AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

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
Vacant Ex-Officio Director	UC Santa Cruz
Vacant Ex-Officio Director	Cabrillo College
Alex Clifford	METRO CEO/General Manager
Julie Sherman	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 SWEAR IN NEW EX-OFFICIO DIRECTORS: Alta Northcutt, Cabrillo Ex-Officio, and Dan Henderson, UCSC Ex-Officio

3 ROLL CALL

4 ANNOUNCEMENTS

4-1. 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.

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

5 BOARD OF DIRECTORS COMMENTS

6 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.

6.1 November 18, 2019 Letter to Mayor Martine Watkins, City of Santa Cruz

6.2 December 12, 3029 Letter from Congressman Jimmy Panetta

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 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTHS OF NOVEMBER AND DECEMBER 2019**
Angela Aitken, CFO
- 9-02 ACCEPT AND FILE: MINUTES OF THE NOVEMBER 13, 2019 CAPITAL PROJECTS STANDING COMMITTEE MEETING, NOVEMBER 15, 2019 BOARD OF DIRECTORS MEETING, NOVEMBER 20, 2019 METRO ADVISORY COMMITTEE (MAC) MEETING, AND JANUARY 10, 2020 FINANCE, BUDGET & AUDIT STANDING COMMITTEE MEETING**
Alex Clifford, CEO/General Manager
- 9-03 ACCEPT AND FILE YEAR TO DATE MONTHLY FINANCIAL REPORTS AS OF:**
Angela Aitken, CFO
- A. OCTOBER 31, 2019; AND,**
- B. NOVEMBER 30, 2019**
- 9-04 APPROVE: CONSIDERATION OF DECLARING VEHICLES AND/OR EQUIPMENT AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION**
Angela Aitken, CFO
- 9-05 ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2019**
Angela Aitken, CFO
- 9-06 APPROVE: CONSIDERATION OF RESOLUTION APPROVING THE FY20 REVISED CAPITAL BUDGET**
Angela Aitken, CFO
- 9-07 ACCEPT AND FILE: SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**
Angela Aitken, CFO and DBELO
- 9-08 RECOMMENDED ACTION ON TORT CLAIMS**
Rufus Francis, Safety, Security and Risk Management Director
- 9-09 CONSIDERATION OF APPROVING THE AMENDED PERSONNEL RULES AND REGULATIONS AND APPROVAL OF THE RESOLUTION REGARDING THIS ACTION**
Dawn Crummié, HR Director
- 9-10 ACCEPT AND FILE: QUARTERLY PROCUREMENT REPORT FOR 3rd QUARTER OF FY20**
Greg Willis, Purchasing Manager

- 9-11 ACCEPT AND FILE: TRANSIT CORRIDOR ALTERNATIVES ANALYSIS – GOALS, PERFORMANCE MEASURES AND INITIAL ALTERNATIVES**
Alex Clifford, CEO/General Manager

REGULAR AGENDA

- 10 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS:**
William Dove (10 years), Jaime Garcia (15 years) and Jaime Hernandez (20 years)
Ed Bottorff, Board Chair
- 11 RESOLUTIONS OF APPRECIATION, RETIREES: SCOTT BARNES, BARROW EMERSON, LISA MITCHELL AND TODD MITCHELL**
Ed Bottorff, Board Chair
- 12 SPECIAL COMMENDATION: OSCAR MENDEZ, BUS OPERATOR**
Ed Bottorff, Board Chair
- 13 CEO ORAL REPORT**
Alex Clifford, CEO/General Manager
- 14 APPROVAL OF CY20 STATE AND FEDERAL LEGISLATIVE AGENDA**
Alex Clifford, CEO/General Manager
- 15 ORAL METRO ADVISORY COMMITTEE (MAC) SEMI-ANNUAL REPORT**
Veronica Elsea, MAC Chair
- 16 APPROVE: CONSIDERATION OF (1) NOMINATING DIRECTORS TO SERVE AS BOARD OFFICERS; (2) NOMINATING DIRECTORS TO POSITIONS ON VARIOUS BOARD STANDING COMMITTEES; (3) NOMINATING A DIRECTOR TO FILL ONE POSITION ON THE SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCIC); AND, (4) NOMINATING REPRESENTATIVES AND ALTERNATES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION (SCCRTC)**
Ed Bottorff, Board Chair
- 17 APPROVE: JUDY K. SOUZA EV CHARGING INFRASTRUCTURE FUNDING UPDATE AND ACTION TO CREATE A LIFE OF PROJECT BUDGET**
Freddy Rocha, Facilities Maintenance Manager
- 18 ORAL PACIFIC STATION UPDATE**
Jayme Ackemann, Acting Planning and Development Director
- 19 ORAL PRESENTATION REGARDING THANKSGIVING WEEKEND MOBILE TICKETING IMPROVEMENTS**
Jayme Ackemann, Communications, Marketing & Customer Service Director
- 20 ORAL RESPONSE TO PUBLIC COMMENTS PERTAINING TO WIRELESS SYSTEMS ON BUSES**
Isaac Holly, IT and ITS Director
- 21 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**
Julie Sherman, General Counsel

22 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, FEBRUARY 28, 2020 AT 9:00 AM, AT METRO ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ, CA
Ed Bottorff, Board Chair

23 RECESS TO CLOSED SESSION

SECTION II: CLOSED SESSION

24 PUBLIC EMPLOYEE PERFORMANCE EVALUATION GOVERNMENT CODE §54957

TITLE: GENERAL COUNSEL – JULIE SHERMAN / HANSON BRIDGETT LLP

SECTION III: RECONVENE TO OPEN SESSION

25 REPORT OF CLOSED SESSION ITEMS

Julie Sherman, General Counsel

26 ADJOURNMENT

Ed Bottorff, Board Chair

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Communications to the Board

Santa Cruz Metropolitan Transit District



November 18, 2019

Mayor Martine Watkins
City of Santa Cruz
809 Center St.
Santa Cruz, CA 95060

Dear Mayor Watkins,

Santa Cruz Metropolitan Transit District (METRO) is pleased the City's downtown workforce is embracing the Downtown Eco Pass Program. Employers, community groups, schools and civic organizations are pursuing modern transportation and traffic congestion management tools to incentivize public transit use through annual pass programs like the City's Downtown ECO Pass.

The pass program service model is now considered a transit industry best practice. Employers generally subsidize vehicle use by constructing large parking lots or paying for monthly parking programs for their staff. Transit Pass Programs incentivize socially positive behavior (choosing transit vs. driving alone) and offer an alternative for employees who might want to take transit one or two days per week while driving when necessary.

METRO sees the Downtown Program as a model it hopes to continue to build on with other communities or large employers throughout the county. Thank you for investing in real transportation alternatives for the downtown work force. We look forward to continuing to work with City staff to ensure that the program functions seamlessly and continues to grow.

Our organizations continue to share a vision for our community that includes a redeveloped and revitalized METRO Pacific Transit Center and mixed-use development, continued improvements to streets; lane striping, signal phasing and cross walk signalization that will further improve the efficiency of our operations as we travel throughout the City.

Sincerely,


Alex Clifford
CEO/General Manager

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Communications to the Board



HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

CONGRESSMAN JIMMY PANETTA
20TH DISTRICT, CALIFORNIA

December 12, 2019

Mr. Alex Clifford
CEO/General Manager
Santa Cruz Metropolitan Transit District
110 Vernon St
Santa Cruz, CA 95060-2130

Dear Mr. ~~Clifford~~, *Alex,*

Thank you for taking the time to meet with me in my Washington, D.C. office to discuss regional infrastructure and transportation issues on the central coast of California. I appreciate your work with Santa Cruz Metro to provide residents of the Central Coast with accessible transportation options. I look forward to continuing to work with you.

Thank you, again, and please do not hesitate to contact my office if I can be of assistance in any way.

Sincerely,

Thank you!

JIMMY PANETTA
Member of Congress

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SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

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DATE: January 24, 2020
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
**SUBJECT: ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL
DETAIL FOR THE MONTHS OF NOVEMBER AND DECEMBER 2019**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the preliminary approved Check Journal Detail for the months of November and December 2019

II. SUMMARY

- This staff report provides the Board with a preliminary approved Check Journal Detail for the months of November and December 2019.
- The Finance Department is submitting the check journals 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 months of November and December 2019 have been processed, the checks have been issued and signed by the Chief Financial Officer.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This pertains to METRO's Financial Stability, Stewardship & Accountability.

V. FINANCIAL CONSIDERATIONS/IMPACT

The check journals present the invoices paid in November and December 2019 for Board review, agency disclosure, and transparency.

VI. ATTACHMENTS

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

Attachment B: Check Journal Detail for the Month of December 2019

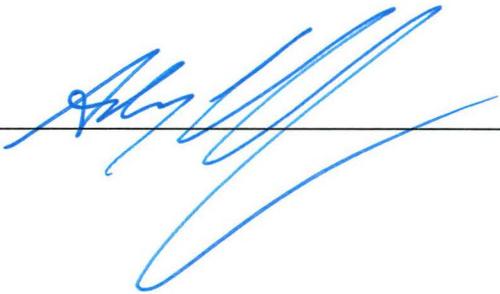
Prepared by: Holly Alcorn, Accounting Specialist

VII. APPROVALS:

Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



DATE: 11/01/19 THRU 11/30/19

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
64590	11/22/19	003428	-350.00	GOVERNMENT JOBS.COM, INC.		91721	JOB AD MARKETING DIR	-175.00	**VOID
						91722	JOB AD FIN ANALYST	-175.00	
66714	11/05/19	E524	-212.92	ROCHA, FEDERICO G.		96417	EMERGENCY FLASHLIGHT	-212.92	**VOID
66859	11/04/19	003151	178.87	ABC BUS INC		96785	INVENTORY ORDER	178.87	
66860	11/04/19	003362	161.69	APOLLO VIDEO TECHNOLOGY LLC		96844	CAMERA ON BUS #2	161.69	
66861	11/04/19	003271	2,322.00	AUTO CARE TOWING		96778	VEH# 4203	468.00	
						96779	VEH # 2221	504.00	
						96824	VEH# 1212	54.00	
						96825	VEH# 9805	432.00	
						96826	VEH# 1210	432.00	
						96827	VEH# 9804	432.00	
66862	11/04/19	914	668.37	CALTRONICS BUSINESS SYSTEMS		96838	OFFICE SUPPLIES	234.89	
						96839	OFFICE SUPPLIES	239.26	
						96840	OFFICE SUPPLIES	194.22	
66863	11/04/19	001124	53,730.32	CLEAN ENERGY		96788	8/28 LNG	5,398.10	
						96789	8/30 LNG	4,856.50	
						96828	9/13 LNG	7,455.68	
						96829	9/11 LNG	5,232.46	
						96861	9/17 LNG	6,830.47	
						96862	9/19 LNG	6,157.66	
						96863	9/23 LNG	6,433.85	
						96864	9/25 LNG	5,929.06	
						96865	9/28 LNG	5,436.54	
66864	11/04/19	E957	3,141.62	CLIFFORD, ALEX		96797	SUNLINE/METRO DINNER	500.91	
						96798	10/10-10/11 PWR LOSS	434.67	
						96799	CTA EXEC COMM MTG	62.16	
						96801	CTA TDA MEETING	179.30	
						96802	APTA 2019 CONF	1,964.58	
66865	11/04/19	367	279.50	COMMUNITY TELEVISION OF		96852	9/27/19 MTG COVERAGE	279.50	
66866	11/04/19	003116	602.85	CUMMINS PACIFIC LLP		96758	INVENTORY ORDER	602.85	
66867	11/04/19	003274	1,077.51	EAST BAY TIRE CO.		96853	TIRES	1,077.51	
66868	11/04/19	003455	150.00	ESQUEDA MINDY		96842	10/25 BOD INTERPRET	150.00	
66869	11/04/19	432	4,480.00	EXPRESS SERVICES INC.		96821	9/2-9/8 TEMP SVC	1,280.00	
						96822	8/26-9/1 TEMP SVC	1,600.00	
						96823	9/9-9/15 TEMP SVC	1,600.00	
66870	11/04/19	002295	42,989.41	FIRST ALARM SECURITY & PATROL		96771	SEPT 19 SECURITY ALL	42,989.41	
66871	11/04/19	002952	15,671.93	FLYERS ENERGY LLC		96791	10/1-10/15 FUEL	2,775.47	
						96792	10/1-10/15 FUEL PC	12,896.46	
66872	11/04/19	003418	57.26	FRONTIER COMMUNICATIONS - 6145		96772	20909160331126145	57.26	
66873	11/04/19	647	640.26	GENFARE A DIV OF SPX CORP		96793	INVENTORY ORDER	280.91	
						96794	INVENTORY ORDER	334.96	
						96795	RPR VEH# 2238	24.39	
66874	11/04/19	117	12,126.43	GILLIG LLC		96803	COACH DOWN # 4204	57.78	
						96804	RPR VEH# FC1107	260.62	
						96805	INVENTORY ORDER	1,509.50	
						96806	INVENTORY ORDER	192.87	

DATE: 11/01/19 THRU 11/30/19

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
66875	11/04/19	001144	2,271.00	HARTFORD FLOOD INSURANCE CO		96807	RPR VEH# 4202	17.65	
66876	11/04/19	E984	312.33	HILL, CAYLA		96808	INVENTORY ORDER	123.80	
66877	11/04/19	166	48.84	HOSE SHOP, THE INC		96809	INVENTORY ORDER	260.62	
66878	11/04/19	T338	1,441.32	KEISHA L BRANCH		96810	INVENTORY ORDER	260.62	
66879	11/04/19	1117	91.16	KELLEY'S SERVICE INC.		96811	INVENTORY ORDER	1,918.78	
66880	11/04/19	003059	157.62	MAILFINANCE INC		96812	RPR VEH# 4207	87.83	
66881	11/04/19	003017	20,054.49	MANSFIELD OIL CO OF GAINESVILLE		96813	VEH# 4201, 4210	3,919.89	
66882	11/04/19	E1007	89.95	MARTINEZ, FREDDIE		96814	INVENTORY ORDER	320.41	
66883	11/04/19	041	777.60	MISSION UNIFORM		96815	INVENTORY ORDER	320.41	
						96816	GILLIG WIPER CAMPGN	1,364.31	
						96817	INVENTORY ORDER	117.99	
						96818	INVENTORY ORDER	173.59	
						96819	INVENTORY ORDER	233.53	
						96820	RPR VEH# 4209	907.41	
						96830	RPR VEH# 1905	56.92	
						96831	INVENTORY ORDER	21.90	
						96780	12/13-12/12/20 1200A	2,271.00	
						96769	TRAVEL REIMBURSEMENT	312.33	
						96753	RPR SHOP AIR HOSE	19.29	
						96754	INVENTORY ORDER	29.55	
						96800	PLAN DEV DIR INTERVW	1,441.32	
						96759	INVENTORY ORDER	91.16	
						96832	10/28-11/27 LEASE	157.62	
						96790	10/01 DIESEL	20,054.49	
						96796	BUS OP GRAD CAKE	89.95	
						96756	UNIFORMS	207.20	
						96761	TOWELS	50.00	
						96762	UNIFORMS	306.15	
						96763	TOWELS	50.00	
						96781	TOWELS/MATS	34.50	
						96847	UNIFORMS	36.25	
						96848	TOWELS & MATS	10.50	
						96850	TOWELS & MATS	10.50	
						96851	UNIFORMS	36.25	
						96783	UNIFORMS	36.25	
						96833	9/10-10/8 PARACRUZ	935.33	
						96834	INVENTORY ORDER	1,196.29	
						96835	FY17 FTA 1210 5339A	38.96	
						96836	INVENTORY ORDER	392.80	
						96837	CREDIT	-13.80	
						96765	FY17 FTA 5339(A)	-655.50	
						96766	OFFICE SUPPLIES	335.20	
						96767	OFFICE SUPPLIES	944.25	
						96768	OFFICE SUPPLIES	273.85	
						96784	OFFICE SUPPLIES	111.65	
						96784	OFFICE SUPPLIES	243.17	

DATE: 11/01/19 THRU 11/30/19

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
66887	11/04/19	3,480.00 002947	PEDX COURIER AND CARGO	7	96859	AUG19 SVC CK REISSUE	1,895.00		
66888	11/04/19	1.27 107A	PROBULLD COMPANY LLC		96860	SEP19 SVC CK REISSUE	1,585.00		
66889	11/04/19	133.56 003024	RICOH USA, INC CA		96752	MAINT SUPPLIES	1.27		
66890	11/04/19	267.66 215	RICOH USA, INC. TX		96782	10/14-11/13 PC	66.76		
66891	11/04/19	1,305.47 003154	ROMAINE ELECTRIC CORP		96846	10/12-11/11 BASE	66.80		
66892	11/04/19	32.10 135	SANTA CRUZ AUTO PARTS, INC.		96855	11/03-12/02 LEASE	267.66		
66893	11/04/19	12,669.26 001307	SANTA CRUZ STAFFING, LLC		96849	INVENTORY ORDER	1,305.47		
66894	11/04/19	49.85 001232	SPECIALIZED AUTO AND		96764	INVENTORY ORDER	32.10		
66895	11/04/19	428.90 001976	SPORTWORKS NORTHWEST, INC.		96843	9/30-10/6 TEMP SVC	9,956.86		
66896	11/04/19	70,538.32 375	STERTIL-KONI		96854	10/14-10/20 TEMP SVC	1,550.00		
66897	11/04/19	5,391.97 003285	THE AFTERMARKET PARTS CO LLC		96856	10/14-10/20 TEMP SVC	1,162.40		
66898	11/04/19	1,422.97 475	TRAPEZE SOFTWARE GROUP, INC.		96757	VEH# PC1126 SMOG	49.85		
66899	11/04/19	5,381.75 002829	VALLEY POWER SYSTEMS, INC.		96770	INVENTORY ORDER	428.90		
66900	11/12/19	518.00 003089	ACTION AUTO GLASS DBA FOR		96845	VTA- 6 KONI LIFTS	70,538.32		
66901	11/12/19	1,176.62 003362	APOLLO VIDEO TECHNOLOGY LLC		96760	FTA FY17 1210 5339A	5,391.97		
66902	11/12/19	4,973.55 001D	AT&T		96841	7/1-10/23 PASS-CERT	1,422.97		
66903	11/12/19	218.72 538	BARCO PRODUCTS COMPANY		96749	INVENTORY ORDER	93.38		
66904	11/12/19	40.28 002363	BATTERIES PLUS #314		96750	INVENTORY ORDER	842.95		
66905	11/12/19	329.96 E996	BENSON, EDDIE		96751	INVENTORY ORDER	4,239.78		
66906	11/12/19	9,719.00 002035	BOWMAN & WILLIAMS INC		96777	INVENTORY ORDER	205.64		
66907	11/12/19	37,524.57 588	CALTIP		96893	RPR VEH # PC1711	518.00		
66907	11/14/19	-37,524.57 588	CALTIP		96974	CAMERAS ON BUS #2	1,176.62		
66908	11/12/19	1,858.61 130	CITY OF WATSONVILLE UTILITIES		96871	9/19-10/18 OCEAN-LG	280.71		
66909	11/12/19	26,813.65 001124	CLEAN ENERGY		96872	9/19-10/18 DAVENPORT	164.69		
66910	11/12/19	609.50 002870	COLE SUPPLY COMPANY, INC.		96966	9/19-10/18 MAIN ACCT	4,528.15		
66911	11/12/19	4,109.18 508	COMPLETE COACH WORKS INC		96914	MAINT PRKNG LOT POST	218.72		
66912	11/12/19	2,501.02 E1022	CRUMMIE, DAWN		96930	INVENTORY ORDER	40.28		
66913	11/12/19	3,196.84 003116	CUMMINS PACIFIC LLP		96975	9/9 PROTERRA MEETING	329.96		
66914	11/12/19	61.00 E1009	CUMMINS, EDWARD		96866	EV CHRNGG FY19 LCTOP	9,719.00		
66915	11/12/19	3,319.01 003274	EAST BAY TIRE CO.		96964	TURNER RECOVERY FUND	890.83	VOIDED	
					96992	OCT 19 CODE= 5100	36,633.74		
					96964	TURNER RECOVERY FUND	-890.83	**VOID	
					96992	OCT 19 CODE= 5100	-36,633.74		
					96901	9/20-10/24 WTC WASTE	1,011.22		
					96902	9/16-10/22 WATER WTC	584.14		
					96903	9/16-10/22 WATER WTC	87.70		
					96904	9/16-10/22 WATER WTC	119.02		
					96905	9/10-10/15 WATER WTC	56.53		
					96919	OCT 19 INSPECTION	14,842.00		
					96928	ANNUAL MAINT	11,971.65		
					96967	INVENTORY ORDER	609.50		
					96899	RPR VEH# 9818	4,109.18		
					96976	10/12-10/18 APTA	2,501.02		
					96873	#1207 FY17 5339(A)	3,196.84		
					96991	CCDETT-HDVILP TRAINING	61.00		
					96884	TIRES	538.76		

DATE: 11/01/19 THRU 11/30/19

CHECK NUMBER	CHECK DATE	CHECK VENDOR NAME	CHECK VENDOR AMOUNT	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
66916	11/12/19	EMERSON, WILLIAM BARROW	237.86	C100	96963	TRAVEL REIMBURSEMENT	237.86	
66917	11/12/19	ENVIRONMENTAL LOGISTICS INC	1,973.00	003153	96968	OPS NON HAZ DISPOSAL	445.00	
66918	11/12/19	EXPRESS SERVICES INC.	3,747.52	432	96969	MMF NON HAZ DISPOSAL	1,528.00	
66919	11/12/19	FERGUSON ENTERPRISES INC. #795	1,582.26	001172	96945	10/14-10/20 TEMP SVC	2,157.68	
66920	11/12/19	FIRST ALARM	150.00	003431	96970	10/21-10/27 TEMP SVC	1,589.84	
66921	11/12/19	FLYERS ENERGY LLC	1,181.43	002952	96927	WTC BATHROOM RETROFT	851.75	
66922	11/12/19	FRONTIER COMMUNICATIONS - 3025	57.26	003279	96944	RPR WATER HEATER SMC	730.51	
66923	11/12/19	GENFARE A DIV OF SPX CORP	520.40	647	96915	RESET CALL GOLF CLUB	150.00	
66924	11/12/19	GILLIG LLC	413.09	117	96917	10/11 MMF GENERATOR	1,181.43	
66925	11/12/19	GRAINGER	1,202.78	282	96935	INVENTORY ORDER	57.26	
66926	11/12/19	HARTFORD LIFE AND ACCIDENT INS	15,171.80	001745	96936	WARRANTY PTS/RPR/LBR	425.88	
66927	11/12/19	HUNT & SONS, INC.	1,822.13	002979	96937	INVENTORY ORDER	76.24	
66928	11/12/19	KAADY CHEMICAL LLC	974.51	003264	96938	RPR VEH# 4208	57.24	
66929	11/12/19	KELLEY'S SERVICE INC.	724.45	1117	96939	INVENTORY ORDER	355.85	
66930	11/12/19	KELLY-MOORE PAINT CO., INC.	1,096.60	036	96916	NON INVENTORY ORDER	99.21	
66931	11/12/19	LOGIUDICE, JASON	8.77	E182	96978	PAINT SUPPLIES	120.29	
66932	11/12/19	MILLER MAXFIELD INC	1,037.50	003361	96979	FLASH LIGHTS	515.66	
66933	11/12/19	MISSION UNIFORM	631.41	041	96980	COATED GLOVES	197.37	
					96981	INVENTORY ORDER	204.65	
					96982	CREDIT	-96.58	
					96983	UTILITY CART	162.18	
					96869	NOV 19 LTD	10,782.07	
					96870	NOV 19 AD&D	4,389.73	
					96933	INVENTORY ORDER	610.63	
					96934	INVENTORY ORDER	1,211.50	
					96900	INVENTORY ORDER	974.51	
					96887	RPR VEH# 708	57.36	
					96888	RPR VEH# 708	16.46	
					96889	RPR VEH# 804	333.70	
					96890	INVENTORY ORDER	195.10	
					96891	INVENTORY ORDER PC	17.74	
					96892	INVENTORY ORDER PC	104.09	
					96965	803-00000845591	1,096.60	
					96990	SAMTRANS TRAINING	8.77	
					96989	JULY19 PUBLIC OUTRCH	1,037.50	
					96932	TOWELS & MATS	34.50	
					96957	UNIFORMS	213.08	
					96958	TOWELS	50.00	
					96959	UNIFORMS	213.08	
					96960	TOWELS	50.00	
					96984	TOWELS/MATS	34.50	

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CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
66934	11/12/19	400.00	NEOFUNDS BY NEOPOST DBA		96988	TOWELS/UNIFORMS	36.25	
66935	11/12/19	109.98	NEXTEL COMMUNICATIONS/SPRINT		96986	### ### 1598	400.00	
66936	11/12/19	294.94	NIDAL HALABI & NADA ALGHARIB		96987	9/26-10/25 OPS	109.98	
66937	11/12/19	28.97	NORTH BAY FORD LINC-MERCURY		96929	METAL BADGES	294.94	
66938	11/12/19	555.00	OJO TECHNOLOGY, INC.		96954	INVENTORY ORDER PC	28.97	
66939	11/12/19	983.38	PALACE ART & OFFICE SUPPLY		96885	SERVER DOWN- VERNON	555.00	
					96874	OFFICE SUPPLIES	46.69	
					96875	CREDIT	-85.51	
					96876	OFFICE SUPPLIES	328.01	
					96886	OFFICE SUPPLIES	694.19	
66940	11/12/19	44,192.40	PREFERRED BENEFIT		96867	NOV 19 VISION	8,550.00	
					96868	NOV 19 DENTAL	35,642.40	
66941	11/12/19	187.62	PROBUILD COMPANY LLC		96877	DUPEX RECEIPTABLE	3.00	
					96878	CONDUIT	7.53	
					96879	WTC WIRE BRUSHES	34.79	
					96880	SHIM HINGES VER	9.70	
					96894	DOOR STOPS	132.60	
66942	11/12/19	262.31	PURSELL CONSTRUCTION INC.		96918	LIGHTING RPR MMF/SBF	262.31	
66943	11/12/19	169.22	SANTA CRUZ AUTO PARTS, INC.		96882	RPR VEH# 401	65.59	
					96883	INVENTORY ORDER	35.23	
					96951	INVENTORY ORDER PC	18.17	
					96952	INVENTORY ORDER PC	37.79	
					96953	BATTERY FILLER	12.44	
66944	11/12/19	11,310.14	SANTA CRUZ MUNICIPAL UTILITIES		96906	9/7-10/7 920 PACIFIC	137.67	
					96907	9/7-10/7 VERNON	560.14	
					96908	9/7-10/7 GOLF CLUB	1,420.60	
					96909	9/7-10/7 1200B RIVER	3,595.04	
					96910	9/7-10/7 CEDAR/WALNT	1,050.60	
					96911	9/7-10/7 PACIFIC	4,257.39	
					96912	9/7-10/7 1200A RIVER	276.87	
					96913	9/7-10/7 IRRIG GOLF	11.83	
					96922	10/7-10/13 TEMP SVC	9,587.93	
					96924	10/14-10/20 TEMP SVC	1,550.00	
					96971	10/21-10/27 TEMP SVC	1,395.00	
					96925	NOV19 SUPPORT/WRNTY	3,597.22	
					96881	PC1101 SMOG	49.85	
66946	11/12/19	3,597.22	SUB GLOBALNET, INC.		96926	9/19-9/20 PURIDIOM	7,560.00	VOIDED
66947	11/12/19	49.85	SPECIALIZED AUTO AND		96926	9/19-9/20 PURIDIOM	-7,560.00	**VOID
66948	11/12/19	7,560.00	TECHNICAL SERVICES ASSOC., INC		96926	9/19-9/20 PURIDIOM	145.78	
66948	11/22/19	-7,560.00	TECHNICAL SERVICES ASSOC., INC		96961	EMPLOYEE ANNIVERSARY	159.38	
66949	11/12/19	305.16	TERRYBERRY CO., LLC		96962	EMPLOYEE ANNIVERSARY	3,561.87	
					96896	INVENTORY ORDER	111.74	
66950	11/12/19	7,103.20	THE AFTERMARKET PARTS CO LLC		96897	INVENTORY ORDER	86.29	
					96946	INVENTORY ORDER	29.29	
					96947	RPR BUS# 2318	622.23	
					96948	RPR VEH# 2217	768.91	

Attachment A

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
66951	11/12/19	238.87 003010		TOYOTA MATERIAL HANDLING	7	96949	RPR VEH# 2809	487.96	
66952	11/12/19	8,224.96 057		U.S. BANK		96972	FTA FY17 5339(A)	978.81	
66953	11/12/19	450.96 007		UNITED PARCEL SERVICE		96985	INVENTORY ORDER	456.10	
66954	11/12/19	315.33 002829		VALLEY POWER SYSTEMS, INC.		96940	FORKLIFT # 701	238.87	
66955	11/12/19	2,410.59 001353		VISION COMMUNICATIONS		96923	xxxx-xxxx-xxxx-6584	8,224.96	
66956	11/12/19	145.54 001986		WAGER CO., INC. ROBERT		96921	0000W896X0429	170.09	
66957	11/14/19	890.83 588		CALTIP		96955	0000W896X0439	280.87	
66958	11/14/19	36,633.74 588		CALTIP		96973	FTA FY17 5339(A)	315.33	
66959	11/18/19	32.75 002861		AMERICAN MESSAGING SVCS, LLC		96898	FY17 5339(B) RADIOS	2,410.59	
66960	11/18/19	573.38 001D		AT&T		96950	RPR BRAKE CHECK TOOL	145.54	
66961	11/18/19	997.42 003105		AT&T MOBILITY		97120	TURNER RECOVERY FUND	890.83	
66962	11/18/19	5,074.25 001348		ATHENS INSURANCE SERVICE, INC.		97121	OCT 19 CODE= 5100	36,633.74	
66963	11/18/19	684.00 003271		AUTO CARE TOWING		97023	OCT 19 ON CALL PAGER	32.75	
66964	11/18/19	152.55 002689		B & B SMALL ENGINE CORP		97027	10/1-10/31 WTC PT2PT	573.38	
66965	11/18/19	102.61 538		BARCO PRODUCTS COMPANY		97028	9/24-10/23 BUS WIFE	997.42	
66966	11/18/19	48.44 003393		BRESS KEY LOCKSMITH INC		97117	NOV 19 TPA FEES	5,074.25	
66967	11/18/19	4,171.15 001356		BRENCO OPERATING-TEXAS, LP		97022	TOW VEH# 2219	396.00	
66968	11/18/19	420.61 914		CALTRONICS BUSINESS SYSTEMS		97036	TOW VEH # 1204	288.00	
66969	11/18/19	2,890.00 003034		COASTAL LANDSCAPING INC. DBA		97010	MMF LEAF BLOWER	152.55	
66970	11/18/19	301.00 367		COMMUNITY TELEVISION OF		97037	SIGNAGE	102.61	
66971	11/18/19	4,109.18 508		COMPLETE COACH WORKS INC		97038	KEYS/PRTS RM VEH BX	48.44	
66972	11/18/19	432.55 002814		CREATIVE BUS SALES, INC.		97094	INVENTORY ORDER	4,171.15	
66973	11/18/19	73.91 003116		CUMMINS PACIFIC LLP		97031	TONER	420.61	
66974	11/18/19	5,639.02 157		DELL MARKETING L.P.		97007	NOV 19 SVC	2,890.00	
66975	11/18/19	64.00 002567		DEPARTMENT OF JUSTICE		97114	10/25/19 MTG COVERAG	301.00	
66976	11/18/19	133,513.84 003458		DUFOUR INCORPORATED		97039	RPR VEH# 2813	4,109.18	
66977	11/18/19	1,522.39 003274		EAST BAY TIRE CO.		97103	INVENTORY ORDER PC	453.14	
66978	11/18/19	32,293.00 003153		ENVIRONMENTAL LOGISTICS INC		97104	INVENTORY ORDER PC	32.17	
66979	11/18/19	14,248.70 432		EXPRESS SERVICES INC.		97105	CREDIT PC	-52.76	
						97040	RPR VEH# 2802	73.91	
						97065	LAPTOPS CEO/MANAGERS	5,639.02	
						97118	OCT19 FINGERPRINTING	64.00	
						96996	EV CHARGING	98,467.50	
						96997	VERNON GENERATOR	35,046.34	
						97041	REVENUE TIRES	1,048.10	
						97042	REVENUE TIRES	487.43	
						97043	CREDIT	-1,600.00	
						97044	REVENUE TIRES	538.76	
						97045	REVENUE TIRES	1,048.10	
						97067	OCT19 OPS HAZMAT DIS	32,293.00	
						97004	10/28-11/3 TEMP SVC	2,271.20	
						97046	10/7-10/13 TEMP SVC	1,245.00	
						97047	9/30-10/6 TEMP SVC	765.00	
						97048	8/12-8/18 TEMP SVC	1,102.50	
						97049	8/19-8/25 TEMP SVC	1,200.00	
						97050	9/9-9/15 TEMP SVC	1,590.00	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
66980	11/18/19					97051	10/21-10/27 TEMP SVC	1,245.00	
66981	11/18/19					97052	10/14-10/20 TEMP SVC	1,200.00	
						97099	8/26-9/01 TEMP SVC	1,470.00	
						97100	9/2-9/8 TEMP SVC	960.00	
						97101	9/23-9/29 TEMP SVC	1,200.00	
						97053	SMC WATER HEATER	39.53	
						97021	10/16-10/31 FUEL	2,720.53	
						97106	10/16-10/31 FUEL PC	13,309.30	
						97035	TRUNK OR TREAT ITEMS	87.40	
						97034	TRAVEL ADVANCE	1,000.00	
						97054	INVENTORY ORDER	125.86	
						97055	INVENTORY ORDER	17.65	
						97056	INVENTORY ORDER	829.12	
						97057	CREDIT	-149.55	
						97058	CREDIT	-30.81	
						97008	MMF FILTER SOCK	1,409.34	
						97097	SAFETY SUPPLIES	73.31	
						97059	INVENTORY ORDER	1,291.64	
						97098	RPR VEH # PC1704	1,325.28	
						97095	RPR VEH # 1210	753.75	
						97113	OCT19 OUTFALL MITIG	1,088.00	
						97061	HEAD LAMP SOCKETS	69.52	
						97062	INVENTORY ORDER	130.12	
						97063	INVENTORY ORDER	109.99	
						97009	INV 003-00000346567	208.39	
						97066	NOV 19 LEASE	23,627.38	
						97002	CPR/1ST AID TRAINING	140.00	
						97116	1100452; 11001281	612.00	
						97068	10/15 DSL DELIVERY	20,623.39	
						97102	10/30/19 DSL	21,776.56	
						97069	OCT 19 PUB OUTREACH	4,418.75	
						97064	NOV 19 70 INVOICES	14,370.00	
						97024	9/25-10/23 1122 RVR	2,503.79	
						97025	9/25-10/23 GOLF	5,881.88	
						97026	9/26-10-24 1122 RVR	59.93	
						97005	NOV19 CREEK 1200 RVR	105.00	
						97006	NOV19 PRKNG 1200 RVR	62.50	
						97109	NOV 19 SVC VERNON	260.50	
						97110	NOV19 SVC BETTY'S	60.00	
						97111	NOV 19 SVC KIOSK	40.00	
						97112	NOV19 SVC METRO MKT	55.50	
						97015	MMF LED LIGHTING	1,676.77	
						97016	MMF FLAG POLE LIGHT	315.73	
						97011	OUTLET SURGE	39.32	
						97012	CREDIT	-16.51	
						97013	SMC WATER HEATER RPR	20.32	
66985	11/18/19		1,482.65	GRAINGER					
66986	11/18/19		1,291.64	HOSE SHOP, THE INC					
66987	11/18/19		1,325.28	IO, RODNEY H					
66988	11/18/19		753.75	JASPER WELLS LLC					
66989	11/18/19		1,088.00	KEISH ENVIRONMENTAL PC CORP					
66990	11/18/19		309.63	KELLEY'S SERVICE INC.					
66991	11/18/19		208.39	KELLY-MOORE PAINT CO., INC.					
66992	11/18/19		23,627.38	KEY GOVERNMENT FINANCE INC					
66993	11/18/19		140.00	KISMET	7				
66994	11/18/19		612.00	LAW OFFICES OF MARIE F. SANG	7				
66995	11/18/19		42,399.95	MANSFIELD OIL CO OF GAINSVILLE					
66996	11/18/19		4,418.75	MILLER MAXFIELD INC					
66997	11/18/19		14,370.00	NVB EQUIPMENT, INC.					
66998	11/18/19		8,445.60	PACIFIC GAS & ELECTRIC					
66999	11/18/19		583.50	PIED PIPER EXTERMINATORS, INC.					
67000	11/18/19		1,992.50	PLATT ELECTRIC SUPPLY					
67001	11/18/19		199.06	PROBUILD COMPANY LLC					

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

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67002	11/18/19	125.64 019		RAYNE OF SANTA CRUZ, INC.		97014	TOOL ATTACHMENT KIT	20.64	
67003	11/18/19	639.17 001153		REPUBLIC ELEVATOR COMPANY INC		97073	SCM WATER HEATER	28.27	
67004	11/18/19	1,260.00 003420		RICHARD HOWARD		97074	PAINTING SUPPLIES	32.21	
67005	11/18/19	110.17 003024		RICOH USA, INC CA		97075	TROWEL WIRE BRUSH	31.60	
67006	11/18/19	1,427.55 E524		ROCHA, FEDERICO G.		97076	WIRE BRUSH	8.82	
67007	11/18/19	2,448.23 003154		ROMAINE ELECTRIC CORP		97077	DROP CLOTH	34.39	
67008	11/18/19	205.45 135		SANTA CRUZ AUTO PARTS, INC.		97070	SALT FOR MMF	125.64	
						97108	NOV 19 MAINT	639.17	
						97115	OPS WINDOW CLEANING	1,260.00	
						97071	NOV19 1200 RVR CPIER	110.17	
						97033	ENO TRANSIT MM PRGRM	1,427.55	
						97020	INVENTORY ORDER	2,448.23	
						97078	INVENTORY ORDER	102.08	
						97079	INVENTORY ORDER	13.11	
						97080	INVENTORY ORDER	32.82	
						97081	INVENTORY ORDER	57.44	
67009	11/18/19	1,550.00 001307		SANTA CRUZ STAFFING, LLC		97030	10/21-10/27 TEMP SVC	1,550.00	
67010	11/18/19	621.58 002459		SCOTTS VALLEY WATER DISTRICT		97017	8/6-10/3 SVT	237.63	
						97018	OCT 19 SVT LNSCAPE	383.95	
67011	11/18/19	1,800.00 001277		SJB GLOBALNET, INC.		97032	NOV 19 SVC	1,800.00	
67012	11/18/19	54.70 115		SNAP-ON INDUSTRIAL		96999	TOOL REPLACEMENT	54.70	
67013	11/18/19	350.85 003314		SOUTHWEST COMMERCIAL PROD INC.		96998	INVENTORY ORDER	350.85	
67014	11/18/19	2,247.74 001976		SPORTWORKS NORTHWEST, INC.		96993	VTA BIKE RACKS	2,247.74	
67015	11/18/19	901.00 003465		SWIFT CONSULTING SERVICES INC		97001	OCT19APN:025-054-06	901.00	
67016	11/18/19	7,573.99 003285		THE AFTERMARKET PARTS CO LLC		96994	#1207 FTA FY17 5339A	170.24	
						96995	#1210 FTA FY17 5339A	198.43	
						97000	INVENTORY ORDER	499.97	
						97072	INVENTORY ORDER	1,026.71	
						97082	INVENTORY ORDER	82.17	
						97083	RPR VEH # 2333	374.97	
						97084	INVENTORY ORDER	28.99	
						97085	RPR VEH # 2802	97.17	
						97086	INVENTORY ORDER	928.14	
						97087	RPR VEH# 1204	110.72	
						97088	RPR VEH # 2318	137.88	
						97089	INVENTORY ORDER	3,926.58	
						97090	CREDIT	-7.98	
67017	11/18/19	540.79 003242		THE JANEK CORPORATION		97060	RPR ELECTRONICS	540.79	
67018	11/18/19	340.36 001800		THERMO KING OF SALINAS, INC		97107	INVENTORY ORDER	340.36	
67019	11/18/19	43.46 007		UNITED PARCEL SERVICE		97029	0000#896X0449	43.46	
67020	11/18/19	2,000.00 002873		USPS-HASLER		97119	TMS# 191952	2,000.00	
67021	11/18/19	1,517.57 002829		VALLEY POWER SYSTEMS, INC.		97091	INVENTORY ORDER	1,103.85	
						97092	INVENTORY ORDER	156.70	
						97093	INVENTORY ORDER	257.02	
67022	11/18/19	1,841.45 001353		VISION COMMUNICATIONS		97019	KITE HILL SVC CALL	1,841.45	
67023	11/18/19	275.00 003316		WATER TECH SPECIALTIES INC		97003	OCT 19 TESTING	275.00	

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67024	11/18/19	239.26 147	ZEE MEDICAL SERVICE CO.		97096	1ST AID SUPPLIES	239.26	
67025	11/15/19	480.00 T339	GARCIA, MARISELA		97122	CASE NO WC-CM749235	480.00	
67026	11/25/19	1,366.36 003151	ABC BUS INC		97241	INVENTORY ORDER	206.78	
					97324	INVENTORY ORDER	602.40	
					97325	INVENTORY ORDER	557.18	
67027	11/25/19	134.80 E1035	ACKEMANN, JAYME		97289	11/13-11/15 CTA CONF	134.80	
67028	11/25/19	56.80 E437	AITKEN, ANGELA		97225	OFFICE SUPPLIES	56.80	
67029	11/25/19	750.00 001016	ALLARD'S SEPTIC SERVICE	7	97171	GREASE PUMPOUT SMC	375.00	
					97172	GREASE PUMPOUT WTC	375.00	
67030	11/25/19	2,723.27 001D	AT&T		97159	10/13-11/12 PT2PTVER	1,823.76	
					97160	10/10-11/09 INTERNET	899.51	
67031	11/25/19	661.00 002035	BOWMAN & WILLIAMS INC		97316	AUG19 GENERATOR VER	661.00	
67032	11/25/19	14,000.00 616	BROWN ARMSTRONG ACCOUNTANCY		97208	FY19 AUDIT	14,000.00	
67033	11/25/19	710.13 001159	CATTO'S GRAPHICS, INC.		97123	DECALS	327.75	
					97227	SPCC FUEL & OIL SIGN	382.38	
67034	11/25/19	573.61 003000	CENTRAL EQUIPMENT SERVICE CO.		97169	TANK ALARM MMF	573.61	
67035	11/25/19	135.32 003373	CITY OF SANTA CRUZ FINANCE RRF		97167	OCT19 LANDFILL	135.32	
67036	11/25/19	88,471.76 001124	CLEAN ENERGY		97178	10/02 LNG	7,024.78	
					97179	10/03 LNG	6,885.84	
					97180	10/07 LNG	7,477.62	
					97181	10/9 LNG	6,996.11	
					97182	10/11 LNG	5,692.75	
					97183	10/15 LNG	7,624.64	
					97184	10/23 LNG	6,595.48	
					97185	10/21 LNG	7,482.03	
					97186	10/17 LNG	6,191.16	
					97187	10/25 LNG	4,929.70	
					97188	10/29 LNG	7,592.30	
					97189	10/31 LNG	6,510.20	
					97190	11/04 LNG	7,469.15	
67037	11/25/19	1,953.97 E957	CLIFFORD, ALEX		97252	EXPENSE REIMBURSEMENT	530.97	
					97253	11/12-11/14 CTA CONF	586.58	
					97254	TDA REFORM TASK FORC	46.72	
67038	11/25/19	1,388.61 075	COAST PAPER & SUPPLY INC.		97255	10/29-10/31 CALACT	789.70	
					97124	INVENTORY ORDER	1,186.72	
67039	11/25/19	34.54 002814	CREATIVE BUS SALES, INC.		97125	INVENTORY ORDER	201.89	
					97312	CREDIT	-453.14	
					97313	INVENTORY ORDER	447.82	
					97314	INVENTORY ORDER	39.86	
67040	11/25/19	1,000.00 003204	CREEKSIDE COURT REPORTING LLC		97204	5/28 MEETING	500.00	
					97205	5/16 MEETING	500.00	
67041	11/25/19	12,903.57 003116	CUMMINS PACIFIC LLP		97126	VEH # 2333	21.24	
					97127	VEH # 4208	187.72	
					97128	CREDIT	-269.58	
					97129	VEH # 2805	2,777.05	
					97130	INVENTORY ORDER	309.13	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
67042	11/25/19	1,736.31 E986		DELFIN, MONIK		97131	INVENTORY ORDER	5,204.50	
						97242	ANNUAL INSITE RENEW	2,960.00	
						97311	INVENTORY ORDER	1,713.51	
						97224	HEALTH FAIR REIMBURS	66.70	
						97291	10/27-11/2 EEO TRNG	1,669.61	
67043	11/25/19	1,140.32 003131		DYNAMIC SYSTEMS INC		97223	7/19-7/20 SUPPORT	1,140.32	
67044	11/25/19	1,775.04 003274		EAST BAY TIRE CO.		97132	REVENUE TIRES	199.83	
						97174	FLAT RPR	29.92	
						97175	REVENUE TIRES	89.83	
						97176	VEH# 806	257.44	
						97177	REVENUE TIRES	1,048.10	
						97239	REV TIRES DISPOSAL	120.00	
						97240	VEH# 601 FLAT RPR	29.92	
						97221	SPARE CITYEMP PASSES	446.90	
67045	11/25/19	446.90 003209		ELECTRONIC DATA MAGNETICS INC.		97244	BOD MTNG 11/15/19	150.00	
67046	11/25/19	150.00 003455		ESQUEDA MINDY		97196	9/16-9/22 TEMP SVC	850.50	
67047	11/25/19	850.50 432		EXPRESS SERVICES INC.		97226	OCT 19 ALL LOCATIONS	46,695.82	
67048	11/25/19	46,695.82 002295		FIRST ALARM SECURITY & PATROL		97234	PROPANE FORKLIFTS	66.83	
67049	11/25/19	66.83 002952		FLYERS ENERGY LLC		97211	20909160331126145	57.26	
67050	11/25/19	57.26 003418		FRONTIER COMMUNICATIONS - 6145		97133	NOV 19 VAULT SERVICE	9,093.26	
67051	11/25/19	9,400.16 001302		GARDA CL WEST, INC.		97210	NOV 19 SERVICES	306.90	
						97134	INVENTORY ORDER	1,038.98	
67052	11/25/19	3,848.11 117		GILLIG LLC		97135	VEH # 2807	290.94	
						97136	INVENTORY ORDER	2,185.00	
						97315	INVENTORY ORDER	333.19	
67053	11/25/19	43.58 E162		GOUVEIA, ANNA		97292	10/20-10/25 ENO TRNS	43.58	
67054	11/25/19	97.10 M041		GOUVEIA, ROBERT	0	97285	NOV19 RET SUPP HLTH	48.55	
						97287	DEC19 RET SUPP HLTH	48.55	
67055	11/25/19	1,014.90 282		GRAINGER		97137	INVENTORY ORDER	60.73	
						97138	TOOL INVENTORY	786.35	
						97238	INVENTORY ORDER	107.20	
67056	11/25/19	1,196.38 001097		GREENWASTE RECOVERY, INC.		97326	INVENTORY ORDER	60.62	
						97148	OCT19 WASTE AIRPORT	58.36	
						97149	OCT19 WASTE BC	175.08	
						97150	OCT19 WASTE MT HERM	22.59	
						97151	OCT19 WASTE BL	58.36	
						97152	OCT19 WASTE FREEDOM	58.36	
						97153	OCT19 WASTE KNGS VLG	289.66	
						97154	OCT19 WASTE CARNATIO	58.36	
						97155	OCT19 WASTE RESEARCH	358.89	
						97156	OCT19 WASTE BIGBASIN	58.36	
						97157	OCT19 WASTE BOWKER	58.36	
67057	11/25/19	65.10 E061		HOLLY, ISAAC		97293	11/13 CTA CONF	65.10	
67058	11/25/19	382.28 166		HOSE SHOP, THE INC		97139	BULK NON INV ORDER	197.21	
						97140	NON INV PARTS	153.02	
						97310	PUSH-LOK HOSE	32.05	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
67059	11/25/19	5,000.00	JOHN P KRUKAR		97207	FY18 FTA 5339(A)	5,000.00	
67060	11/25/19	4,690.00	KANEKO AND KRAMMER CORP		97206	CLASSIFICATION STUDY	4,690.00	
67061	11/25/19	9,195.00	KAUFMAN DOLOWICH VOLUCK		97243	OCT19 CLAIM# QE-0073	9,195.00	
67062	11/25/19	1,283.04	KELLEY'S SERVICE INC.		97142	INVENTORY ORDER	154.77	
					97143	INVENTORY ORDER	30.94	
					97144	INVENTORY ORDER	160.11	
					97145	VEH # PC2405	557.89	
					97146	NON INVENTORY ORDER	27.48	
					97147	CREDIT	-31.96	
					97229	INVENTORY ORDER	17.48	
					97230	INVENTORY ORDER	96.94	
					97308	INVENTORY ORDER	128.79	
					97309	INVENTORY ORDER	140.60	
67063	11/25/19	280.00	KISMET		97256	CPR/1ST AID TRAINING	280.00	
67064	11/25/19	2,870.00	MAXIM HEALTH SYSTEMS, LLC	7	97202	FLU SHOTS 2019 RIVER	1,820.00	
					97203	FLU SHOTS 2019 PC	1,050.00	
67065	11/25/19	41.09	MENGISTU, WONDIMU		97290	11/4 CTATDA TSK FRCE	41.09	
67066	11/25/19	2,155.21	MGP XI REIT LLC		97258	DEC19 RENT CAP MALL	2,155.21	
67067	11/25/19	1,369.12	MID VALLEY SUPPLY INC.		97228	INVENTORY ORDER	1,369.12	
67068	11/25/19	420.37	MISSION UNIFORM		97231	TOWELS	50.00	
					97232	UNIFORMS	289.12	
					97262	TOWELS/MATS	10.50	
					97263	TOWELS/MATS	34.50	
					97307	UNIFORMS	36.25	
67069	11/25/19	8,620.97	N/S CORPORATION		97264	BUS WASHER DOWN	8,620.97	
67070	11/25/19	153.63	NORTH BAY FORD LINC-MERCURY		97265	CREDIT	-33.16	
					97266	VEH # 1717	48.71	
					97267	VEH # PC1707	56.54	
					97327	INVENTORY ORDER	81.54	
67071	11/25/19	430.00	NVB EQUIPMENT, INC.		97268	VEH # 2211	215.00	
					97269	VEH # 1001	215.00	
67072	11/25/19	16,524.62	PACIFIC GAS & ELECTRIC		97163	10/4-11/3 SVT	68.33	
					97164	9/30-10/28 PACIFIC	4,059.64	
					97165	09/30-10/28 OPS	5,316.15	
					97166	9/26-10/24 VERNON	6,197.25	
					97257	10/9-11/6 PARACRUZ	883.25	
67073	11/25/19	4,345.33	PALACE ART & OFFICE SUPPLY		97191	OFFICE SUPPLIES	99.51	
					97192	OFFICE SUPPLIES	45.67	
					97193	OFFICE SUPPLIES	17.39	
					97194	OFFICE SUPPLIES	98.62	
					97245	CREDIT	-12.62	
					97246	CREDIT	-52.99	
					97270	OFFICE SUPPLIES	150.79	
					97271	OFFICE SUPPLIES	64.06	
					97272	OFFICE SUPPLIES	416.36	
					97273	OFFICE SUPPLIES	20.75	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
67074	11/25/19	1,920.00 002947		PEDX COURIER AND CARGO	7	97275	OCT 19 SERVICES	1,920.00	
67075	11/25/19	97.10 M109		PEREZ, CHERYL		97286	NOV19 RET SUPP HLTH	48.55	
67076	11/25/19	208.28 107A		PROBUILD COMPANY LLC		97288	DEC19 RET SUPP HLTH	48.55	
						97277	WALL HOOKS	11.65	
						97278	ELECTRICAL	38.67	
						97279	RPR WATER TANK	0.92	
						97279	PLYWOOD	54.23	
						97317	BUS WASH HARDWARE	35.55	
						97329	SMC CEILING PANEL	62.85	
						97330	BUS WASH HARDWARE	4.41	
67077	11/25/19	1,300.08 003154		ROMAINE ELECTRIC CORP		97170	INVENTORY ORDER	1,300.08	
67078	11/25/19	299.57 135		SANTA CRUZ AUTO PARTS, INC.		97233	INVENTORY ORDER	42.02	
						97280	VEH# 1207	15.71	
						97281	INVENTORY ORDER	7.86	
						97282	INVENTORY ORDER	0.55	
						97283	VEH# 401	18.44	
						97284	INVENTORY ORDER	22.16	
						97300	INVENTORY ORDER	177.60	
						97318	INVENTORY ORDER	15.23	
67079	11/25/19	117,869.36 002917		SANTA CRUZ METRO TRANSIT W/C		97168	SEPT19 REPLENISHMENT	117,869.36	
67080	11/25/19	376.42 079		SANTA CRUZ MUNICIPAL UTILITIES		97161	OCT 19 VERNON	182.43	
						97162	OCT 19 RIVER	193.99	
67081	11/25/19	31,858.62 001307		SANTA CRUZ STAFFING, LLC		97195	10/28-11/03 TEMP SVC	5,929.90	
						97222	10/28-11/03 TEMP SVC	1,550.00	
						97248	10/14-10/20 TEMP SVC	6,881.80	
						97249	10/14-10/20 TEMP SVC	5,096.00	
						97250	11/4-11/10 TEMP SVC	1,075.31	
						97251	10/28-11/3 TEMP SVC	1,240.00	
						97260	9/23-9/29 TEMP SVC	1,540.31	
						97261	11/4-11/10 TEMP SVC	930.00	
						97298	9/23-9/29 TEMP SVC	2,015.00	
						97299	11/4-11/10 TEMP SVC	5,600.30	
						97295	9/19-9/20 PURIDIOM	7,560.00	
67082	11/25/19	7,560.00 003411		SCIREST INC		97295	NOV 19 LEGISLATIVE	2,500.00	
67083	11/25/19	2,500.00 002267		SHAW YODER ANTWIH		97247	9/23-9/29 TEMP SVC	1,045.00	
67084	11/25/19	4,845.00 003292		SLINGSHOT CONNECTIONS LLP		97197	10/21-10/27 TEMP SVC	855.00	
						97198	9/9-9/15 TEMP SVC	1,140.00	
						97199	9/16-9/22 TEMP SVC	1,140.00	
						97200	10/28-11/03 TEMP SVC	665.00	
						97201	REP PART SHOP GRNDR	30.83	
67085	11/25/19	30.83 115		SNAP-ON INDUSTRIAL		97173	DEC 19 RENT RESEARCH	15,995.61	
67086	11/25/19	15,995.61 001075		SOQUEL III ASSOCIATES	7	97331	INVENTORY ORDER	516.65	
67087	11/25/19	516.65 001008		SWAGELOK NORTHERN CALIFORNIA		97319			

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

DATE: 11/01/19 THRU 11/30/19

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	TRANSACTION COMMENT
67088	11/25/19	12,329.61 003285		THE AFTERMARKET PARTS CO LLC		97213	CREDIT	-212.87	
						97214	INVENTORY ORDER	1,259.27	
						97215	INVENTORY ORDER	174.97	
						97216	INVENTORY ORDER	3.59	
						97217	FY17 FTA5339A #1204	1,947.14	
						97218	FY17 FTA5339A #1204	524.58	
						97219	FY17 FTA5339A #1204	168.04	
						97220	FY17 FTA5339A #1204	529.74	
						97235	INVENTORY ORDER	696.66	
						97236	INVENTORY ORDER	174.12	
						97237	INVENTORY ORDER	2,710.31	
						97301	INVENTORY ORDER	999.95	
						97302	INVENTORY ORDER	3,595.18	
						97303	#1210 FTA FY17 5339A	198.43	
						97304	CREDIT	-374.97	
						97305	CREDIT	-64.53	
67089	11/25/19	7,500.00 003189		THE BUS COALITION INC		97212	2020 DUES A CLIFFORD	7,500.00	
67090	11/25/19	191.19 003242		THE JANEK CORPORATION		97141	RPR ELECTRONIC ITEM	191.19	
67091	11/25/19	27.25 007		UNITED PARCEL SERVICE		97297	11/04 FREIGHT	27.25	
67092	11/25/19	220.00 202		UNITED STATES POST OFFICE		97294	4 COIL ROLLS STAMPS	220.00	
67093	11/25/19	1,544.95 002829		VALLEY POWER SYSTEMS, INC.		97323	INVENTORY ORDER	1,544.95	
67094	11/25/19	533.07 434		VERIZON WIRELESS	0	97158	10/2-11/01 PT2PT	224.10	
						97259	10/2-11/1 PARACRUZ	308.97	
67095	11/25/19	3,000.00 003475		WATSONVILLE POLICE ACTIVITIES		97209	WTC MURAL	3,000.00	
67096	11/25/19	52.75 147		ZEE MEDICAL SERVICE CO.		97320	OPS 1ST AID RESTOCK	31.27	
						97321	MMF 1ST AID RESTOCK	21.48	
TOTAL			1,312,356.41	ACCOUNTS PAYABLE			TOTAL CHECKS	242	1,312,356.41

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Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
CHECK JOURNAL DETAIL BY CHECK NUMBER
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DATE: 12/01/19 THRU 12/31/19

CHECK NUMBER	CHECK DATE	CHECK VENDOR NAME	CHECK AMOUNT	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	TRANSACTION COMMENT
65993	12/19/19	CRIMSON INTERACTIVE INC	-745.23		94779	ENG TO CHINESE TRANS	-745.23	**VOID
66679	12/19/19	CLASSIC GRAPHICS	-6,477.69		96271	VEH# 4207 VTA BUS	-6,477.69	**VOID
67097	12/04/19	SCMTD PETTY CASH - FINANCE	466.01		97407	REPLENISHMENT	466.01	
67098	12/09/19	AA SAFE & SECURITY CO	124.33		97444	KEYS/OPS FILE CAB	124.33	
67099	12/09/19	ABC BUS INC	1,905.73		97411	INVENTORY ORDER	1,438.14	
					97412	INVENTORY ORDER	8.19	
					97592	INVENTORY ORDER	175.35	
					97593	INVENTORY ORDER	284.05	
67100	12/09/19	ACKEMANN, JAYME	43.72		97489	REIMBURSEMENT	43.72	
67101	12/09/19	ADRIANA FLORES	375.00		97341	NOV19 WRITTEN TRANSL	375.00	
67102	12/09/19	AIRTEC SERVICE INC.	222.00		97536	VERNON SVC CALL	222.00	
67103	12/09/19	APOLLO VIDEO TECHNOLOGY LLC	9,576.00		97468	CAMERAS ON BUSES 2	9,576.00	
67104	12/09/19	AT&T	5,354.61		97484	10/19-11/18 OPS ELEV	146.79	
					97485	10/19-11/18 MAIN ACC	4,189.04	
					97486	10/19-11/18 DAVENPRT	164.69	
					97487	10/9-11/18 OCEAN-LG	280.71	
					97527	11/1-11/30 PT2PT WTC	573.38	
67105	12/09/19	ATHENS INSURANCE SERVICE, INC.	5,074.25		97521	DEC19 TPA FEE	5,074.25	
67106	12/09/19	AUTO CARE TOWING	420.00		97379	VEH# 2222	420.00	
67107	12/09/19	B & H FOTO & ELECTRONICS CORP	322.83		97438	APC UPS	322.83	
67108	12/09/19	BATTERY SYSTEMS CORP	2,804.43		97415	INVENTORY ORDER	2,804.43	
67109	12/09/19	BOWMAN & WILLIAMS INC	5,071.26		97503	OCT19 EV CHRG FY19	2,770.01	
					97504	OCT19 GOLF FIRE EGR	1,006.25	
					97505	OCT19 VERNON GENERAT	785.00	
67110	12/09/19	CALACT	1,055.00		97508	SEP19 VERNON GENERAT	510.00	
67111	12/09/19	CAPITOL CLUTCH & BRAKE, INC.	4,405.56		97381	2020 MEMBERSHIP	1,055.00	
					97352	BRAKESHOE/DRUM INV	2,853.34	
67112	12/09/19	CARLON'S FIRE EXTINGUISHER	224.50		97353	INVENTORY ORDER	1,552.22	
					97452	SVT FIRE EXT SVC	89.00	
					97453	WTC FIRE EXT SVC	135.50	
67113	12/09/19	CITY OF SANTA CRUZ/PARKING	900.00		97509	DEC19 RIVER/FRONT PK	900.00	
67114	12/09/19	CITY OF SCOTTS VALLEY	195.03		97532	9/16-11/15 SEWER	195.03	
67115	12/09/19	CITY OF WATSONVILLE UTILITIES	1,764.43		97479	10/15-11/13 WTC WATR	62.18	
					97480	10/25-11/20 WASTE	1,011.22	
					97481	10/22-11/19 WATER	484.66	
					97482	10/22-11/18 WATER	87.35	
					97483	10-22-11/19 WATER	119.02	
67116	12/09/19	CLAREMONT EAP	708.75		97470	DEC 19 COVERAGE	708.75	
67117	12/09/19	CLASSIC GRAPHICS	5,463.88		97377	VEH # 2221	5,463.88	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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DATE: 12/01/19 THRU 12/31/19

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
67118	12/09/19	14,842.00 001124	CLEAN ENERGY	97461	NOV 19 MO INSPECTION	14,842.00			
67119	12/09/19	1,276.00 075	COAST PAPER & SUPPLY INC.	97376	INVENTORY ORDER	163.87			
				97428	INVENTORY ORDER	109.25			
				97445	PIPE BRUSH	13.08			
				97446	INVENTORY ORDER	137.65			
				97492	INVENTORY ORDER	852.15			
67120	12/09/19	2,890.00 003034	COASTAL LANDSCAPING INC. DBA	97517	DEC19 LANDSCAPE MNT	2,890.00			
67121	12/09/19	207.29 E1022	CRUMMIE, DAWN	97525	11/13-11/15 CTA CONF	207.29			
67122	12/09/19	7,206.48 003116	CUMMINS PACIFIC LLP	97354	INVENTORY ORDER	2,370.98			
				97355	RPR VEH# 1204	710.57			
				97356	INVENTORY ORDER	3,133.49			
				97373	INVENTORY ORDER	110.30			
				97374	INVENTORY ORDER	213.04			
				97375	INVENTORY ORDER	42.61			
				97433	VEH# 1303	22.79			
				97594	CREDIT BUS 1004	-1,553.51			
				97595	INVENTORY ORDER	2,156.21			
67123	12/09/19	167.15 003430	CYNTHIA BRUECK	97437	INVENTORY ORDER	167.15			
67124	12/09/19	1,286.00 916	DOCTORS ON DUTY MEDICAL CLINIC	97549	DOT DRUG TESTING	32.50			
				97550	DOT DRUG TESTING	32.50			
				97551	DOT DRUG TESTING	32.50			
				97552	DOT DRUG TESTING	32.50			
				97553	DOT DRUG TESTING	32.50			
				97554	DOT DRUG TESTING	32.50			
				97555	DOT DRUG TESTING	32.50			
				97556	DOT DRUG TESTING	32.50			
				97557	DOT DRUG TESTING	3.00			
				97558	DOT DRUG TESTING	32.50			
				97559	DOT DRUG TEST/DMV EX	152.50			
				97560	DOT DRUG TESTING	75.00			
				97561	DOT DRUG TESTING	75.00			
				97562	DOT DRUG TEST/DMV EX	152.50			
				97563	DOT DRUG TESTING	32.50			
				97564	DOT DRUG TESTING	32.50			
				97565	DOT DRUG TESTING	75.00			
				97566	DOT DRUG TESTING	32.50			
				97567	DOT DRUG TESTING	32.50			
				97568	DOT DRUG TESTING	32.50			
				97569	DOT DRUG TESTING	32.50			

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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CHECK NUMBER	CHECK DATE	CHECK VENDOR	VENDOR NAME	VENDOR TRANS. TYPE NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
67125	12/09/19	8,461.99 003274	EAST BAY TIRE CO.		97570 DOT DRUG TESTING	32.50	
					97571 DOT DRUG TESTING	32.50	
					97572 DOT DRUG TESTING	93.00	
					97573 DOT DRUG TESTING	32.50	
					97574 DOT DRUG TESTING	42.50	
					97575 DOT DRUG TESTING	32.50	
					97365 REVENUE TIRES	331.35	
					97366 REVENUE TIRES	161.30	
					97386 VEH# PC1502	653.96	
					97387 REVENUE TIRES	538.76	
					97388 REVENUE TIRES	2,096.21	
					97389 REVENUE TIRES	161.30	
					97390 REVENUE TIRES	188.62	
					97391 REVENUE TIRES	1,077.51	
					97392 REVENUE TIRES	243.71	
					97393 REVENUE TIRES	487.43	
					97394 REVENUE TIRES	599.48	
					97395 REVENUE TIRES	993.48	
					97396 REVENUE TIRES	538.76	
					97408 REVENUE TIRES	390.12	
67126	12/09/19	4,770.00 003153	ENVIRONMENTAL LOGISTICS INC		97448 MMF NON HAZ DISPOSAL	3,024.50	
					97449 SBF NON HAZ DISPOSAL	1,745.50	
67127	12/09/19	412.50 003455	ESQUEDA MINDY		97439 BILINGUAL TESTING	262.50	
					97440 BILINGUAL TESTING	150.00	
67128	12/09/19	5,515.28 432	EXPRESS SERVICES INC.		97512 10/28-11/03 TEMP SVC	1,200.00	
					97529 11/4-11/10 TEMP SVC	2,044.08	
					97530 11/11-11/17 TEMP SVC	2,271.20	
67129	12/09/19	1,821.76 002962	FIS		97502 OCT 19 MERCHANT FEES	1,821.76	
67130	12/09/19	2,141.97 002952	FLYERS ENERGY LLC		11/1-11/15 FUEL	2,141.97	
67131	12/09/19	14.00 E1039	FRANCIS, RUFUS		11/13-11/15 CTA CONF	14.00	
67132	12/09/19	57.26 003279	FRONTIER COMMUNICATIONS - 3025		11/16-12/15 SKY-RIVR	57.26	
67133	12/09/19	298.67 647	GENFARE A DIV OF SPX CORP		97409 VEH# 1301	161.70	
					97580 INVENTORY ORDER	136.97	
67134	12/09/19	2,287.11 117	GILLIG LLC		97419 VEH# 4204	346.83	
					97589 RPR VEH# 4209	110.07	
67135	12/09/19	30.70 E162	GOUVEIA, ANNA		INVENTORY ORDER	1,830.21	
67136	12/09/19	523.10 282	GRAINGER		11/13-11/15 CTA CONF	30.70	
					97413 UTILITY KNIFE	2.44	
					97414 INVENTORY ORDER	92.65	

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67137	12/09/19	38,259.90 003109		HANSON BRIDGETT LLP		97332	OCT 19 RETAINER	24,000.00	
						97333	MATTER 032117.006001	120.00	
						97334	MATTER 032117.006006	600.00	
						97335	MATTER 032117.006012	6,270.00	
						97336	MATTER 032117.006013	2,927.20	
						97337	MATTER 032117.006014	982.70	
						97338	MATTER 032117.006019	480.00	
						97339	MATTER 032117.008001	2,720.00	
						97340	MATTER 032117.008002	160.00	
67138	12/09/19	259.93 166		HOSE SHOP, THE INC		97360	NON INVENTORY ORDER	30.16	
67139	12/09/19	9,070.72 003223		JASPER WELLER LLC		97427	INVENTORY ORDER	229.77	
						97410	RPR VEH# 2216	4,535.36	
						97434	RPR VEH# 1303	4,535.36	
67140	12/09/19	746.55 003442		JOHNSON CONTROLS INC		97462	12/1-2/29/20 QRTL	746.55	
67141	12/09/19	399.55 1117		KELLEY'S SERVICE INC.		97357	RPR VEH# 501	86.26	
						97358	INVENTORY ORDER	40.00	
						97362	INVENTORY ORDER	3.21	
						97363	INVENTORY ORDER	3.26	
						97431	CORE CREDIT	-17.48	
						97432	INVENTORY ORDER	284.30	
67142	12/09/19	3,182.12 001233		KIMBALL MIDWEST		97429	NON INVENTORY ORDER	2,869.47	
67143	12/09/19	210.00 002990		KISMET	7	97378	CPR/1ST AID PARACRUZ	210.00	
67144	12/09/19	465.00 003450		LANGUAGE LINE SERVICES INC		97515	ORAL TRANSLATION SVC	100.00	
						97516	ORAL TRANSL/ENROLLMN	365.00	
67145	12/09/19	2,454.20 852		LAW OFFICES OF MARIE F. SANG	7	97519	CLAIM 2,010,226,708	85.00	
						97546	CL# 19004440	561.00	
						97547	CL:1103388, 2103414	1,315.20	
						97548	CL: 2010226708	493.00	
67146	12/09/19	157.62 003059		MAILFINANCE INC		97436	11/28-12/27 LEASE	157.62	
67147	12/09/19	1,840.00 003454		MARA MILAM		97510	PHOTOS VARIOUS LOCAT	1,840.00	
67148	12/09/19	200.00 003249		MAXIMUM OIL SERVICE LLC		97443	11/20 OIL DISPOSAL	200.00	
67149	12/09/19	528.58 980		MCMaster-CARR SUPPLY CO		97581	CUMMINS CYL HOSE CMP	528.58	
67150	12/09/19	2,590.00 003368		MDC SYSTEMS CORP		97528	SEMI ANNUAL CALIBRAT	2,590.00	

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67151	12/09/19	E1020	351.66	MENGISTU, WONDIMU	97544		11/14 CTA CONF	351.66	
67152	12/09/19	041	744.78	MISSION UNIFORM	97344		TOWLS/MATS	10.50	
					97420		TOWELS	50.00	
					97421		UNIFORMS	231.73	
					97422		TOWELS	10.50	
					97423		TOWELS	50.00	
					97424		UNIFORMS	216.05	
					97425		UNIFORMS	36.25	
					97458		TOWELS/MATS	34.50	
					97469		TOWELS/MATS	34.50	
					97498		UNIFORMS	36.25	
					97531		TOWELS/MATS	34.50	
					97367		RPR VEH# PC1703	38.22	
67153	12/09/19	004	38.22	NORTH BAY FORD LINC-MERCURY	97459		10/4-11/3SVT PNR WTC	3,311.20	
67154	12/09/19	009	3,413.58	PACIFIC GAS & ELECTRIC	97533		10/25-11/22 1122 RVR	102.38	
67155	12/09/19	023	1,815.32	PACIFIC TRUCK PARTS, INC.	97359		INVENTORY ORDER	628.23	
					97435		INVENTORY ORDER	1,196.29	
					97464		CORE CREDIT #1210	-4.60	
					97465		CORE CREDIT #1207	-4.60	
67156	12/09/19	043	1,236.85	PALACE ART & OFFICE SUPPLY	97349		OFFICE SUPPLIES	13.91	
					97350		OFFICE SUPPLIES	12.61	
					97369		OFFICE SUPPLIES	138.82	
					97370		OFFICE SUPPLIES	404.23	
					97371		OFFICE SUPPLIES	16.35	
					97513		OFFICE SUPPLIES	385.78	
					97518		OFFICE SUPPLIES	242.91	
					97522		OFFICE SUPPLIES	22.24	
67157	12/09/19	187	310.00	POLAR RADIATOR SERVICE INC	97380		RPR VEH# 9805	310.00	
67158	12/09/19	107A	196.82	PROBUILD COMPANY LLC	97345		MMF DESK INSTALL	13.53	
					97346		FILING CABINET LOCK	5.69	
					97347		SVT LIGHT BULB RPLC	5.89	
					97348		MAGNET SWEEPER	19.65	
					97364		MMF SINK STRAINER	4.71	
					97454		BEAVERTAIL BRUSH	4.91	
					97455		CAULKING MATERIALS	53.41	
					97456		MMF ADMIN POWERSTRIP	43.04	
					97457		MMF DROP CLOTH	14.74	
					97539		OPS TRASH ENCL RPR	31.25	
67159	12/09/19	003457	2,114.00	PROPERTY RESTORATION SVC INC	97538		MOLD CLEANING PACIFC	2,114.00	

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67160	12/09/19	390.73 E969		PYE, GINA		97441	EMP REIMBURSEMENT	390.73	
67161	12/09/19	961.40 882		RANDY WEST	7	97342	BUSINESS CARDS	96.14	
67162	12/09/19	408.75 003024		RICOH USA, INC CA		97493	PRINTING ORDER	865.26	
67163	12/09/19	3,217.35 001379		SAFETY-KLEEN INC		97382	11/12-12/11 PARACRUZ	78.77	
67164	12/09/19	565.61 135		SANTA CRUZ AUTO PARTS, INC.		97383	11/14-12/13 PARACRUZ	329.98	
						97534	HAZMAT RECOVERY/WASH	3,217.35	
						97368	INVENTORY ORDER	41.95	
						97372	INVENTORY ORDER	56.92	
						97416	VEH# PC1120	11.09	
						97426	VEH# PC1123	374.42	
						97430	INVENTORY ORDER	81.23	
67165	12/09/19	116,053.99 002917		SANTA CRUZ METRO TRANSIT W/C		97577	NOV19 WORKERS COMP	72,218.22	
67166	12/09/19	10,928.19 079		SANTA CRUZ MUNICIPAL UTILITIES		97596	OCT 19 REPLENISHMENT	43,835.77	
						97460	10/8-11/6 PACIFIC	50.55	
						97463	10/15 RIVER LATE FEE	27.69	
						97471	10/8-11/6 920 PACIFC	4,367.71	
						97472	10/8-11/6 920 PACIFC	137.67	
						97473	10/8-11/6 110 VERNON	528.62	
						97474	10/8-11/6 138 GOLF	1,436.45	
						97475	10/8-11/6 1200A RIVR	292.63	
						97476	10/8-11/6 1200B RIVR	3,024.44	
						97477	10/8-11/6 CEDAR/WALN	1,050.60	
						97478	10/8-11/6 GOLF IRRIG	11.83	
67167	12/09/19	240.00 001292		SANTA CRUZ RECORDS MNGMT INC		97447	P/U ALL LOCATIONS	240.00	
67168	12/09/19	11,185.76 001307		SANTA CRUZ STAFFING, LLC		97343	11/4-11/10 TEMP SVC	232.48	
						97494	11/18-11/24 TEMP SVC	1,240.00	
						97497	11/11-11/17 TEMP SVC	1,472.50	
						97499	11/11-11/17 TEMP SVC	5,363.80	
						97507	11/11-11/17 TEMP SVC	1,162.40	
						97511	10/28-11/03 TEMP SVC	1,249.58	
67169	12/09/19	1,596.00 003292		SLINGSHOT CONNECTIONS LLP		97545	11/18-11/24 TEMP SVC	465.00	
						97351	11/11-11/17 TEMP SVC	836.00	
						97520	11/18-11/24 TEMP SVC	760.00	
67170	12/09/19	214.64 115		SNAP-ON INDUSTRIAL		97591	SHOP TOOL REPLACEMENT	214.64	
67171	12/09/19	170.35 001232		SPECIALIZED AUTO AND		97361	VEH# PC1124 SMOG	170.35	
67172	12/09/19	765.40 001976		SPORTWORKS NORTHWEST, INC.		97576	INVENTORY ORDER	765.40	
67173	12/09/19	87,355.95 003425		SYNCHROMATICS CORPORATION		97466	AVL MILESTONE	11,908.25	
						97467	AVL MILESTONE	75,447.70	
67174	12/09/19	1,163.19 001040		TERRYBERRY CO., LLC		97442	EMPLOYEE ANNIVERSARY	262.79	

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67175	12/09/19	003285	11,232.97	THE AFTERMARKET PARTS CO LLC		97514	EMP ANNIVERSARIES	900.40	
67177	12/09/19					97397	INVENTORY ORDER	160.16	
67178	12/09/19					97398	INVENTORY ORDER	33.38	
						97399	RPR VEH# 2318	69.40	
						97400	RPR VEH# 2318	78.27	
						97401	VEH# 2318 CREDIT	-40.03	
						97402	RPR VEH# 1304	378.58	
						97403	RPR VEH# 2333	629.03	
						97404	INVENTORY ORDER	23.26	
						97405	INVENTORY ORDER	2,580.55	
						97406	INVENTORY ORDER	1,185.97	
						97495	DATE CORRECTION	-2,580.55	
						97496	INVENTORY ORDER	2,580.55	
						97582	INVENTORY ORDER	146.15	
						97583	INVENTORY ORDER	66.77	
						97584	INVENTORY ORDER	10.44	
						97585	INVENTORY ORDER	3,741.98	
						97586	INVENTORY ORDER	161.15	
						97587	RPR VEH# 1303	117.76	
						97588	RPR VEH# 1303	1,890.15	
						97535	ADA CHAIR STRAPS	177.66	
						97579	11/18-11/23 FREIGHT	212.63	
						97417	INVENTORY ORDER	1,090.66	
						97418	VEH# 1303	232.94	
						97385	10/13-11/12 BUS WIFI	912.24	
						97501	KITE HILL SVC/RPR	2,224.00	
						97537	NOV 19 CHEM TESTING	275.00	
						97578	INVENTORY ORDER	1,193.34	
						97523	MRO SERVICES	64.00	
						97524	JOB PLACEMENT AD	1,308.60	
						97542	10/8 INTERVIEW	856.45	
						97500	5/19 LISTED NUMBER	349.50	
						97698	EV CHRGING LINE INST	52,712.21	
						97598	INVENTORY ORDER	383.35	
						97664	INVENTORY ORDER	539.08	
						97627	12/01-12/31 FAC PGR	34.36	
						97607	BATTERIES FOR TVM	41.31	
						97641	NOV 19 CODE= 5100	4,888.08	
						97617	OFFICE SUPPLIES	391.12	
67176	12/09/19	003415	177.66	TRANSFOR CORPORATION					
67177	12/09/19	007	212.63	UNITED PARCEL SERVICE					
67178	12/09/19	002829	1,323.60	VALLEY POWER SYSTEMS, INC.					
67179	12/09/19	434	912.24	VERIZON WIRELESS	0				
67180	12/09/19	001353	2,224.00	VISION COMMUNICATIONS					
67181	12/09/19	003316	275.00	WATER TECH SPECIALTIES INC					
67182	12/09/19	001506	1,193.34	WESTERN STATES OIL CO.					
67183	12/09/19	003290	64.00	WORKFORCEQA LLC					
67184	12/09/19	915	1,308.60	WORKIN.COM, INC.					
67185	12/09/19	T340	856.45	YANG, XUHUI (FOREST)					
67186	12/09/19	003334	349.50	YP HOLDINGS LLC					
67187	12/12/19	009	52,712.21	PACIFIC GAS & ELECTRIC					
67188	12/16/19	003151	922.43	ABC BUS INC					
67189	12/16/19	002861	34.36	AMERICAN MESSAGING SVCS, LLC					
67190	12/16/19	002363	41.31	BATTERIES PLUS #314					
67191	12/16/19	588	4,888.08	CALTIIP					
67192	12/16/19	914	520.04	CALTRONICS BUSINESS SYSTEMS					

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67193	12/16/19	001324	15,750.00	CAPITALEDDGE ADVOCACY, INC.		97618	OFFICE SUPPLIES	128.92	
						97632	OCT 19 LEGISLATE SVC	5,250.00	
						97660	NOV 19 PROF SVC	5,250.00	
						97661	DEC 19 PROF SVC	5,250.00	
						97608	WINTER ROUTE STCKERS	3,049.44	
67194	12/16/19	001159	3,049.44	CATTO'S GRAPHICS, INC.		97654	IT PRINTER	491.54	
67195	12/16/19	002627	491.54	CDW GOVERNMENT, INC.		97654	IT PRINTER	491.54	
67196	12/16/19	003373	100.95	CITY OF SANTA CRUZ FINANCE RRF		97692	NOV 19 DUMP RUNS	100.95	
67197	12/16/19	001124	12,167.65	CLEAN ENERGY		97621	11/8/19 LNG DELIVERY	4,807.20	
						97622	11/12/19 LNG DELIVER	7,360.45	
67198	12/16/19	003116	16,155.75	CUMMINS PACIFIC LLP		97615	BUS# 1004 PISTON UPG	16,326.18	
						97663	CREDIT	-170.43	
67199	12/16/19	003458	142,646.87	DUFOR INCORPORATED		97636	EV CHARGING	137,701.93	
67200	12/16/19	003274	2,329.97	EAST BAY TIRE CO.		97637	VERNON GENERATOR	4,944.94	
						97600	NON REVENUE TIRES	107.77	
						97601	FLAT RPR	30.00	
						97602	REVENUE TIRES	1,048.10	
						97603	FLAT RPR	96.00	
						97604	REVENUE TIRES	1,048.10	
67201	12/16/19	00298	94.00	ERGOMETRICS& APPLIED PERSONNEL		97673	TRANSIT OPT TEST/SCO	94.00	
67202	12/16/19	E947	75.00	ESTRADA, HERIBERTO		97697	EMPLOYEE REIMBURSEMT	75.00	
67203	12/16/19	00432	6,248.16	EXPRESS SERVICES INC.		97639	11/18-11/24 TEMP SVC	1,200.00	
						97640	11/25-12/01 TEMP SVC	960.00	
						97678	11/25-12/01 TEMP SVC	1,816.96	
						97679	11/18-11/24 TEMP SVC	2,271.20	
67204	12/16/19	372	26.17	FEDERAL EXPRESS		97680	OVERNIGHT POSTAGE	26.17	
67205	12/16/19	002952	12,744.47	FLYERS ENERGY LLC		97624	11/1-11/15 PC FUEL	10,993.06	
67206	12/16/19	001302	306.90	GARDA CL WEST, INC.		97648	11/16-11/30 FUEL	1,751.41	
67207	12/16/19	117	1,247.35	GILLIG LLC		97651	NOV 19 SERVICES	306.90	
						97611	INVENTORY ORDER	1,206.27	
						97612	RPR VEH# 4202	20.08	
67208	12/16/19	282	229.73	GRAINGER		97613	RPR VEH# 4202	21.00	
						97599	SPILL KIT/OPS GEN	151.36	
						97628	INVENTORY ORDER	34.23	
						97629	INVENTORY ORDER	44.14	
67209	12/16/19	001097	1,196.38	GREENWASTE RECOVERY, INC.		97681	NOV 19 MT HERM/KINGS	22.59	
						97682	NOV 19 BIG BASIN WY	58.36	
						97683	NOV19 GRN VLLY/CARN	58.36	
						97684	NOV 19 2400 FREEDOM	58.36	
						97685	NOV 19 LOWOND/HWY9	58.36	

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67210	12/16/19	15,474.06 001745		HARTFORD LIFE AND ACCIDENT INS		97686	NOV 19 FREEDOM/BOWKR	58.36	
67211	12/16/19	25.99 166		HOSE SHOP, THE INC		97687	NOV 19 AIRPRT/FREEDM	58.36	
67212	12/16/19	2,109.73 003284		KEISH ENVIRONMENTAL PC CORP		97688	NOV 19 HWY9/BLDR CRK	175.08	
67213	12/16/19	565.27 1117		KELLEY'S SERVICE INC.		97689	NOV19 24 KINGS VLLG	289.66	
67214	12/16/19	23,627.38 003366		KEY GOVERNMENT FINANCE INC		97690	NOV 19 RESEARCH PARK	358.89	
67215	12/16/19	273.67 001233		KIMBALL MIDWEST		97669	DEC 19 LIFE INS	4,600.82	
67216	12/16/19	565.00 003450		LANGUAGE LINE SERVICES INC		97670	DEC 19 LTD	10,873.24	
67217	12/16/19	22,008.26 003017		MANSFIELD OIL CO OF GAINSVILLE		97665	NON INVENTORY ITEMS	116.12	
67218	12/16/19	2,155.21 003273		MGP XI REIT LLC		97666	CREDIT	-90.13	
67219	12/16/19	296.23 041		MISSION UNIFORM		97677	NOV 19 OUTFALL MITIG	2,109.73	
67220	12/16/19	200.00 003061		NEOFUNDS BY NEOPOST DBA		97649	INVENTORY ORDER	165.30	
67221	12/16/19	109.98 002721		NEXTEL COMMUNICATIONS/SPRINT		97650	RPR VEH# PC1116	399.97	
67222	12/16/19	1,836.19 002940		OJO TECHNOLOGY, INC.		97638	DEC 19 LEASE PMNT	23,627.38	
67223	12/16/19	12,184.51 009		PACIFIC GAS & ELECTRIC		97625	CUMMINS CYL HD HOSE	273.67	
67224	12/16/19	1,555.00 002947		PEDX COURIER AND CARGO	7	97643	NOV 19 SERVICES	565.00	
67225	12/16/19	235.00 481		PIED PIPER EXTERMINATORS, INC.		97623	11/13/19 DSL DELIVER	22,008.26	
67226	12/16/19	200.00 187		POLAR RADIATOR SERVICE INC		97635	JAN 20 RENT CAP MALL	2,155.21	
67227	12/16/19	44,297.10 002939		PREFERRED BENEFIT		97646	UNIFORMS	211.73	
67228	12/16/19	367.74 T341		RANU, MANJEET S.		97647	TOWELS	50.00	
67229	12/16/19	639.17 001153		REPUBLIC ELEVATOR COMPANY INC		97657	TOWELS/MATS	34.50	
67230	12/16/19	960.00 003420		RICHARD HOWARD		97644	NOV 19 POSTAGE	200.00	
67231	12/16/19	267.66 215		RICOH USA, INC. TX		97597	10/26-11/25 OPS	109.98	
67232	12/16/19	99.79 135		SANTA CRUZ AUTO PARTS, INC.		97605	RPR WTC CAMERAS	1,836.19	
						97693	10/25-11/22 VERNON	4,519.60	
						97694	10/25-11/22 MMF	5,344.10	
						97695	10/24-11/21 1122 RVR	2,320.81	
						97642	NOV 19 SVC	1,555.00	
						97674	DEC 19 SVC OPS CREEK	105.00	
						97675	DEC 19 SVC RIVER PK	62.50	
						97676	DEC 19 SVC MMF	67.50	
						97609	RPR VEH# 2801	90.00	
						97610	RPR VEH# 2230	110.00	
						97667	DEC 19 DENTAL	35,679.60	
						97668	DEC 19 VISION	8,617.50	
						97655	P&DD INTERVIEW	367.74	
						97656	DEC 19 MAINT ALL	639.17	
						97616	VERNON WINDOW CLEAN	960.00	
						97662	12/03-1/02 LEASE	267.66	
						97630	INVENTORY ORDER	29.75	

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67233	12/16/19	10,020.10 001307		SANTA CRUZ STAFFING, LLC		97631	INVENTORY ORDER	70.04	
						97619	11/18-11/24 TEMP SVC	1,550.00	
						97620	11/11-11/17 TEMP SVC	1,240.00	
						97652	11/25-12/01 TEMP SVC	1,240.00	
						97653	11/25-12/01 TEMP SVC	573.50	
						97659	11/18-11/24 TEMP SVC	5,416.60	
67234	12/16/19	419.85 002459		SCOTTS VALLEY WATER DISTRICT		97691	NOV19 246 KINGS VLLG	419.85	
67235	12/16/19	15,995.61 001075		SOQUEL III ASSOCIATES	7	97634	JAN 20 RENT RESEARCH	15,995.61	
67236	12/16/19	528.34 001040		TERRYBERRY CO., LLC		97645	EMPLOYEE ANNIVERSARY	528.34	
67237	12/16/19	256.76 003285		THE AFTERMARKET PARTS CO LLC		97614	INVENTORY ORDER	135.00	
						97658	FY17 FTA5339 VEH1207	121.76	
67238	12/16/19	237.57 002207		TY CUSTOM DESIGN	0	97606	LINE INSTR. PATCHES	237.57	
67239	12/16/19	7,360.03 057		U.S. BANK		97671	###-###-###-5465	25.00	
						97672	###-###-###-6584	7,335.03	
67240	12/16/19	2,941.29 221		VEHICLE MAINTENANCE PROG INC		97626	INVENTORY ORDER	2,941.29	
67241	12/23/19	43.32 002941		AA SAFE & SECURITY CO		97736	WTC DOGGING KEY	43.32	
67242	12/23/19	7,500.00 382		AIRTEC SERVICE INC.		97808	PREV MAINT RIVER	220.00	
						97809	PREV MAINT KINGS	257.00	
						97810	PREV MAINT RESEARCH	262.00	
						97811	PREV MAINT RODRIGUEZ	416.00	
						97812	PREV MAINT GOLF	973.00	
						97813	PREV MAINT PACIFIC	388.00	
						97843	OPS PREVENTIVE MAINT	3,077.00	
						97844	THERMOSTATS - GOLF	1,043.00	
						97845	PREVENTIVE MAINT VER	864.00	
67243	12/23/19	651.10 E930		ALMANZA, CANDIS		97837	12/3-12/5 NTI PARATR	651.10	
67244	12/23/19	2,723.27 001D		AT&T		97846	11/13-12/12 PT2PTV	1,823.76	
						97847	11/10-12/9 INTERNET	899.51	
67245	12/23/19	504.00 003271		AUTO CARE TOWING		97726	TOWING VEH# 4210	504.00	
67246	12/23/19	1,108.75 002035		BOWMAN & WILLIAMS INC		97853	NOV 19 FIRE EGRESS	1,108.75	
67247	12/23/19	39.20 003393		BRASS KEY LOCKSMITH INC		97814	VEH# 805 TOOL BX LCK	39.20	
67248	12/23/19	2,097.00 616		BROWN ARMSTRONG ACCOUNTANCY		97815	FY 19 AUDIT	2,097.00	
67249	12/23/19	249.71 002034		CARLON'S FIRE EXTINGUISHER		97816	WTC KITCHEN SYST SVC	249.71	
67250	12/23/19	100.00 001228		CITY OF WATSONVILLE		97738	A/V TECH 11/15 MTG	100.00	
67251	12/23/19	62.18 130		CITY OF WATSONVILLE UTILITIES		97748	11/13-12/12 WATER	62.18	
67252	12/23/19	6,477.69 909		CLASSIC GRAPHICS		97849	REISSUE PMNT CK LOST	6,477.69	
67253	12/23/19	56,967.74 001124		CLEAN ENERGY		97709	11/18 LNG	7,444.51	
						97710	11/20 LNG	5,181.89	
						97711	11/06 LNG	5,600.79	

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67254	12/23/19	170.00 003102	CLEVER DEVICES LTD		97712	11/14 LNG	4,739.07		
67255	12/23/19	478.23 075	COAST PAPER & SUPPLY INC.		97713	11/29 LNG	5,145.64		
67256	12/23/19	365.50 367	COMMUNITY TELEVISION OF		97714	11/26 LNG	7,553.23		
67257	12/23/19	86.54 002814	CREATIVE BUS SALES, INC.		97715	11/22 LNG	5,347.13		
67258	12/23/19	745.23 003452	CRIMSON INTERACTIVE INC		97850	12/2/19 LNG	4,725.72		
67259	12/23/19	4,695.96 003116	CUMMINS PACIFIC LLP		97851	12/4/19 LNG	5,726.34		
					97852	12/6/19 LNG	5,503.42		
					97854	RPR ELECTRONIC ITEM	170.00		
					97737	INVENTORY ORDER	478.23		
					97739	11/15 MTG COVERAGE	365.50		
					97772	RPR VEH# PC1702	86.54		
					97702	ENG TO CHINESE TRANS	745.23		
					97706	INVENTORY ORDER	55.15		
					97773	INVENTORY ORDER	4,640.81		
					97855	INVENTORY ORDER	38.02		
					97856	CREDIT	-38.02		
67260	12/23/19	6,477.04 003274	EAST BAY TIRE CO.		97740	REVENUE TIRES	538.76		
					97741	REVENUE TIRES	3,144.31		
					97774	TIRE DISPOSAL	82.50		
					97775	REVENUE TIRES	993.49		
					97776	REVENUE TIRES	510.89		
					97777	REVENUE TIRES	1,048.10		
					97778	SENSOR/DISMOUNT	159.00		
					97839	CREDIT KEY ERROR	-993.49		
					97840	REVENUE TIRES	993.48		
67261	12/23/19	1,135.60 432	EXPRESS SERVICES INC.		97817	12/2-12/8 TEMP SVC	1,135.60		
67262	12/23/19	132.09 001172	FERGUSON ENTERPRISES INC. #795		97819	RPR BUS WASH	132.09		
67263	12/23/19	46,605.34 002295	FIRST ALARM SECURITY & PATROL		97820	NOV 19 ALL LOCATIONS	46,605.34		
67264	12/23/19	232.50 003431	FIRST ALARM		97818	138 GOLF SVC CALL	232.50		
67265	12/23/19	10,887.99 002952	FLYERS ENERGY LLC		97821	11/16-11/30 PC FUEL	8,856.04		
					97857	12/1-12/15 FUEL	2,031.95		
67266	12/23/19	195.26 E1019	FORSHNER, HEATHER		97889	EMPLOYEE REIMBURSEMT	129.78		
67267	12/23/19	157.14 E1039	FRANCIS, RUFUS		97890	EMPLOYEE REIMBURSEMT	65.48		
67268	12/23/19	9,093.26 001302	GARDA CL WEST, INC.		97836	12/2-12/5 APTA CONF	157.14		
					97699	NOV 19 SERVICES	-306.90		
					97700	DEC 19 SERVICES	306.90		
67269	12/23/19	248.33 001189	GARY KENVILLE LOCKSMITH	7	97701	DEC 19 VAULT SERVICE	9,093.26		
67270	12/23/19	254.66 647	GENFARE A DIV OF SPX CORP		97828	DEADBOLT FOR BETTY'S	248.33		
					97708	INVENTORY ORDER	212.19		

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67271	12/23/19	2,620,725.34	GILLIG LLC	97735	INVENTORY ORDER	42.47	
				97742	SEAT COVERS	3,394.40	
				97743	RPR VEH# 4204	59.57	
				97744	RPR VEH# 4204	63.87	
				97779	RPR VEH# 4204	373.98	
				97780	INVENTORY ORDER	284.76	
				97892	BUS # 1902	654,137.19	
				97893	BUS # 1903	654,137.19	
				97894	BUS# 1904	654,137.19	
				97895	BUS # 1905	654,137.19	
67272	12/23/19	744.39	GRAINGER	97719	INVENTORY ORDER	116.90	
				97720	ALCOHOL PADS	34.21	
				97721	COATED GLOVES	179.34	
				97722	INVERTER	260.03	
				97723	SEALANT	109.08	
				97822	RECLOSABLE BAGS	44.83	
67273	12/23/19	202.11	GRANITEROCK COMPANY	97823	POTHOLE FILL	76.80	
				97824	POTHOLE FILL	125.31	
67274	12/23/19	45,994.15	HANSON BRIDGETT LLP	97781	NOV 19 RETAINER	24,000.00	
				97782	M# 032117.005001	2,520.00	
				97783	M# 032117.006001	3,832.40	
				97784	M# 032117.006006	1,000.00	
				97785	M# 032117.006012	3,106.60	
				97786	M# 032117.006013	2,755.00	
				97787	M# 032117.006014	2,028.80	
				97788	M# 032117.006019	320.00	
				97790	M# 032117.008001	6,271.35	
67275	12/23/19	974.06	HOSE SHOP, THE INC	97791	INVENTORY ORDER	160.00	
				97792	CYLINDER HOSE CAMPGN	192.63	
67276	12/23/19	3,023.88	HUNT & SONS, INC.	97793	INVENTORY ORDER	781.43	
				97794	INVENTORY ORDER	1,211.50	
67277	12/23/19	1,340.26	IO, RODNEY H	97745	RPR VEH# 401	1,812.38	
67278	12/23/19	857.80	JOHNSON CONTROLS INC	97825	01/01/20-3/31/20 SVT	1,340.26	
				97826	1/01/20-3/31/20 SMC	243.00	
				97827	1/01/20-3/31/20 WTC	356.62	
67279	12/23/19	9,787.50	KAUFMAN DOLOWICH VOLUCK	97746	CLAIM # QE-0073	258.18	
67280	12/23/19	1,424.00	KELLEY'S SERVICE INC.	97727	INVENTORY ORDER	9,787.50	
				97728	RPR VEH# FC1101	1,049.19	
						2.93	

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67281	12/23/19	455.69 036	KELLY-MOORE PAINT CO., INC.		97729	CREDIT		-61.18	
67282	12/23/19	670.92 E635	KINSLOW, DEBBIE		97730	INVENTORY ORDER		118.64	
67283	12/23/19	850.00 852	LAW OFFICES OF MARIE F. SANG	7	97731	CREDIT		-245.81	
67284	12/23/19	20,146.31 003017	MANSFIELD OIL CO OF GAINSVILLE		97732	CREDIT		-17.48	
67285	12/23/19	5,279.00 E1026	MAYWEATHER, ANSON		97747	RPR VEH# 908		98.59	
67286	12/23/19	1,859.59 001052	MID VALLEY SUPPLY INC.		97748	RPR VEH# 908		37.30	
					97749	INVENTORY ORDER		30.68	
					97750	RPR VEH# 908		83.72	
					97751	RPR VEH# FC1116		191.88	
					97752	RPR VEH# 504		87.62	
					97753	RPR VEH# 4201		15.22	
					97795	INVENTORY ORDER		118.64	
					97796	INVENTORY ORDER		14.06	
					97797	CREDIT		-100.00	
					97829	PAINT FOR BOARDROOM		455.69	
67282	12/23/19	670.92 E635	KINSLOW, DEBBIE		97835	12/4-12/6 CALLIP MTG		670.92	
67283	12/23/19	850.00 852	LAW OFFICES OF MARIE F. SANG	7	97716	CLAIM # 1999103213		850.00	
67284	12/23/19	20,146.31 003017	MANSFIELD OIL CO OF GAINSVILLE		97833	11/26/19 FUEL DEL		20,146.31	
67285	12/23/19	5,279.00 E1026	MAYWEATHER, ANSON		97888	TUITION REIMBURSEMENT		5,279.00	
67286	12/23/19	1,859.59 001052	MID VALLEY SUPPLY INC.		97755	INVENTORY ORDER		332.28	
					97798	INVENTORY ORDER		1,057.29	
					97799	INVENTORY ORDER		470.02	
67287	12/23/19	1,368.75 003361	MILLER MAXFIELD INC		97756	NOV 19 OUTREACH		1,368.75	
67288	12/23/19	828.06 041	MISSION UNIFORM		97724	TOWELS		50.00	
					97725	UNIFORMS		311.52	
					97757	TOWELS/MATS		10.50	
					97800	UNIFORMS/TOWELS		36.25	
					97801	TOWELS/MATS		10.50	
					97802	UNIFORMS		288.54	
					97803	TOWELS		50.00	
					97830	UNIFORMS		36.25	
					97831	TOWELS/MATS		34.50	
67289	12/23/19	316.83 003464	MPRESS DIGITAL INC		97754	PARADE BANNER		316.83	
67290	12/23/19	826.63 004	NORTH BAY FORD LINC-MERCURY		97718	RPR VEH # PC1704		775.50	
67291	12/23/19	90.90 002323	NORTHERN SAFETY CO., INC.		97804	INVENTORY ORDER		51.13	
67292	12/23/19	8,657.13 003287	PACIFIC CREST ENGINEERING INC		97858	INVENTORY ORDER		90.90	
					97832	NOV 19 PROF SVCS		6,640.00	
					97859	NOV 19 EV CHARGING		2,017.13	
67293	12/23/19	10,936.30 009	PACIFIC GAS & ELECTRIC		97834	10/29-11/26 PACIFIC		3,148.13	

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67294	12/23/19	411.40	PALACE ART & OFFICE SUPPLY	97758	OFFICE SUPPLIES	76.92	
				97759	OFFICE SUPPLIES	65.40	
				97805	OFFICE SUPPLIES	92.32	
				97806	OFFICE SUPPLIES	158.77	
				97807	OFFICE SUPPLIES	60.02	
				97863	CREDIT	-54.65	
				97864	OFFICE SUPPLIES	12.62	
67295	12/23/19	254.67	PROBUILD COMPANY LLC	97761	SMC TARPS	220.68	
				97762	MAINT SUPPLIES	6.87	
67296	12/23/19	288,420.00	PROTERRA INC	97763	INVENTORY ORDER	27.12	
67297	12/23/19	25.13	RAYNE OF SANTA CRUZ, INC.	97865	4 PROTERRA CHARGERS	288,420.00	
67298	12/23/19	218.26	RICOH USA, INC CA	97866	SALT- SBF	25.13	
				97733	DEC19 BASE	110.17	
				97764	8/2-10/31 LEASE	108.09	
67299	12/23/19	3,012.00	SAFE-CARD ID SERVICES, INC	97867	ID CARD PRINTER SMT	3,012.00	
67300	12/23/19	1,218.00	SAGE SOFTWARE, INC.	97868	1/4/20-1/3/21 RENEW	1,218.00	
67301	12/23/19	96.01	SANTA CRUZ AUTO PARTS, INC.	97765	INVENTORY ORDER	42.68	
				97869	INVENTORY ORDER	53.33	
67302	12/23/19	600.00	SANTA CRUZ CHAMBER OF COMMERCE	97870	2020 BUSINESS EXPO	600.00	
67303	12/23/19	271.32	SANTA CRUZ MUNICIPAL UTILITIES	97871	11/1-11/30 VERNON	182.43	
				97872	11/1-11/30 RIVER	88.89	
67304	12/23/19	80.00	SANTA CRUZ RECORDS MNGMT INC	97873	7/15 SVC PARACRUZ	40.00	
				97874	11/27 SVC PARACRUZ	40.00	
67305	12/23/19	6,470.03	SANTA CRUZ STAFFING, LLC	97766	10/28-11/3 TEMP SVC	1,249.58	
				97875	11/25-12/01 TEMP SVC	2,689.20	
				97876	11/25-12/01 TEMP SVC	813.75	
				97891	11/18-11/24 TEMP SVC	1,717.50	
67306	12/23/19	2,500.00	SHAW YODER ANTIWIH	97703	DEC 19 LEGISLATIVE	2,500.00	
67307	12/23/19	1,800.00	SUB GLOBALNET, INC.	97877	DEC 19 SVC	1,800.00	
67308	12/23/19	4,579.79	SLINGSHOT CONNECTIONS LLP	97767	8/12-8/18 TEMP SVC	792.35	
				97768	8/19-8/25 TEMP SVC	220.48	
				97769	8/5-8/11 TEMP SVC	862.16	
				97770	8/12-8/18 TEMP SVC	1,352.40	
				97771	8/19-8/25 TEMP SVC	1,352.40	
67309	12/23/19	3,236.29	THE AFTERMARKET PARTS CO LLC	97704	CNG FUEL COVERS CAMP	975.08	
				97705	INVENTORY ORDER	1,647.13	

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67310	12/23/19	348.47 001800		THERMO KING OF SALINAS, INC		97878	RPR VEH# 9830	92.78	
67311	12/23/19	765.23 221		VEHICLE MAINTENANCE PROG INC		97879	INVENTORY ORDER	372.60	
67312	12/23/19	717.14 434		VERIZON WIRELESS	0	97880	INVENTORY ORDER	33.38	
						97881	RPR VEH# 9830	81.94	
						97882	INVENTORY ORDER	33.38	
						97717	RPR VEH# 1003	348.47	
						97884	INVENTORY ORDER	765.23	
						97885	11/18-12/1 MOBILE PC	183.85	
						97886	11/2-12/1 PT2PT FAC	224.33	
						97887	11/2-12/1 PC	308.96	
						97734	INVENTORY ORDER	6,546.91	
67313	12/23/19	6,546.91 001506		WESTERN STATES OIL CO.		97838	12/5-12/6 FTA PROCUR	221.46	
67314	12/23/19	221.46 E674		WILLIS, GREG		97904	EMPLOYEE REIMBURSE	155.73	
67315	12/23/19	155.73 E1035		ACKEMANN, JAYME		97900	10/24-11/23 BUS WIFI	997.62	
67316	12/23/19	997.62 003105		AT&T MOBILITY		97897	JAN 20 RIVER PARKING	1,100.00	
67317	12/23/19	1,100.00 002109		CITY OF SANTA CRUZ/PARKING		97905	STA ALLOCATION TRNG	452.53	
67318	12/23/19	452.53 E1020		MENGISTU, WONDIMU		97903	11/8-12/9 PARACRUZ	916.33	
67319	12/23/19	916.33 009		PACIFIC GAS & ELECTRIC		97896	REPLENISHMENT	177.93	
67320	12/23/19	177.93 570		SCMTD PETTY CASH - CUST SVC		97898	12/2-12/8 TEMP SVC	1,352.40	
67321	12/23/19	2,150.40 003292		SLINGSHOT CONNECTIONS LLP		97899	12/2-12/8 TEMP SVC	798.00	
67322	12/23/19	1,074.30 434		VERIZON WIRELESS	0	97901	11/18-12/1 WIFI SMT	162.06	
67323	12/27/19	27,658.78 003292		SLINGSHOT CONNECTIONS LLP		97902	11/13-12/12 BUS WIFI	912.24	
						97909	7/22-7/28 TEMP SVC	875.03	
						97910	7/29-8/4 TEMP SVC	330.72	
						97911	8/19-8/25 TEMP SVC	1,102.40	
						97912	8/26-9/1 TEMP SVC	1,102.40	
						97913	9/2-9/8 TEMP SVC	923.26	
						97914	9/9-9/15 TEMP SVC	1,474.46	
						97915	9/16-9/22 TEMP SVC	1,109.29	
						97916	9/23-9/29 TEMP SVC	1,102.40	
						97917	9/30-10/6 TEMP SVC	1,464.13	
						97918	10/7-10/13 TEMP SVC	1,102.40	
						97919	10/14-10/20 TEMP SVC	1,102.40	
						97920	10/21-10/27 TEMP SVC	881.92	
						97921	10/28-11/3 TEMP SVC	1,095.51	
						97922	11/4-11/10 TEMP SVC	1,102.40	
						97923	8/26-9/01 TEMP SVC	1,352.40	
						97924	9/2-9/8 TEMP SVC	1,022.75	
						97925	9/9-9/15 TEMP SVC	1,352.40	

DATE: 12/01/19 THRU 12/31/19

CHECK NUMBER	CHECK DATE	CHECK VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
					97926	9/16-9/22 TEMP SVC	1,318.59	
					97927	9/23-9/29 TEMP SVC	1,352.40	
					97928	9/30-10/6 TEMP SVC	1,352.40	
					97929	10/7-10/13 TEMP SVC	1,352.40	
					97930	10/14-10/20 TEMP SVC	1,352.40	
					97931	10/21-10/27 TEMP SVC	1,352.40	
					97933	11/4-11/10 TEMP SVC	1,081.92	
TOTAL		4,115,507.57	ACCOUNTS PAYABLE		TOTAL CHECKS	229	4,115,507.57	



DATE: January 24, 2020
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: **ACCEPT AND FILE MINUTES OF THE NOVEMBER 13, 2019 CAPITAL PROJECTS STANDING COMMITTEE MEETING, NOVEMBER 15, 2019 BOARD OF DIRECTORS MEETING, NOVEMBER 20, 2019 METRO ADVISORY COMMITTEE (MAC) MEETING AND THE JANUARY 10, 2020 FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING**

I. RECOMMENDED ACTION

That the Board of Directors Accept and File the Minutes of the November 13, 2019 Capital Projects Standing Committee Meeting, the November 15, 2019 Board of Directors Meeting, the November 20, 2019 MAC Meeting and the January 10, 2020 Finance, Budget and Audit Standing Committee Meeting

II. SUMMARY

- Staff is providing minutes from the Santa Cruz Metropolitan Transit District (METRO) November 13, 2019 Capital Projects Standing Committee, the November 15, 2019 Board of Directors Meeting, the November 20, 2019 MAC Meeting and the January 10, 2020 Finance, Budget and Audit Standing Committee Meeting.
- 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. STRATEGIC PLAN PRIORITIES ALIGNMENT

The actions taken in this report tie to METRO's Stewardship and Accountability responsibility.

V. FINANCIAL CONSIDERATIONS/IMPACT

None.

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

None.

VIII. ATTACHMENTS

Attachment A: Draft minutes for the Capital Projects Standing Committee Meeting of November 13, 2019

Attachment B: Draft minutes for the Board of Directors Meeting of November 15, 2019

Attachment C: Draft minutes for the METRO Advisory Committee (MAC) Meeting of November 20, 2019

Attachment D: Draft minutes for the Finance, Budget and Audit Standing Committee Meeting of January 10, 2020

Prepared by: Donna Bauer, Administrative Specialist
Gina Pye, Executive Assistant

IX. APPROVALS

Alex Clifford, CEO/General Manager



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Attachment A



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) CAPITAL PROJECTS STANDING COMMITTEE MEETING MINUTES NOVEMBER 13, 2019 – 3:00PM METRO ADMIN OFFICES 110 VERNON STREET SANTA CRUZ, CA 95060

A regular meeting of the Capital Projects Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Wednesday, November 13, 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 3:04 PM by Board Chair Bottorff.
- 2 **ROLL CALL:** The following Directors were **present**, representing a quorum:

Board Chair Ed Bottorff
Director Cynthia Mathews
Director Bruce McPherson

City of Capitola
City of Santa Cruz
County of Santa Cruz

Alex Clifford
Julie Sherman

METRO CEO/General Manager
METRO General Counsel (via phone)

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

Eddie Benson, SCMTD
Cheryl Wical, SCMTD

Debbie Kinslow, SCMTD

- 3 **ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**
None
- 4 **ORAL AND WRITTEN COMMUNICATIONS TO THE CAPITAL PROJECTS STANDING COMMITTEE**
None
- 5 **APPROVAL OF NEW CAPITAL PROJECTS AND UPDATED 10-YEAR UNFUNDED CAPITAL NEEDS LIST**
Barrow Emerson, Planning and Development Director, spoke to the staff report, stressing the big three capital projects: Pacific Station, Bus Replacement and a new ParaCruz facility.

Attachment A

ParaCruz facility options were discussed briefly among the members and staff.

Chair Bottorff expressed concerns about capital projects and the timing of the funding source(s).

CEO Clifford clarified that the “miscellaneous” category is used primarily for unforeseen expenses, overruns on estimates, etc.

There was no public comment.

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

MOTION: DIRECTOR MATHEWS

SECOND: DIRECTOR McPHERSON

MOTION PASSED with 2 aye votes by Directors Mathews and McPherson. Chair Bottorff dissented on one item in Table 3 (Bus Replacement Local Match Fund of \$2,000,000); he preferred the amount go to Contingency (less the \$450,000 for the Proterra buses).

6 ORAL PACIFIC STATION UPDATE

Barrow Emerson, Planning and Development Director, provided a brief update on the status of the Pacific Station and the draft MOU that will drive the partnership.

7 ADJOURNMENT

Board Chair Bottorff adjourned the meeting at 3:57PM.

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.

Attachment B



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

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, November 15, 2019 at the Watsonville City Chamber, 275 Main Street, Watsonville, 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 9:05 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	
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 Donna Meyers	City of Santa Cruz	
Director Bruce McPherson	County of Santa Cruz	Arrived 9:12A
Director Larry Pageler	County of Santa Cruz	
Director Dan Rothwell	County of Santa Cruz	
Director Mike Rotkin	County of Santa Cruz	
Ex-Officio Dir. Alta Northcutt	Cabrillo College	Arrived 9:06A
Ex-Officio Dir. Stephen Preston	UCSC	Arrived 9:18A

Director Leopold was absent.

STAFF PRESENT:

Alex Clifford
Julie Sherman

METRO CEO/General Manager
METRO General Counsel

Attachment B

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

None

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. Today's City of Watsonville technician is Remi Rodriguez.

4 BOARD OF DIRECTORS COMMENTS

Hearing none, Chair Bottorff moved to the next agenda item

5 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

Monica McGuirre, a resident of Corralitos, voiced her concerns about Wi-Fi on the buses and asked METRO to look at the EMFs, 5G and any ramifications.

Marilyn Garrett also voiced her concerns regarding the the AVL system on the buses. See attached documentation distributed at meeting.

Becky Taylor requested that the Route 3 schedule be revised to run every hour, rather than every three hours. She also requested that Wi-Fi be expanded to all the buses.

Director McPherson arrived 9:12A

6 WRITTEN COMMUNICATIONS FROM MAC

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

7 LABOR ORGANIZATION COMMUNICATIONS

Hearing none, Chair Bottorff moved to the next item.

8 ADDITIONAL DOCUMENTATION

Agenda Item 9-14, Consideration of Approving the Authorization and Funding of a Purchasing Manager Position, staff report and attachments

Agenda Item 9-15, Consideration of Approving the Authorization and Funding of a Project Manager Position, staff report and attachments

Agenda Item 12B.1, METRO's Preliminary Outlook for Zero Emission Bus Purchases

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

CONSENT AGENDA

9-01 RECOMMENDED ACTION ON TORT CLAIMS

9-02 ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF OCTOBER 2019

9-03 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

9-02B.2

Attachment B

Board of Directors Meeting Minutes
November 15, 2019
Page 3 of 8

- 9-04 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF GRANT APPLICATIONS AND ACTIVE GRANTS FOR THE FIRST QUARTER OF FY20
- 9-05 ACCEPT AND FILE: METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST & SEPTEMBER 2019
- 9-06 ACCEPT AND FILE: METRO SYSTEM RIDERSHIP REPORTS FOR THE FIRST QUARTER OF FY20
- 9-07 ACCEPT AND FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF SEPTEMBER 30, 2019
- 9-08 APPROVE: CONSIDERATION OF AWARDING A CONTRACT FOR PURCHASE OF A BUS YARD SWEEPER SCRUBBER, ACCESSORIES AND TRAILER FOR METRO FACILITIES
- 9-09 APPROVAL OF NEW CAPITAL PROJECTS AND UPDATED 10-YEAR UNFUNDED CAPITAL NEEDS LIST
- 9-10 APPROVE: CONSIDERATION OF ISSUING A FORMAL REQUEST FOR PROPOSALS FOR MAINTENANCE FACILITIES PROJECT, PHASE I: ENGINEERING ANALYSIS
- 9-11 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT WITH GIRL, INC. FOR HASTUS SOFTWARE MAINTENANCE AND SUPPORT
- 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
- 9-13 APPROVE: CONSIDERATION OF CHANGE IN DEPENDENT REQUIREMENTS FOR DENTAL AND VISION INSURANCE POLICIES
- 9-14 APPROVE: CONSIDERATION OF APPROVING THE AUTHORIZATION AND FUNDING OF A PURCHASING MANAGER POSITION – **PULLED FROM CONSENT BY CHAIR BOTTORFF TO BE COMBINED WITH 9-15 AND BECOME AGENDA ITEM 20A**
- 9-15 APPROVE: CONSIDERATION OF APPROVING THE AUTHORIZATION AND FUNDING OF A PROJECT MANAGER POSITION - PULLED FROM CONSENT BY CHAIR BOTTORFF TO BE COMBINED WITH 9-14 AND BECOME AGENDA ITEM 20A**

Ex-Officio Director Preston arrived 9:18AM

In response to several Directors' inquiries, Mr. Daniel Zaragoza, ParaCruz Operations Manager, will provide additional information by location in his next report.

Discussion among the Board and staff regarding the differences between ParaCruz and LiftLine ensued. The Board directed the CEO to elaborate on ParaCruz future plans, etc. at an upcoming meeting.

There was no public comment.

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED WITH THE PULLING OF CONSENT ITEMS 9-14 & 9-15 TO BECOME AGENDA ITEMS 21A AND 21B, RESPECTIVELY.

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR McPHERSON

9-02B.3

Attachment B

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

REGULAR AGENDA

- 10 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR**
20 YEARS: Martin Gilbert, Marc Krovetz, Uriel Mendoza & Mark Saunders
35 YEARS: Gilberto Limas and Mario Espinoza
Vice Chair Rotkin read brief bios of the employees and congratulated them, while Chair Bottorff presented plaques to those present.
Uriel Mendoza accepted his plaque and provided Chair Bottorff with a letter from a satisfied customer. He invited the board members to ride the bus.
Mark Saunders accepted his plaque and thanked the assembly.
- 11 RESOLUTION OF APPRECIATION, RETIREE: KAREN BLIGHT**
Chair Bottorff read the resolution and thanked Ms. Blight for her service in absentia.

ACTION: MOTION TO ACCEPT THE RESOLUTION AS PRESENTED.

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR COFFMAN-GOMEZ

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

12 ORAL CEO UPDATE

CEO Clifford announced the December 2019 board meeting will be cancelled due to a lack of pressing agenda items. There were no objections from the board members.

New Hires:

- Jerry Ayala-Magana, Vehicle Service Worker I

Promotions:

- Juan Gastelum, Custodial Service Worker II, promoted from Custodial Service Worker I
- Maria Padilla, Sr. Customer Service Representation, promoted from Customer Service Rep.
- Michael Thorn, Lead Mechanic, promoted from Mechanic II
- Jose Valtierra, Transit Supervisor, promoted from Bus Operator

CEO Clifford provided commentary to the (attached) projected Preliminary Outlook for ZEB Bus Purchases slide and shared photos of the hydrogen-fueled MCI Coach that was presented at the CTA Annual Fall Conference this week. In response to Vice Chair Rotkin's question, CEO Clifford expanded on the anticipated infrastructure needs associated with the hydrogen-fueled buses. CEO Clifford will provide additional information about the hydrogen fueled buses to the board members separately.

Director McPherson applauded METRO's approach to our fleet options.

CEO Clifford has been elected to the CalACT Board of Directors by his industry peers, reelected to the CTA Executive Committee and appointed as a new member of the APTA Financial Committee.

He provided a brief update on various federal and state funding programs. The Board requested staff pen a letter to Congressman Panetta for his introduction of a bill supporting the purchase of electric buses.

Attachment B

Public comment:

Marilyn Garrett expressed her concerns regarding the new technology.

Monica McGuirre echoed Ms. Garrett's concerns. She also expressed her concerns about CNG being delivered from Michigan via diesel fuel vehicles.

13 CONSIDERATION OF AUTHORIZING THE TEMPORARY APPOINTMENT OF BARROW EMERSON AS "SPECIAL PLANNING AND DEVELOPMENT DIRECTOR"

CEO Clifford noted that today is Mr. Emerson's last day with METRO and highlighted his various achievements during his tenure. General Counsel Sherman explained the legal requirements necessary for Mr. Emerson to work with METRO as a Temporary Special Planning and Development Director.

Several Directors complimented Mr. Emerson for his presentations, achievements with METRO, and positive and calming public outreach, emphasizing the value he added and the future vision he provided. The positive public feedback during the trying times was greatly appreciated by all.

Public comment:

Jessica Owens thanked Barrow for his presentations at various other agencies.

Director Meyers departed at 10:28AM

ACTION: MOTION TO ACCEPT THE RESOLUTION AS PRESENTED.

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR GONZALEZ

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

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

There was no public comment.

ACTION: MOTION TO ACCEPT THE RESOLUTION AND EXHIBIT A TO ESTABLISH THE BOARD OF DIRECTORS MEETING SCHEDULE AND LOCATIONS FOR THE 2020 CALENDAR YEAR; FURTHER REQUESTING THE BOARD MEMBERS TO HOLD THE SECOND FRIDAY FOR POTENTIAL COMMITTEE MEETINGS.

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR COFFMAN-GOMEZ

MOTION PASSED WITH 9 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Directors Leopold and Meyers were absent.

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

Chair Bottorff approved the request to combine Agenda Items 15 and 16 as one.

16 APPROVE AMENDMENTS TO TITLE II OF THE ADMINISTRATIVE CODE: PROCUREMENT POLICY

Julie Sherman, General Counsel, spoke to the agenda items, highlighting the changes in both, resulting from Assembly Bill 1089, which made changes to METRO's enabling legislation.

Attachment B

In response to a suggestion to include only redline versions in the printed board packets, METRO staff will check with the individual Directors regarding their preference for the inclusion of clean and redline versions going forward.

Public comment:

Joan Jeffries thanked General Counsel Sherman for the procurement policy changes. She also suggested METRO wait to update the purchasing titles, pending the outcome of today's discussion. General Counsel Sherman agreed those changes should be held off for now and not included in today's recommended action.

ACTION: MOTION TO APPROVE THE REVISIONS TO THE BYLAWS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S BOARD OF DIRECTORS AS PRESENTED AND THE PRESENTED AMENDMENTS AND CORRECTED PURCHASING TITLES TO TITLE II OF THE ADMINISTRATIVE CODE: PROCUREMENT POLICY

MOTION: DIRECTOR MATHEWS

SECOND: DIRECTOR McPHERSON

MOTION PASSED WITH 9 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Directors Leopold and Meyers were absent.

17 APPROVE THE CHANGES TO RESERVE FUND POLICY

Angela Aitken, CFO, provided commentary to the presentation and requested the Board approve the change in reserves from two to three months.

There was no public comment.

ACTION: MOTION TO APPROVE THE CHANGES TO THE RESERVE FUND POLICY AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR COFFMAN-GOMEZ

MOTION PASSED WITH 9 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Directors Leopold and Meyers were absent.

18 APPROVE: CONSIDERATION OF ACCEPTING THE FINANCE, BUDGET AND AUDIT STANDING COMMITTEE'S RECOMMENDATIONS REGARDING PENSION (UAL) AND RETIREE MEDICAL LIABILITIES (OPEB) AS PRESENTED

CFO Aitken spoke to the presentation and staff report and asked for approval to authorize the hiring of an actuarial (at an anticipated cost of approximately \$50,000) to analyze and develop a plan to begin paying down the retiree medical and pension liability and to establish an irrevocable trust to do so.

Director Coffman-Gomez thanked CFO Aitken for the information and looks forward to actuarial recommendations.

There was no public comment.

ACTION: MOTION TO ACCEPT THE FINANCE, BUDGET AND AUDIT STANDING COMMITTEE'S RECOMMENDATIONS REGARDING PENSION (UAL) AND RETIREE MEDICAL LIABILITIES (OPEB) AS PRESENTED

MOTION: DIRECTOR MATHEWS

SECOND: DIRECTOR COFFMAN-GOMEZ

Attachment B

MOTION PASSED WITH 9 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Directors Leopold and Meyers were absent.

19 CITY OF SANTA CRUZ DOWNTOWN BUS PASS ORAL PRESENTATION

Barrow Emerson, Planning and Development Director, introduced Claire Fliesler of the City of Santa Cruz who distributed a small brochure to the assembly (attached) and spoke about the conditions that led to the program and the program itself. The program has been extended to full and part time employees with a goal to reduce solo driving to less than 50%. A countywide expansion will be launching this spring. The City is currently looking for a park and ride location in Watsonville/Airport Boulevard area.

Director McPherson applauded the Parking District and City for implementing this program. He and Chair Bottorff suggested METRO write a letter commending their actions.

Director Coffman-Gomez suggested METRO promote this program on the buses. Ms. Fliesler will follow up with METRO and work with her marketing team to promote.

Director Meyers added that 18% of the targeted 4,000 downtown employees have joined the program.

Ex-Officio Director Northcutt inquired as to the emergency ride home program. Ms. Fliesler explained the program intention; i.e., to be used as a safety net under certain conditions, not typically used for quick rides around town.

Ms. Fliesler will provide Mr. Emerson with additional statistics to forward to the board members.

Public comment:

Monica McGuirre requested bike lanes be added to the program.

Jessica Evans, City of Santa Cruz resident, appreciates the program and looks forward to the countywide launch.

20 ORAL PACIFIC STATION UPDATE

Barrow Emerson, Planning and Development Director, provided a brief update on the status of Pacific Station.

Vice Chair Rotkin inquired as to the redevelopment funds, which may or may not be available to the City of Santa Cruz. Director Mathews said they remain hopeful, as this has not yet been finalized.

There was no public comment.

21A CONSIDERATION OF APPROVING THE AUTHORIZATION AND FUNDING OF A PURCHASING MANAGER POSITION – PULLED FROM CONSENT BY CHAIR BOTTORFF TO BE COMBINED WITH 9-15 AND BECOME AGENDA ITEM 21A

21B CONSIDERATION OF APPROVING THE AUTHORIZATION AND FUNDING OF A PROJECT MANAGER POSITION - PULLED FROM CONSENT BY CHAIR BOTTORFF TO BE COMBINED WITH 9-14 AND BECOME AGENDA ITEM 21B

CFO Aitken provided further clarification of the two agenda items (attached) at the request of the Board.

Director Gonzalez departed 11:12AM

Attachment B

Board of Directors Meeting Minutes
November 15, 2019
Page 8 of 8

Director Mathews thanked CFO Aitken for her clarification and asked if she anticipated any future needs for an external project manager for a specific project. CFO Aitken and CEO Clifford provided examples of present and future uses of external project managers.

ACTION: MOTION TO APPROVE THE AUTHORIZATION AND FUNDING OF THE PURCHASING MANAGER AND PROJECT MANAGER POSITIONS AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR MATHEWS

MOTION PASSED WITH 8 AYES (Directors Bottorff, Coffman-Gomez, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Directors Gonzalez, Leopold and Meyers were absent.

21 RESOLUTION CELEBRATING PARACRUZ' 15TH ANNIVERSARY

Daniel Zaragoza, Operations Manager, ParaCruz Division, thanked the Board for the resolution and said November 1, 2004 was ParaCruz's first day of service for METRO. This service provides the community with transportation to any venue, not just medical-related appointments. They strive to provide the best service to the community so people can continue to live independent lives.

There was no public comment,

ACTION: MOTION TO APPROVE THE RESOLUTION CELEBRATING PARACRUZ' 15TH ANNIVERSARY AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR McPHERSON

MOTION PASSED WITH 8 AYES (Directors Bottorff, Coffman-Gomez, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Directors Gonzalez, Leopold and Meyers were absent.

22 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, JANUARY 24, 2020 AT 9:00AM AT METRO'S ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ, CA

Chair Bottorff announced the next meeting as above.

Chair Bottorff adjourned the meeting at 11:20AM

Respectfully submitted,

Gina Pye, Executive Assistant

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

9-02B.8

Attachment B

*Santa Cruz Metropolitan
Transit District*



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.

Attachment B

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

Attachment B

Board of Directors
November 15, 2019
Page 3 of 3

VII. APPROVALS

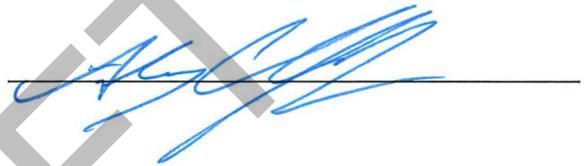
Dawn Crummié, HR Director



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



Alex Clifford, CEO/General Manager



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Attachment B

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Attachment B

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 B

- 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 B

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.



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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

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Attachment B

MANAGEMENT HOURLY RATES SCHEDULE

	<u>Step 1.L</u>	<u>Step 1.LL</u>	<u>Step 2.L</u>	<u>Step 2.LL</u>	<u>Step 3.L</u>	<u>Step 3.LL</u>	<u>Step 4.L</u>	<u>Step 4.LL</u>	<u>Step 5.L</u>	<u>Step 5.LL</u>	<u>Step 6.L</u>	<u>Step 6.LL</u>
Effective 06/14/18 (FY19)												
CEO/General Manager	104.81	110.05	115.29	115.55	121.05	121.33	127.11	127.39	133.46	133.76	140.13	147.13
Chief Operations Officer	68.61	72.04	75.47	72.04	75.64	79.24	83.20	83.39	87.36	87.56	91.73	96.32
Maintenance Manager	53.62	56.30	58.98	56.30	59.12	61.94	65.03	65.17	68.27	68.43	71.89	75.27
Chief Financial Officer (CFO)	68.61	72.04	75.47	72.04	75.64	79.24	83.20	83.39	87.36	87.56	91.73	96.32
Planning and Development Director	58.49	61.41	64.33	61.41	64.48	67.55	70.92	71.09	74.48	74.64	78.19	82.10
Human Resources Director	64.35	67.57	70.79	67.57	70.95	74.33	78.05	78.23	81.96	82.14	86.05	90.36
Information Technology and Intelligent Transportation Systems Director	64.35	67.57	70.79	67.57	70.95	74.33	78.05	78.23	81.96	82.14	86.05	90.36
Marketing, Communications and Customer Service Director	47.06	49.41	51.76	49.41	51.88	54.35	57.06	57.19	59.91	60.05	62.91	66.05
Purchasing and Special Projects Director	47.06	49.41	51.76	49.41	51.88	54.35	57.06	57.19	59.91	60.05	62.91	66.05
Senior Database Administrator	51.29	53.85	56.41	53.85	56.54	59.23	62.20	62.34	65.31	65.46	68.58	72.00
Finance Deputy Director	51.45	54.02	56.59	54.02	56.72	59.42	62.40	62.54	65.52	65.67	68.80	72.23
Human Resources Deputy Director	48.28	50.69	53.10	50.69	53.22	55.88	58.54	58.67	61.46	61.60	64.53	67.76
Operations Manager - Fixed Route Division	42.16	44.27	46.38	44.27	46.48	48.69	51.12	51.24	53.68	53.80	56.36	59.18
Operations Manager - Paratransit Division	42.16	44.27	46.38	44.27	46.48	48.69	51.12	51.24	53.68	53.80	56.36	59.18
Assistant Maintenance Manager	40.22	42.23	44.24	42.23	44.34	46.45	48.78	48.89	51.22	51.33	53.77	56.47
Facilities Maintenance Manager	45.58	47.86	50.14	47.86	50.25	52.64	55.27	55.40	58.04	58.17	60.94	63.99
Database Administrator	44.60	46.83	49.06	46.83	49.17	51.51	54.09	54.21	56.79	56.92	59.63	62.62
Safety, Security and Risk Management Director	50.50	53.03	55.56	53.03	55.68	58.33	61.24	61.38	64.30	64.45	67.52	70.89
Assistant Operations Manager	31.62	33.20	34.78	33.20	34.86	36.52	38.34	38.43	40.26	40.35	42.27	44.39
Project Manager	31.62	33.20	34.78	33.20	34.86	36.52	38.34	38.43	40.26	40.35	42.27	44.39
Purchasing Manager	40.22	42.23	44.24	42.23	44.34	46.45	48.78	48.89	51.22	51.33	53.77	56.47
Executive Assistant	30.77	32.31	33.85	32.31	33.93	35.55	37.33	37.40	39.18	39.28	41.15	43.21

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 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	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	167,331	165,194	173,056	173,451	181,709	173,451	182,125	190,798	182,125	191,235	200,346
Maintenance Manager	111,530	117,104	122,678	122,949	128,835	122,949	129,106	135,262	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	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	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	154,960	162,344	154,960	162,344	162,718	170,477	178,984	170,477	179,400	187,949
Information Technology and Intelligent Transportation Systems Director	133,848	140,546	147,243	140,546	147,576	147,576	154,960	162,344	154,960	162,718	162,718	170,477	178,984	170,477	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	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	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	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	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	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	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	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	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	109,741	114,962	109,741	115,232	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	112,507	112,757	118,123	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	127,379	127,670	133,744	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	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	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	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	77,792	81,702	85,592	81,723	85,800	89,877

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MANAGEMENT MONTHLY SALARY SCHEDULE

	<u>Step 1</u>	<u>Step 1 LL</u>	<u>Step 2</u>	<u>Step 2 LL</u>	<u>Step 3</u>	<u>Step 3 L</u>	<u>Step 3 LL</u>	<u>Step 4</u>	<u>Step 4 LL</u>	<u>Step 5</u>	<u>Step 5 L</u>	<u>Step 5 LL</u>	<u>Step 6</u>	<u>Step 6 L</u>	<u>Step 6 LL</u>
Effective 06/14/18 (FY19)															
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	15,142	15,177	15,900	15,177	15,936	16,696
Maintenance Manager	9,294	9,759	10,223	9,759	10,248	10,736	11,272	10,759	11,296	11,834	11,861	12,426	11,861	12,454	13,047
Chief Financial Officer (CFO)	11,892	12,487	13,082	12,487	13,111	13,735	14,421	13,766	14,454	15,142	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	12,910	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	14,206	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	14,206	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	10,384	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	10,384	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	11,320	11,346	11,887	11,346	11,913	12,480
Finance Deputy Director	8,918	9,364	9,809	9,364	9,832	10,300	10,816	10,324	10,840	11,357	11,383	11,925	11,383	11,951	12,520
Human Resources Deputy Director	8,369	8,786	9,204	8,786	9,225	9,663	10,147	9,686	10,170	10,653	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	9,305	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	9,305	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	8,878	8,897	9,320	8,897	9,343	9,788
Facilities Maintenance Manager	7,901	8,296	8,691	8,296	8,710	9,124	9,580	9,145	9,603	10,060	10,083	10,563	10,083	10,587	11,092
Database Administrator	7,731	8,117	8,504	8,117	8,523	8,928	9,376	8,949	9,396	9,844	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	10,111	10,615	10,133	10,639	11,145	11,171	11,704	11,171	11,730	12,288
Assistant Operations Manager	5,481	5,755	6,029	5,755	6,042	6,330	6,646	6,344	6,661	6,978	6,994	7,327	6,994	7,344	7,694
Project Manager	5,481	5,755	6,029	5,755	6,042	6,330	6,646	6,344	6,661	6,978	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	8,878	8,897	9,320	8,897	9,343	9,788
Executive Assistant	5,334	5,600	5,867	5,600	5,881	6,162	6,471	6,174	6,483	6,791	6,809	7,133	6,810	7,150	7,490

Attachment B

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Attachment B

*Santa Cruz Metropolitan
Transit District*

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

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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

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- 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

Attachment B

Board of Directors
November 15, 2019
Page 4 of 4

VII. APPROVALS

Dawn Crummié, HR Director

Mark Bell for DC.

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

Angela Aitken

Alex Clifford, CEO/General Manager

Alex Clifford

DRAFT



Attachment B

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 B

- 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 B

- 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 B

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

	<u>Step 1.L</u>	<u>Step 1.LL</u>	<u>Step 2.L</u>	<u>Step 2.LL</u>	<u>Step 3.L</u>	<u>Step 3.LL</u>	<u>Step 4.L</u>	<u>Step 4.LL</u>	<u>Step 5.L</u>	<u>Step 5.LL</u>	<u>Step 6.L</u>	<u>Step 6.LL</u>
Effective 06/14/18 (FY19)												
<u>Title</u>												
CEO/General Manager	104.81	110.05	115.29	115.55	121.05	121.33	127.11	127.39	133.46	133.76	140.13	140.44
Chief Operations Officer	68.61	72.04	75.47	75.64	79.24	79.42	83.20	83.39	87.36	87.56	91.73	91.94
Maintenance Manager	53.62	56.30	58.98	59.12	61.94	62.07	65.03	65.17	68.27	68.43	71.89	71.85
Chief Financial Officer (CFO)	68.61	72.04	75.47	75.64	79.24	79.42	83.20	83.39	87.36	87.56	91.73	91.94
Planning and Development Director	58.49	61.41	64.33	64.48	67.55	67.70	70.92	71.09	74.48	74.64	78.19	78.37
Human Resources Director	64.35	67.57	70.79	70.95	74.33	74.50	78.05	78.23	81.96	82.14	86.05	86.25
Information Technology and Intelligent Transportation Systems Director	64.35	67.57	70.79	70.95	74.33	74.50	78.05	78.23	81.96	82.14	86.05	86.25
Marketing, Communications and Customer Service Director	47.06	49.41	51.76	51.88	54.35	54.47	57.06	57.19	59.91	60.05	62.91	63.05
Purchasing and Special Projects Director	47.06	49.41	51.76	51.88	54.35	54.47	57.06	57.19	59.91	60.05	62.91	63.05
Senior Database Administrator	51.29	53.85	56.41	56.54	59.23	59.37	62.20	62.34	65.31	65.46	68.58	68.73
Finance Deputy Director	51.45	54.02	56.59	56.72	59.42	59.56	62.40	62.54	65.52	65.67	68.80	68.95
Human Resources Deputy Director	48.28	50.69	53.10	53.22	55.75	55.88	58.54	58.67	61.46	61.60	64.53	64.68
Operations Manager - Fixed Route Division	42.16	44.27	46.38	46.48	48.69	48.80	51.12	51.24	53.68	53.80	56.36	56.49
Operations Manager - Paratransit Division	42.16	44.27	46.38	46.48	48.69	48.80	51.12	51.24	53.68	53.80	56.36	56.49
Assistant Maintenance Manager	40.22	42.23	44.24	44.34	46.45	46.56	48.78	48.89	51.22	51.33	53.77	53.90
Facilities Maintenance Manager	45.58	47.86	50.14	50.25	52.64	52.76	55.27	55.40	58.04	58.17	60.94	61.08
Database Administrator	44.60	46.83	49.06	49.17	51.51	51.63	54.09	54.21	56.79	56.92	59.63	59.77
Safety, Security and Risk Management Director	50.50	53.03	55.56	55.68	58.33	58.46	61.24	61.38	64.30	64.45	67.52	67.67
Assistant Operations Manager	31.62	33.20	34.78	34.86	36.52	36.60	38.34	38.43	40.26	40.35	42.27	42.37
Project Manager	31.62	33.20	34.78	34.86	36.52	36.60	38.34	38.43	40.26	40.35	42.27	42.37
Purchasing Manager	40.22	42.23	44.24	44.34	46.45	46.56	48.78	48.89	51.22	51.33	53.77	53.90
Executive Assistant	30.77	32.31	33.85	33.93	35.55	35.63	37.33	37.40	39.18	39.28	41.15	41.25

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 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	278,221	291,470	278,200	292,115	306,030
Chief Operations Officer	142,709	149,843	156,978	157,331	164,819	167,331	165,194	173,056	165,194	173,451	181,709	182,125	190,798	182,125	191,235	200,346
Maintenance Manager	111,530	117,104	122,678	122,949	128,835	122,949	129,106	135,262	129,106	135,554	142,002	142,334	149,115	142,334	149,448	156,562
Chief Financial Officer (CFO)	142,709	149,843	156,978	149,843	157,331	164,819	165,194	173,056	165,194	173,451	181,709	182,125	190,798	182,125	191,235	200,346
Planning and Development Director	121,659	127,733	133,806	127,733	134,118	140,504	140,816	147,514	140,816	147,867	154,918	155,251	162,635	155,251	163,010	170,768
Human Resources Director	133,848	140,546	147,243	140,546	147,576	154,606	154,960	162,344	154,960	162,718	170,477	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	154,606	154,960	162,344	154,960	162,718	170,477	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	113,048	113,298	118,685	113,298	118,955	124,613	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	113,048	113,298	118,685	113,298	118,955	124,613	124,904	130,853	124,904	131,144	137,384
Senior Database Administrator	106,683	112,008	117,333	112,008	117,603	123,198	123,490	129,376	123,490	129,667	135,845	136,157	142,646	136,157	142,958	149,760
Finance Deputy Director	107,016	112,362	117,707	112,362	117,978	123,594	123,885	129,792	123,885	130,083	136,282	136,594	143,104	136,594	143,416	150,238
Human Resources Deputy Director	100,422	105,435	110,448	105,435	110,698	115,960	116,230	121,763	116,230	122,034	127,837	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	101,275	96,678	101,504	96,678	101,504	106,330	106,579	111,654	106,579	111,904	117,499
Operations Manager - Paratransit Division	87,693	92,082	96,470	92,082	96,678	101,275	96,678	101,504	96,678	101,504	106,330	106,579	111,654	106,579	111,904	117,499
Assistant Maintenance Manager	83,658	87,838	92,019	87,838	92,227	96,616	96,616	101,462	96,616	101,691	106,538	106,766	111,842	106,766	112,112	117,458
Facilities Maintenance Manager	94,806	99,549	104,291	99,549	104,520	109,481	109,741	114,962	109,741	115,232	120,723	120,994	126,755	120,994	127,046	133,099
Database Administrator	92,768	97,406	102,045	97,406	102,274	107,141	107,390	112,507	107,390	112,757	118,123	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	121,326	121,597	127,379	121,597	127,670	133,744	134,056	140,442	134,056	140,754	147,451
Assistant Operations Manager	65,770	69,056	72,342	69,056	72,509	75,962	76,128	79,747	76,128	79,934	83,741	83,928	87,922	83,928	88,130	92,331
Project Manager	65,770	69,056	72,342	69,056	72,509	75,962	76,128	79,747	76,128	79,934	83,741	83,928	87,922	83,928	88,130	92,331
Purchasing Manager	83,658	87,838	92,019	87,838	92,227	96,616	96,616	101,462	96,616	101,691	106,538	106,766	111,842	106,766	112,112	117,458
Executive Assistant	64,002	67,205	70,408	67,205	70,574	73,944	74,110	77,646	74,090	77,792	81,494	81,702	85,592	81,723	85,800	89,877

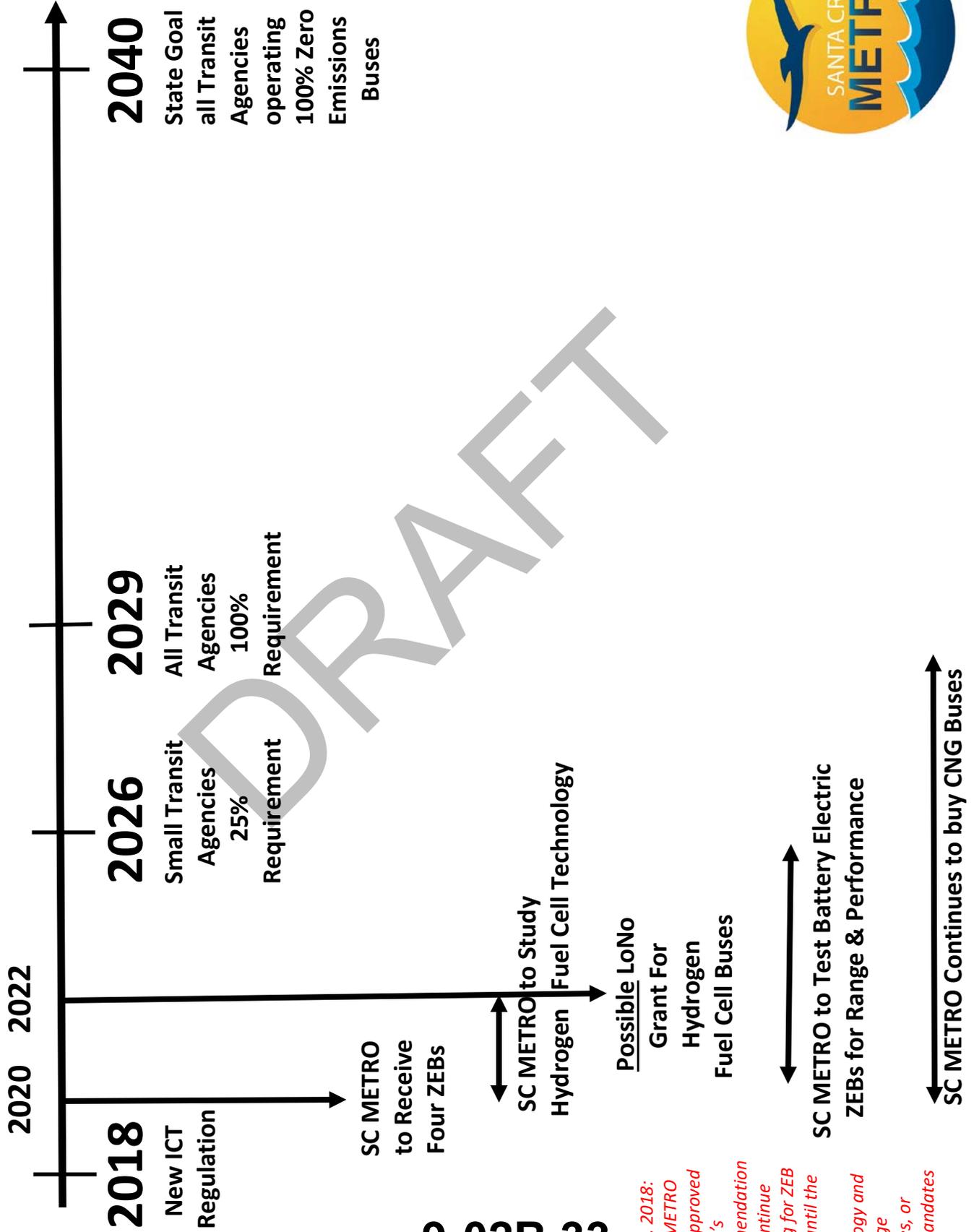
Attachment B

MANAGEMENT MONTHLY SALARY SCHEDULE

	<u>Step 1</u>	<u>Step 1 LL</u>	<u>Step 2</u>	<u>Step 2 LL</u>	<u>Step 3</u>	<u>Step 3 L</u>	<u>Step 3 LL</u>	<u>Step 4</u>	<u>Step 4 LL</u>	<u>Step 5</u>	<u>Step 5 L</u>	<u>Step 5 LL</u>	<u>Step 6</u>	<u>Step 6 L</u>	<u>Step 6 LL</u>
Effective 06/14/18 (FY19)															
CEO/General Manager	18,167	19,075	19,984	20,029	20,982	21,031	22,032	21,029	22,081	22,081	23,133	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	15,142	15,142	15,900	15,177	15,936	16,696
Maintenance Manager	9,294	9,759	10,223	9,759	10,248	10,736	11,272	10,759	11,296	11,834	11,834	12,426	11,861	12,454	13,047
Chief Financial Officer (CFO)	11,892	12,487	13,082	12,487	13,111	13,735	14,421	13,766	14,454	15,142	15,142	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	12,910	12,910	13,553	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	14,206	14,206	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	14,206	14,206	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	10,384	10,384	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	10,384	10,384	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	11,320	11,320	11,887	11,346	11,913	12,480
Finance Deputy Director	8,918	9,364	9,809	9,364	9,832	10,300	10,816	10,324	10,840	11,357	11,357	11,925	11,383	11,951	12,520
Human Resources Deputy Director	8,369	8,786	9,204	8,786	9,225	9,663	10,147	9,686	10,170	10,653	10,653	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	9,305	9,305	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	9,305	9,305	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	8,878	8,878	9,320	8,897	9,343	9,788
Facilities Maintenance Manager	7,901	8,296	8,691	8,296	8,710	9,124	9,580	9,145	9,603	10,060	10,060	10,563	10,083	10,587	11,092
Database Administrator	7,731	8,117	8,504	8,117	8,523	8,928	9,376	8,949	9,396	9,844	9,844	10,336	9,866	10,360	10,854
Safety, Security and Risk Management Director	8,753	9,192	9,630	9,192	9,651	10,111	10,615	10,133	10,639	11,145	11,145	11,704	11,171	11,730	12,288
Assistant Operations Manager	5,481	5,755	6,029	5,755	6,042	6,330	6,646	6,344	6,661	6,978	6,978	7,327	6,994	7,344	7,694
Project Manager	5,481	5,755	6,029	5,755	6,042	6,330	6,646	6,344	6,661	6,978	6,978	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	8,878	8,878	9,320	8,897	9,343	9,788
Executive Assistant	5,334	5,600	5,867	5,600	5,881	6,162	6,471	6,174	6,483	6,791	6,791	7,133	6,810	7,150	7,490

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SC METRO's Preliminary Outlook for Zero Emission Bus Purchases



DRAFT

9-02B.33

*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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CELL TOWER TSUNAMI TO HIT YOUR NEIGHBORHOOD SOON !

VERIZON has proposed to erect over 80 new cell facilities in Santa Cruz County. Local officials have admitted that the telecom industry plans to install more than 40 small cell antennas *per square mile* in our community, in front of our homes, in all of our neighborhoods.

With the collusion of federal, state, and local government, telecom corporations are permitted to violate our health and safety with ever-increasing levels of microwave radiation (EMF). Thousands of existing US cell towers violate federal emission limits, some by as much as 600%. Once installed, these towers are not monitored - the industry may broadcast at any level.

Thousands of peer-reviewed studies by scientists independent of the industry conclusively prove serious long-term health effects from current exposures to wireless technologies, **ESPECIALLY FOR CHILDREN. These include:**

- **Cancer**
- **Neurological Disorders including ADHD and ADD**
- **Heart Disease**
- **Sterility including permanent DNA damage**
- **Diabetes**
- **Tinnitus, Headaches and Insomnia**

New generation technology (4G and 5G) is EXPONENTIALLY MORE HARMFUL as it uses shorter microwaves and differently pulsed frequencies. We are being subjected to a dangerous experiment WITHOUT OUR INFORMED CONSENT!

Please join your neighbors in resisting this cell tower roll-out. It is up to us to protect ourselves, our children, and our environment. As a community we can turn the tide on this dangerous wave of EMF deployment!

Attachment B

Santa Cruz City Council
Members Voice Mail:

NOTICE OF PUBLICATION OF ORDINANCE BY POSTING (ORDINANCE NO. 2019-11)



The City Council of the City of Santa Cruz having authorized the city clerk administrator, that the ordinance hereafter entitled and described, be published by posting copies thereof in three (3) prominent places in the City, to wit:

The City of Santa Cruz Website
www.cityofsantacruz.com
City Hall-809 Center Street
Central Branch Library-224 Church Street

NOTICE IS HEREBY GIVEN that copies of said ordinance were posted according to said order. (Original on file with city clerk.) Said ordinance was introduced on June 25th, 2019, and is entitled and described as follows:

**ORDINANCE NO. 2019-11
AN ORDINANCE OF THE CITY OF SANTA CRUZ ADDING CHAPTER 15.38 TO THE SANTA CRUZ MUNICIPAL CODE REGULATING SMALL CELL WIRELESS FACILITIES (46/56)**

This ordinance adds Chapter 15.38 of the municipal code pertaining to small cell wireless facilities. PASSED FOR PUBLICATION on this 25th day of June, 2019, by the following vote: AYES: Councilmembers Meyers, Brown, Mathews; Vice Mayor Cummings; Mayor Watkins. NOES: Councilmembers Krohn, Glover. ABSENT: None. DISQUALIFIED: None. APPROVED: ss/Mayor Watkins. ATTEST: ss/Bonnie Bush, City Clerk-Administrator. This ordinance is scheduled for further consideration and final adoption at the Council meeting of August 13, 2019.

Chris Krohn 420-5022
Martin Watkins 5024
Donna Meyers 5026
Cynthia Mathews 5027
Sandy Brown 5028
Justin Cummings 5023
Drew Glover 5025

Agenda Item cont.

NOVEMBER 26, 2019

Action Strategies:

- Educating neighbors, schools, and businesses
- Lobbying local government officials

Go to www.mystreetmychoice - Santa Cruz link for a contact list of your local government representatives and express your concern!

Please use these resources to educate yourself and pass them on to friends and family:

www.mystreetmychoice.com - Santa Cruz link

www.mdsafetech.org

www.telecompowergrab.org

www.scientists4wiredtechnology.com

www.ehtrust.org - 5G Fact Sheet

www.americansforresponsibletech.org

RECEIVED AT 11/15/19 METRO BOARD MEETING

www.emfsafetynetwork.org

9-02B.36

Did You Know?

RECEIVED AT 11/15/19 METRO BOARD MEETING



Santa Cruz is a national leader in reducing single-occupant car trips by supporting and promoting other means of travel.



Santa Cruz has the second highest rate of bike commuting in the U.S.



Since 2011, Santa Cruz has won more than \$21.5 million in competitive grants for projects to improve biking and walking, including the Branciforte Creek Bridge, Arana Gulch Multi-Use Path and projects to improve safe routes to schools.



The GO Santa Cruz program rewards you for taking alternative transportation!



If you bike, walk, bus or carpool, we'll give you great prizes just for rethinking your commute and logging your trips!



We'll also create special challenges to encourage you to try something new!



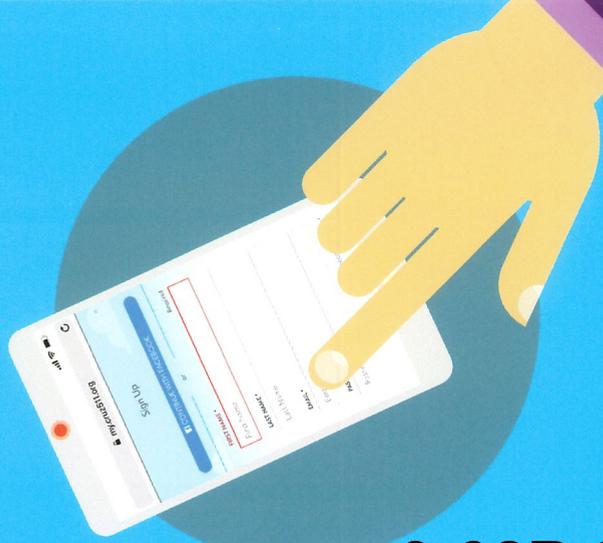
Emergency Ride Home

If you take an alternative mode of transportation to work and have an emergency come up, you are eligible to receive a ride home – no matter where you live.

Available to all downtown employees and accessed via Cruz511.



Attachment B



To get started, you must sign up with our online platform, **Cruz511**, which offers trip logging, carpool matching, transit options, and bike and walk routing.

HERE'S HOW IT WORKS:

TRANSPORTATION OPTIONS FOR DOWNTOWN EMPLOYEES



Before you can receive program benefits, the City will verify that you have signed up for Cruz511 and that your employer is in the downtown parking district.



Work Downtown?



Want to Rethink Your Commute?

The expanded GO Santa Cruz program offers incentives to help downtown employees choose options other than driving to get to work. These include:

- **FREE** transit passes
- **FREE \$20** bike locker cards
- **Discounted JUMP**

WE'RE HERE



9-02B.37

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MINUTES*

MAC MEETING OF NOVEMBER 20, 2019

The METRO Advisory Committee (MAC) met on Wednesday, November 20, 2019, in the METRO Administrative Office located at 110 Vernon Street, in Santa Cruz, CA. *Minutes are “summary” minutes, not verbatim minutes.

1. WELCOME NEW MAC MEMBERS JAMES VON HENDY AND JESSICA DE WIT AND ANNOUNCE THE REAPPOINTMENT OF JOSEPH MARTINEZ

Chair Elsea welcomed the new members upon their arrival.

2. CALL TO ORDER

Meeting called to order at 6:06 PM.

ROLL CALL - The following MAC Members were present, representing a quorum:

Veronica Elsea, Chair	Michael Pisano
Joseph Martinez, Vice Chair	Becky Taylor
Jessica de Wit (Arrived 6:39 PM)	James Von Hendy
Jason Lopez	

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) THROUGH A SIGN-IN SHEET OR VERBAL INTRODUCTION WERE:

Nate Abrego, METRO	Leo Peña, METRO
Jayne Ackemann, METRO	Pete Rasmussen, METRO
Isaac Holly, METRO	Virginia Vaquero, METRO

3. COMMUNICATIONS TO THE METRO ADVISORY COMMITTEE

Mr. Pisano broached the topic of employing temporary bus stops on the UCSC Campus. Chair Elsea recommended this item be added to the next meeting agenda to allow the Planning Department an opportunity to review the matter.

Chair Elsea requested METRO check if the “No Smoking” sign is still at the bus stop at Diridon Station. She relayed a recent incident where the signage was either gone or was not being adhered to. Jayme Ackemann, Acting Planning and Development Director, said METRO would check it out and if there is none, METRO will request it through the proper channels at Caltrains.

Chair Elsea also reported an unusual announcement on the new buses. When arriving at the METRO Center, the announcement is “2702 METRO Center”. She asked what is “2702?” Isaac Holly, IT and ITS Director, said it sounds like the Stop ID is being called out and that should not be happening. He will look into the matter.

Mr. Lopez noticed the signpost for the Hwy. 17 bus stop at Diridon Station does not have METRO’s schedule on it anymore. Director Ackemann said METRO would look into it.

4. RECEIVE AND FILE MINUTES FROM THE METRO ADVISORY COMMITTEE MEETING OF AUGUST 21, 2019

MOTION: ACCEPT AND FILE THE REVISED MINUTES FROM THE METRO ADVISORY COMMITTEE MEETING OF AUGUST 21, 2019

Page 4 of the August 21, 2019 Minutes were revised to add in “for Kaiser Hospital” for clarification in reference to Route 71 (attached).

MOTION: PISANO

SECOND: LOPEZ

MOTION PASSED WITH 6 AYES (Elsea, Martinez, Lopez, Pisano, Taylor and Von Hendy)

Attachment C

Minutes – METRO Advisory Committee

November 20, 2019

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5. COMMUNICATIONS FROM METRO ADVISORY COMMITTEE

Chair Elsea expressed concern that the Board of Directors cancelled their December Meeting. According to MAC bylaws, the Chair is to give an oral update of MAC activities in June and December to the Board of Directors. Since the MAC November meeting fell after the Board of Directors' meeting in November, she will give an update at the January 24, 2020 Board of Directors' meeting; thus providing a smoother transition for the new MAC Chair elected for the 2020 term. All MAC members were in agreement with this decision.

6. UPDATE ON INFORMATION TECHNOLOGY SYSTEMS (ITS) - AUTOMATIC VEHICLE LOCATION (AVL)

Isaac Holly, IT and ITS Director, reported the challenges with the hardware integration to METRO's buses have been resolved. METRO is proceeding with the installation, with approximately 50% of the equipment already installed.

The vendor, GMV Syncromatics, is in the early stages of beta testing the application. Mr. Pisano is one of a small group of people selected for the beta program. Chair Elsea asked if any voice-over users were in the beta group. Director Holly said the vendor is not at that stage yet; but will include her in the testing group when that feature is available.

Discussion ensued on the ability of one application handling fixed route and paratransit information. Director Holly said we could potentially integrate the apps with one side being the default and creating a hook to launch into the other one (i.e., fixed route being the default and being able to choose Ecolane to get the paratransit experience).

7. UPDATE ON ECOLANE DRT SOFTWARE FOR PARACRUZ

Isaac Holly, IT and ITS Director, explained the Ecolane application would allow a passenger to see when the paratransit vehicle is going to arrive and get them to their destination. We are currently doing data exports from our Legacy application to the new system. We expect to begin rollout by mid-January 2020.

8. UPDATE ON RECENT CLASS OF BUS OPERATOR GRADUATES – FORMER AGENDA ITEM 11 MOVED UP TO AGENDA ITEM 8 WITH CHAIR APPROVAL

Leo Peña, Safety and Training Coordinator, gave an update on the recent graduating class of 12 Bus Operators. Chair Elsea said she participated in the accessibility training and said this class was one of the most engaged groups that she has seen in a long time. She added that METRO's Bus Operators are phenomenal. Mr. Pisano agreed and said he has ridden many different bus systems and METRO's Bus Operators are amazing.

Mr. Pisano inquired about the total number of Bus Operators employed at METRO. Brandon Freeman, Bus Operator, said 156 are currently in Fixed Route, but we are fully funded for 164. Mr. Peña remarked that METRO will be starting a new recruitment cycle soon.

9. UPDATE ON MARKETING OF POLICY: USE OF FIXED ROUTE SERVICES AND TRANSIT FACILITIES, INCLUDING PASSENGER CODE OF CONDUCT AND SERVICE SUSPENSION/EXCLUSION

Jayne Ackemann, Marketing, Communications & Customer Service Director, said she is planning a customer-focused campaign and pressed the MAC members for input on the most important issues relating to customer conduct that need to be addressed now. Suggestions put forth included:

Attachment C

Minutes – METRO Advisory Committee

November 20, 2019

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- Show respect for fellow riders (i.e., don't expect them to move to accommodate an abundance of bags one is carrying onto the bus)
- Be mindful of surrounding passengers; lower your voice in conversations
- Present simple, positive messages with cute images
- Use school children's art for the signs
- Let your Bus Operator know if there is an issue
- Use the text message system to put out tips on conduct
- Use the message intake system to notify riders that the policy exists and direct them to the website to review it
- Occasionally use bus announcements/ticker screen to promote the policy
- Radio campaign

Director Ackemann said METRO would use various tools to target rider content (i.e., car cards, Headways, service alert system, social media, tile icons, brochures, and signs at the transit centers). We will also do a splash page on the home page of the website when we roll it out. METRO does not have a graphic designer to do characters/graphics, but we can achieve a visually attractive message with big, bold colors.

Director Ackemann added that METRO is doing a kickoff campaign with KSCO in January 2020 to promote signing up for service alerts. We will do the traffic tags for "King of the Hill."

10. UPDATE ON THE FIXED-ROUTE FREE FARE PROGRAM FOR LEGALLY BLIND CUSTOMERS

Jayne Ackemann, Marketing, Communications & Customer Service Director, informed the MAC members that the free fare program was rolled out to METRO Bus Operators at the beginning of November. Steps have been taken to streamline the process in acquiring the access card. Our Paratransit Eligibility Coordinator reviewed the existing list of paratransit riders who would be eligible for this program and verified their status so that they can be grandfathered into the program. They can obtain their card through Customer Service and will not have to fill out any medical forms. METRO has reached out to local organizations, and Vista Center will also certify their clients for the card. In addition, eligibility extends to a Personal Care Attendant (PCA). They just need to request the PCA "dot" for their cards.

Vice Chair Martinez asked if customers had to go to Pacific Station or if they can go to the Watsonville Transit Center (WTC). Director Ackemann said customers can go to the WTC but they will not get their card the same day because the ID printer in Watsonville is currently broken. The WTC Customer Service Representative can take the customer's photo and information there, but has to send everything to the Pacific Station to make the card. Once completed, the card will be returned to WTC for the customer to pick up.

Chair Elsea added that she has not had any difficulties or challenges since the program took effect. She suggested this could be an item sent out on text alerts and outgoing phone messages.

11. SERVICE PLANNING UPDATE

Jayne Ackemann, Acting Planning & Development Director, introduced Pete Rasmussen, Transportation Planner, and turned over the service planning updates to him.

a. Quarterly Ridership Report highlights:

- Total fixed route ridership increased by 3.4% in FY20 Q1 (July-September) compared to FY19.
- UCSC ridership increased by 11.8%
- Cabrillo College was down by 2.2%

9-02C.3

Attachment C

Minutes – METRO Advisory Committee

November 20, 2019

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- Non-student ridership increased 0.2%
- Hwy. 17 ridership decreased 1.8%
- ParaCruz ridership increased 3.5%

b. Stops

Mr. Rasmussen reminded the Committee that the winter schedule starts on December 12, 2019. The biggest change is that METRO is eliminating the Felton Faire Shopping Center stop. The owner of this property is terminating its agreement with METRO in early January. METRO was not given much advance notice so we have not been able to find a feasible, safe alternative route and stop. The school term routes serving San Lorenzo Valley will now start at San Lorenzo Valley High School rather than Felton Faire.

Some of the Route 15 and 16 trips to UCSC in the late afternoon will now be “limited campus” trips to address overcrowding on the campus buses. The Headways and website will designate these stops with LC (e.g., 15LC).

Mr. Rasmussen alerted the members that the Hwy. 17 Route will be modified in March 2020. The City of San Jose has put in a bike lane on San Fernando Street and requested METRO move its route to Santa Clara Street so that we are not in conflict with the bike lane.

Mr. Pisano asked if there was an update on adding a bus stop at Enterprise Technology Center or for on-demand bus service in San Lorenzo Valley. Mr. Rasmussen said there was nothing new on either topic. Discussion continued on the use of JUMP bikes as a possible way to fill the bus service gaps. Mr. Pisano said JUMP bikes are only in the Santa Cruz City limits and have not been extended to the County. Director Ackemann said METRO does plan to explore microtransit solutions in the second half of 2020.

Chair Elsea reminded METRO staff of the need for text alerts on UCSC’s schedule for planning purposes. She rides the university buses but is not affiliated with the university. It would be helpful to get text alerts about their schedules. Director Ackemann said she would elevate Chair Elsea’s message.

Mr. Pisano likes the idea of replacing some of the bus stop benches with Simme-Seats. Chair Elsea commented that sometimes she has trouble finding the Simme-Seats because they are up.

c. Other Projects

The Planning Department recently met with the owners of Capitola Mall. Part of redesigning the mall involves moving the transit center to the backside of what is currently Macy’s and Kohl’s. We have taken our buses out there to test the turning movements. Discussion ensued about other proposed changes.

Mr. Rasmussen reported that a consultant for the Kaiser development is working on a transportation impact study and METRO has requested data from that study. The project is still years away from completion but we are following its progression.

Director Ackemann added that we are moving forward with the rollout of the mobile ticketing pilot program for the Hwy. 17 Route. We anticipate launching it in March 2020. We are in the application development process right now and making progress with the vendor, Masabi. Mr. Von Hendy asked which Hwy. 17 passes will be available with mobile ticketing. Mr. Rasmussen said we plan to have all of the Hwy. 17 passes available.

Director Ackemann gave an update on overnight parking permits at the Cavallaro Transit Center. METRO is offering the permits to accommodate those riders who wish to ride the Hwy. 17 bus to go out of town for a few days and not worry about their vehicle being towed. Discussion followed on the permit cost, the current process of obtaining the permit, and how that process will be streamlined when the Passport application is implemented.

9-02C.4

Attachment C

Minutes – METRO Advisory Committee
November 20, 2019
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MOTION: ELECT VICE CHAIR MARTINEZ FOR A ONE-YEAR TERM (JANUARY 1 – DECEMBER 31, 2020)

MOTION: DE WIT

SECOND: TAYLOR

MOTION PASSED WITH 7 AYES (Elsa, Martinez, de Wit, Lopez, Pisano, Taylor and Von Hendy)

15. COMMUNICATIONS TO THE METRO CEO

None.

16. COMMUNICATIONS TO THE METRO BOARD OF DIRECTORS

None.

17. ITEMS FOR NEXT MEETING AGENDA

- Discuss use of alternative fuels for buses
- Temporary bus stops on UCSC Campus

18. DISTRIBUTION OF VOUCHER

Vouchers distributed by Donna Bauer.

Chair Elsa took a few minutes to explain how the vouchers work to the new members of MAC.

19. ADJOURNMENT

Meeting adjourned at 8:10 PM.

Respectfully submitted,

Donna Bauer
Administrative Specialist

DRAFT

d. Tri MyRide on-demand transit:

Mr. Pisano said Try MyRide is an on-demand service used in Antioch and Cupertino. Director Emerson said the Planning Department would follow up on this and mentioned that METRO has a couple of pilot projects it is considering. One is to come up with an Uber/Lyft type program to cover south of Capitola where we had to cut Routes 54, 55 and 56. We also want to try another model with taxi service in the evening beyond Felton Fair and the Scotts Valley Transit Center. In this case, METRO would buy a few taxis for the night instead of running fixed route buses to service these areas. Look for these ideas to unfold early next year.

Last, Director Emerson gave an update on the ridership and reported that ridership is flat. We hope the new buses and mobile ticketing will improve ridership.

Mr. Pisano asked if METRO had thought about splitting Route 71 for Kaiser Hospital and Director Emerson said we are looking at variations to Route 69 instead. Mr. Pisano asked if we are involved in the Diridon Station remodel. Pete Rasmussen, Transportation Planner, said he is working with the City of San Jose on a bikeway on East San Fernando Street, which could impact the Hwy. 17 bus route. METRO is waiting for Google to go public with their development plans so that METRO can determine the next steps needed.

Vice Chair Martinez inquired about the number of Bus Operators currently enrolled in the training class. Director Emerson said we have 12 currently going through the course.

Mr. Lopez commented that he was able to ride the new diesel hybrid bus and it was very nice and was wondering if we plan to get more. Director Emerson explained that we got 10 used ones from VTA and there is no plan to acquire more at this time.

Mr. Pisano asked if Dominican Hospital would be interested in buying bus passes for its employees. Director Emerson said METRO has reached out extensively to Dominican Hospital to be a partner but at this time, there is no interest.

10 UPDATE ON IMPLEMENTING POLICY: USE OF FIXED ROUTE SERVICES AND TRANSIT FACILITIES, INCLUDING PASSENGER CODE OF CONDUCT AND SERVICE SUSPENSION/EXCLUSION

COO Aguirre provided an update on the Code of Conduct Policy. Our current class of Bus Operators is being trained on the policy. This class is scheduled to graduate mid-October. Once that happens, our two Training Coordinators will train the rest of the Bus Operators. Simultaneously Director Ackemann will devise an approach for informing the public.

COO Aguirre also gave an update on a new feature that will be on the six Gillig buses ordered. The forward facing seats after the securement area will now have flip up individual seats. You will be able to sit down and flip one seat up to fit a cart, or whatever you are carrying, so there is more aisle room. Ms. Taylor thought that would be good for Routes 4 and 66.

Ms. Taylor thought METRO should consider adding no sleeping on the fixed route front seats to the code of conduct. She went on to explain an encounter that took place on Route 71.

Chair Elsea asked at what point would it be good to have Director Ackemann give an update on the preliminary marketing plans for the Code of Conduct so that MAC can offer some input. COO Aguirre suggested doing that at the next MAC meeting.

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Attachment D



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING MINUTES*
JANUARY 10, 2020 – 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, January 10, 2020 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 8:02 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
Director Mike Rotkin

City of Watsonville
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

Director Meyers was absent.

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

Debbie Kinslow, SCMTD

3 **ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

None

4 **ORAL AND WRITTEN COMMUNICATIONS TO THE FINANCE, BUDGET AND AUDIT STANDING COMMITTEE**

None.

Attachment D

5 MONTHLY FINANCIAL UPDATE AS OF OCTOBER 31, 2019 AND NOVEMBER 30, 2019

Angela Aitken, Chief Financial Officer, provided commentary to the November 2019 presentation.

Director Coffman-Gomez asked if METRO should consider revising a more realistic overtime budget threshold going forward. CFO Aitken responded we are considering this; and, the initial results of our investigation seem to indicate that a major contributing factor is due to employee absence as a result of various leaves of absence. Those departments that require daily staffing with overtime are: Van and Bus Operators and Customer Service Representatives.

CEO Clifford added we are fully staffed with Fixed Route Bus Operators. Upon the upcoming graduation of the current class, we should have extra personnel available.

At Director Rotkin's request, CFO Aitken provided a brief verbal breakdown by percentage/department, which illustrated the majority of overtime directly attributed to Fixed Route Bus Operators.

Director Coffman-Gomez will speak with Cabrillo College to encourage them to provide their projected enrollment information to METRO.

Director Coffman-Gomez inquired as to the non-personnel expense. CEO Clifford explained it as costs incurred during the recent negotiation process.

There was no public comment.

6 ORAL SUMMARY OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2019

Angela Aitken, Chief Financial Officer, introduced Debbie Kinslow, Finance Deputy Director, and Lorraine Bayer, Accountant II, and spoke briefly about auditor's report provided. One of the two existing audit "findings" has been cleared. Discussion ensued regarding the struggles with GFI's PEMs and TVMs, and the ability to clear the second "existing finding", etc. Staff anticipates that the second "existing finding" can be cleared in the next audit.

There was no public comment.

ACTION: MOTION TO RECOMMEND APPROVAL OF THE FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 201 AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR COFFMAN-GOMEZ

MOTION PASSED UNANIMOUSLY (Directors Coffman-Gomez, Lind & Rotkin) Director Meyers was absent.

7 REVIEW AND RECOMMEND APPROVAL OF THE JUDY K. SOUZA EV CHARGING INFRASTRUCTURE FUNDING UPDATE AND ACTION TO CREATE A LIFE OF PROJECT BUDGET

Alex Clifford, CEO, provided background to the project.

Attachment D

Finance, Budget and Audit Standing Committee Agenda
January 10, 2020
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Freddy Rocha, Facilities Maintenance Manger, spoke to the staff report expanding on the technology improvements, etc. leading to the project delays and increased costs. There was also discussion regarding METRO's ability to respond to future technology changes.

Director Coffman-Gomez volunteered to talk with Monterey Bay Power regarding potential grant opportunities.

CEO Clifford provided an update on the various fueling options; i.e., hydrogen cell, electric, etc.

There was no public comment.

ACTION: MOTION TO RECOMMEND APPROVAL OF THE JUDY K. SOUZA EV CHARGING INFRASTRUCTURE FUNDING UPDATE AND ACTION TO CREATE A LIFE OF PROJECT BUDGET AS PRESENTED

MOTION: DIRECTOR COFFMAN-GOMEZ

SECOND: DIRECTOR LIND

MOTION PASSED UNANIMOUSLY (Directors Coffman-Gomez, Lind & Rotkin) Director Meyers was absent.

8 ADJOURNMENT

Director Rotkin adjourned the meeting at 8:48 AM.

DRAFT

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.

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DATE: January 24, 2020
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
**SUBJECT: ACCEPT AND FILE YEAR TO DATE MONTHLY FINANCIAL
REPORT AS OF OCTOBER 31, 2019**

I. RECOMMENDED ACTION

**That the Board of Directors accept and file the Year to Date Monthly
Financial Report as of October 31, 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 October 31, 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 October 31, 2019. The fiscal year has elapsed 33%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of October 31, 2019

Slide 2

FY20 Operating Revenue and Expenses for the Month Ending October 31, 2019

- Operating Revenues for the month are unfavorable by \$401K
- Operating Expenses
 - Labor Regular - unfavorable by \$127K
 - Labor OT - unfavorable by \$264K
 - Fringe Benefits – favorable by \$31K
 - Non-Personnel - unfavorable by \$116K

- Total Operating Expenses – unfavorable by \$475K
- Transfers – favorable by \$85K
- Operating Balance – unfavorable by \$962K

Slide 3

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

- Operating Revenues for the month are unfavorable by \$96K
- Operating Expenses
 - Labor Regular - favorable by \$243K
 - Labor OT - unfavorable by \$618K
 - Fringe Benefits – favorable by \$488K
 - Non-Personnel - unfavorable by \$205K
- Total Operating Expenses – unfavorable by \$92K
- Transfers – favorable by \$117K
- Operating Balance – unfavorable by \$305K

Slide 4

FY20 Operating Revenue by Major Funding Source - Year to Date as of October 31, 2019

- Passenger Fares- actual is \$3,482K while budget is \$3,507K
- Sales Tax Revenue (including Measure D)- actual is \$9,171K while budget is \$9,381K
- Other Revenue- actual is \$403K while budget is \$264K
- 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 October 31, 2019 are as follows:

- Passenger Fares variance to budget is unfavorable by \$25K primarily due to:
 - Special Transit Fares and Highway 17 Fares under budget.
- Sales Tax Revenue variance to budget is unfavorable by \$210K (lower than anticipated receipts in October 2019).
- Other Revenue variance to budget is favorable by \$139K 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 October 31, 2019

- Labor - Regular- actual is \$5,583K while budget is \$5,826K
- Labor – OT - actual is \$1,240K while budget is \$622K
- Fringe Benefits - actual is \$9,846K (*of which \$4,653K is the Retirement Expense YTD due to prepayment of the CalPERS UAL in FY20*) while budget is \$10,334K
- Services - actual is \$1,420K while budget is \$1,327K
- Mobile Materials & Supplies - actual is \$991K while budget is \$887K
- Other Expenses - actual is \$948K while budget is \$940K.

Favorable/ (Unfavorable) Expense Variance to Budget Year to Date as of October 31, 2019 are as follows:

- Labor – Regular variance to budget is favorable by \$243K due to:
 - Vacant funded positions
 - Extended unpaid leaves of absence
- Labor – OT variance to budget is unfavorable by \$618K due to vacant positions and extended leaves of absence in various departments.
- Fringe Benefits variance to budget is favorable by \$488K primarily due to lower medical and retirement costs YTD.
- Services variance to budget is unfavorable by \$93K primarily due to Temp Help (offset by savings in Personnel Expenses).
- Mobile Materials & Supplies variance to budget is unfavorable by \$104K due to Rev Vehicle Parts and Fuel & Lube Rev Veh over budget.
- Other Expenses variance to budget is unfavorable by \$8K primarily due to Casualty & Liability (Settlement Costs).

Slide 6

FY20 Transfers Year to Date as of October 31, 2019

- Transfer to Capital Budget (2016 Net Sales Tax Measure D)- actual is \$799K while budget is \$682K.
- Transfer to Capital Budget (2016 Net Sales Tax Measure D) variance to budget is favorable by \$117K.

Slide 7

FY20 Capital Budget Spending Year to Date (by Funding Source) as of October 31, 2019

- Total Capital Spending year to date is \$1,238K; FY20 budget is \$29.4M

- Low Carbon Transit Operations Program (LCTOP) spending is \$128K
- Operating and Capital Reserve Fund spending is \$81K
- Federal Capital Grants (FTA) spending is \$67K
- Transfers from Operating Budget (Measure D) spending is \$302K
- State Transportation Improvement Plan (STIP) spending is \$87K
- 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 October 31, 2019

- Total Capital Projects spending year to date is \$1,238K; FY20 budget is \$29.4M
 - Revenue Veh Replacement & Campaigns – Electrification Projects spending is \$141K for the following projects:
 - Electric Bus (3) and Infrastructure & Project Management (FTA 5339c FY16)
 - ZEB Deployment & Fleet Planning (CTE)
 - 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)
 - Misc. Projects spending is \$3K for the following project:
 - Square Cash Registers for Customer Service (2)
 - Construction Related Projects spending is \$7K for the following projects:
 - Pacific Station/Metro Center – Conceptual Design/MOU
 - IT Projects spending is \$6K for the following projects:
 - Replacement Laptops (4)
 - Facilities Repairs & Improvements spending is \$59K for the following projects:
 - Vernon Generator Replacement Project
 - Facilities Improvements – ADA Handrail (WTC)
 - Fire Egress
 - Security Cameras Install (JKS)

- Revenue Vehicle Replacements & Campaigns spending is \$1,015K for the following projects:
 - CNG Replacements (4 40') (FTA 5339b FY17)
 - AVL/ITS (FY18 STIP, Measure D)
 - 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)
 - Cameras on Buses #2

Slide 9

(Cover Sheet) - Additional Information

Slide 10

Additional Information for the Month of October 2019

- Unemployment Rate % in Santa Cruz County is 3.3%
- \$ Gasoline per Gallon for the San Francisco-Oakland-San Jose area is \$4.10;
\$ Diesel is \$3.99
- Ridership YTD as of October 2019 changed as follows, year-over-year (FY19 – FY20):
 - 3.9% increase in Total ridership
 - 1.8% decrease in Highway 17 ridership
 - 4.3% increase in Local ridership
 - 10.3% increase in UCSC ridership
 - 3.3% decrease in Cabrillo ridership
 - 0.3% decrease 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

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report pertains to METRO's Financial Stability, Stewardship & Accountability.

V. 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 October 31, 2019.

VI. CHANGES FROM COMMITTEE

None.

VII. ALTERNATIVES CONSIDERED

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

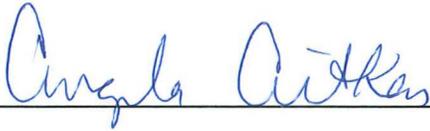
VIII. ATTACHMENTS

Attachment A: Year to Date Monthly Financial Report as of October 31, 2019 Presentation

Prepared by: Kristina Mihaylova, Sr. Financial Analyst

IX. 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 October 31, 2019

Santa Cruz METRO Board of Directors

January 10, 2019

Angela Aitken, Chief Financial Officer

FY20 Operating Revenue and Expenses For the Month Ending October 31, 2019

33% of Fiscal Year Elapsed

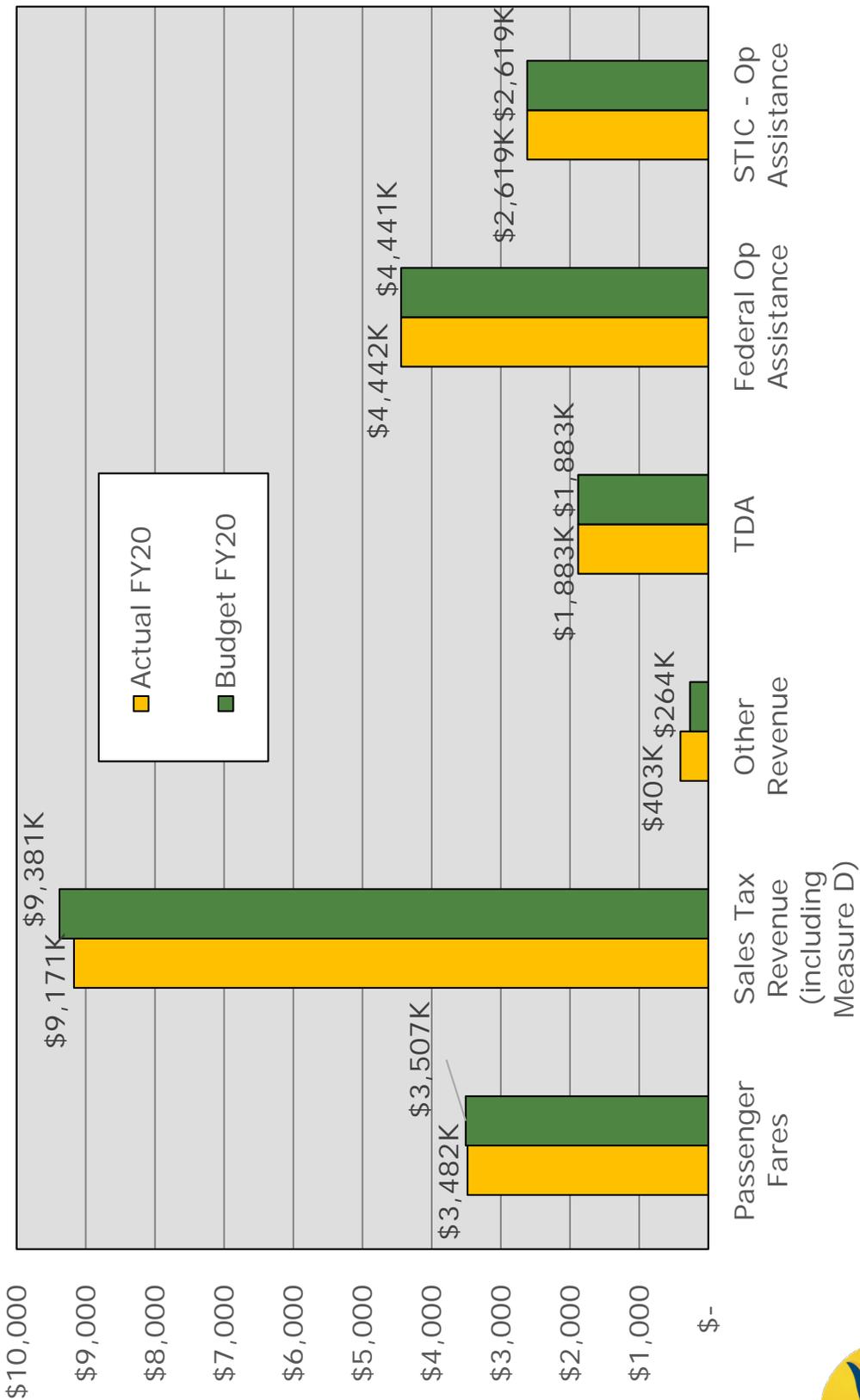
\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$3,681	\$4,082	(\$401)
Operating Expenses:			
Labor - Regular	\$1,583	\$1,456	(\$127)
Labor - Overtime	\$419	\$155	(\$264)
Fringe Benefits	\$1,541	\$1,572	\$31
Non-Personnel Expenses	\$905	\$789	(\$116)
Total Operating Expenses:	\$4,448	\$3,973	(\$475)
Transfers:	(\$256)	(\$171)	\$85
Operating Balance:			(\$962)

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

33% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$22,000	\$22,096	(\$96)
Operating Expenses:			
Labor - Regular	\$5,583	\$5,826	\$243
Labor - Overtime	\$1,240	\$622	(\$618)
Fringe Benefits	\$9,846	\$10,334	\$488
Non-Personnel Expenses	\$3,359	\$3,154	(\$205)
Total Operating Expenses:	\$20,028	\$19,936	(\$92)
Transfers:	(\$799)	(\$682)	\$117
Operating Balance:			(\$305)

FY20 Operating Revenue by Major Funding Source
Year to Date as of October 31, 2019
 33% of Fiscal Year Elapsed

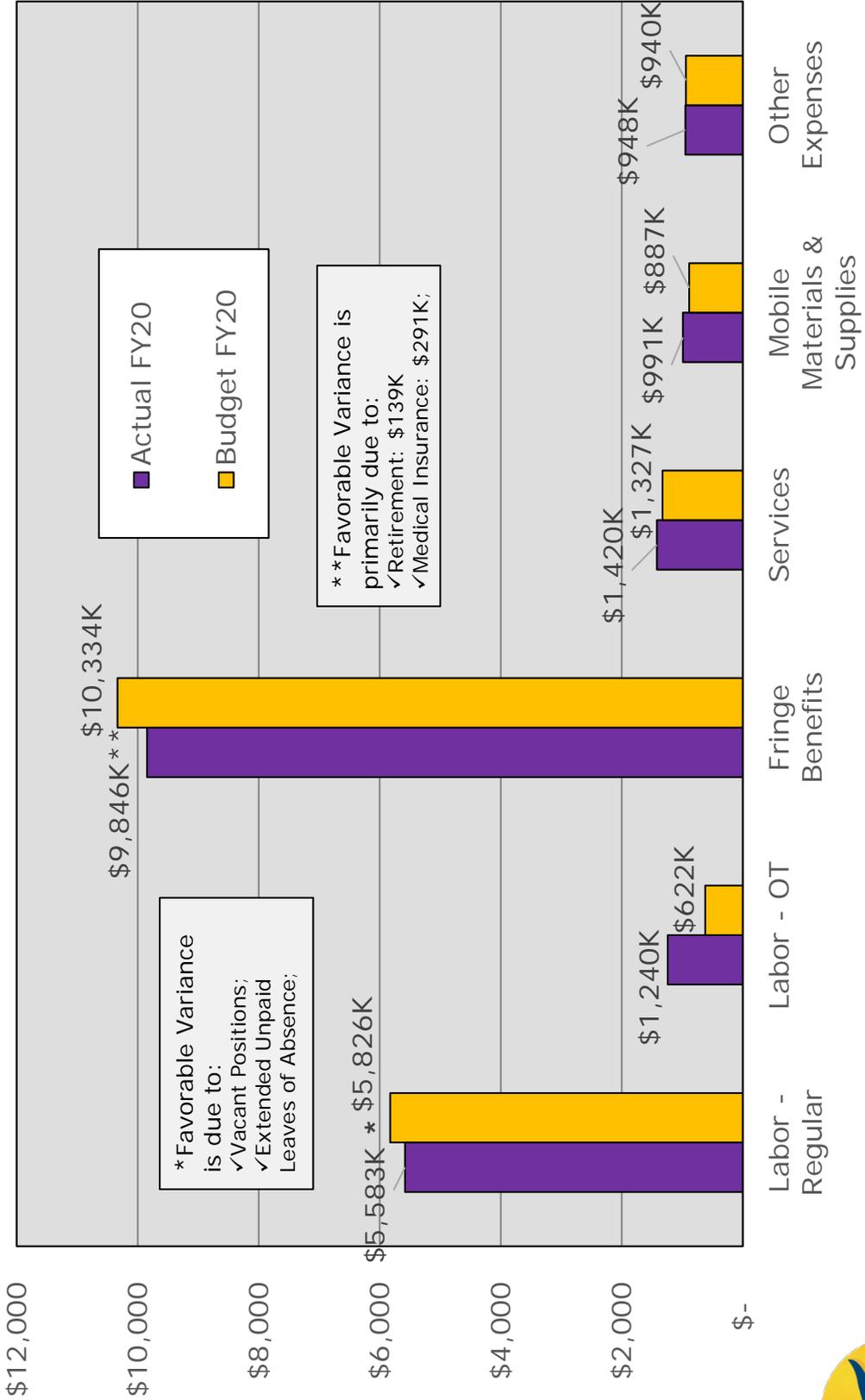


Thousands



FY20 Operating Expenses by Major Expense Category
Year to Date as of October 31, 2019

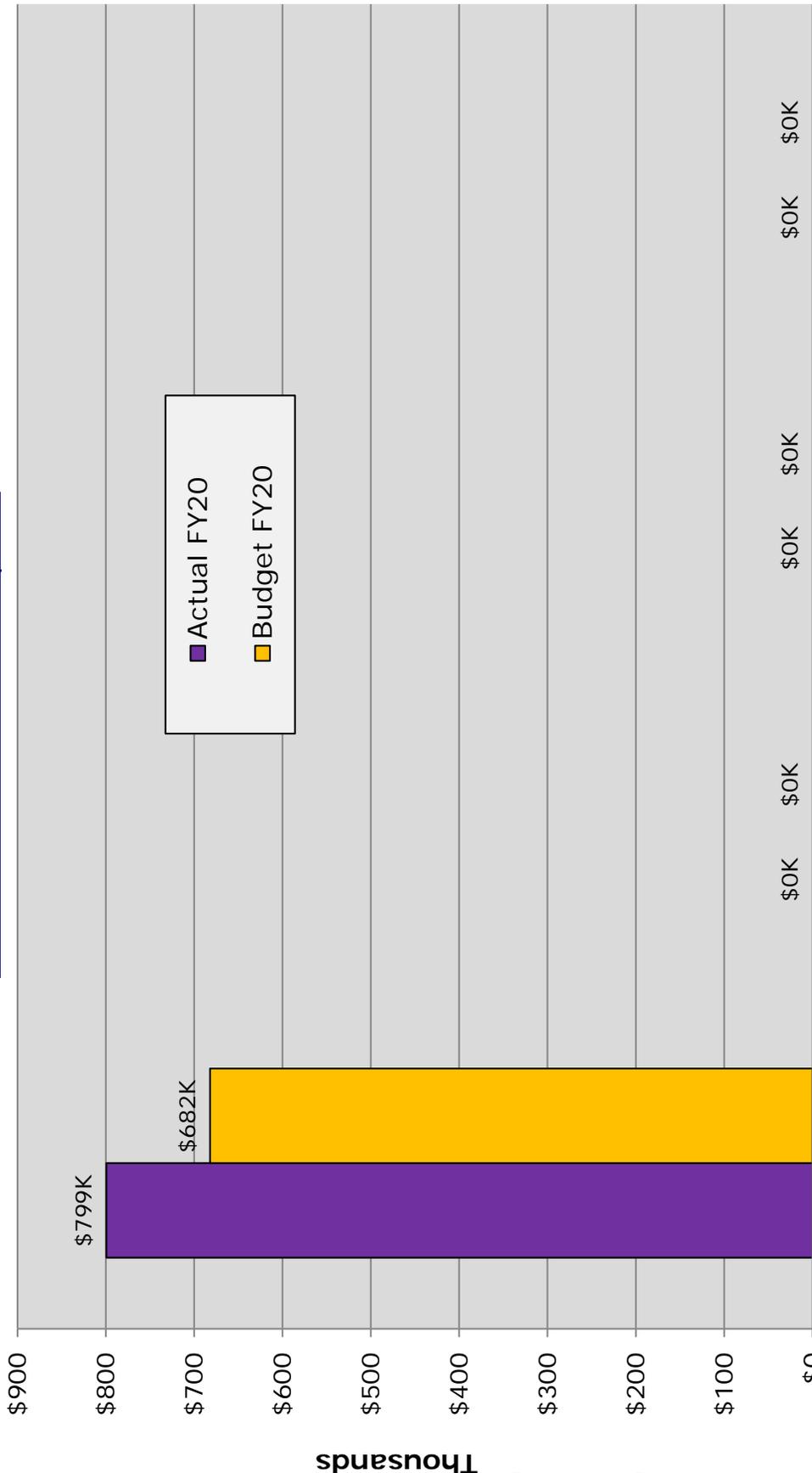
33% of Fiscal Year Elapsed



Thousands



FY20 Transfers
Year to Date as of October 31, 2019
33% of Fiscal Year Elapsed



Transfer to Capital Budget (2016 Net Sales Tax Measure D) STA-Operating, Includes SB1) Reserve Fund (Fuel Tax) Capital Reserve Fund

Thousands

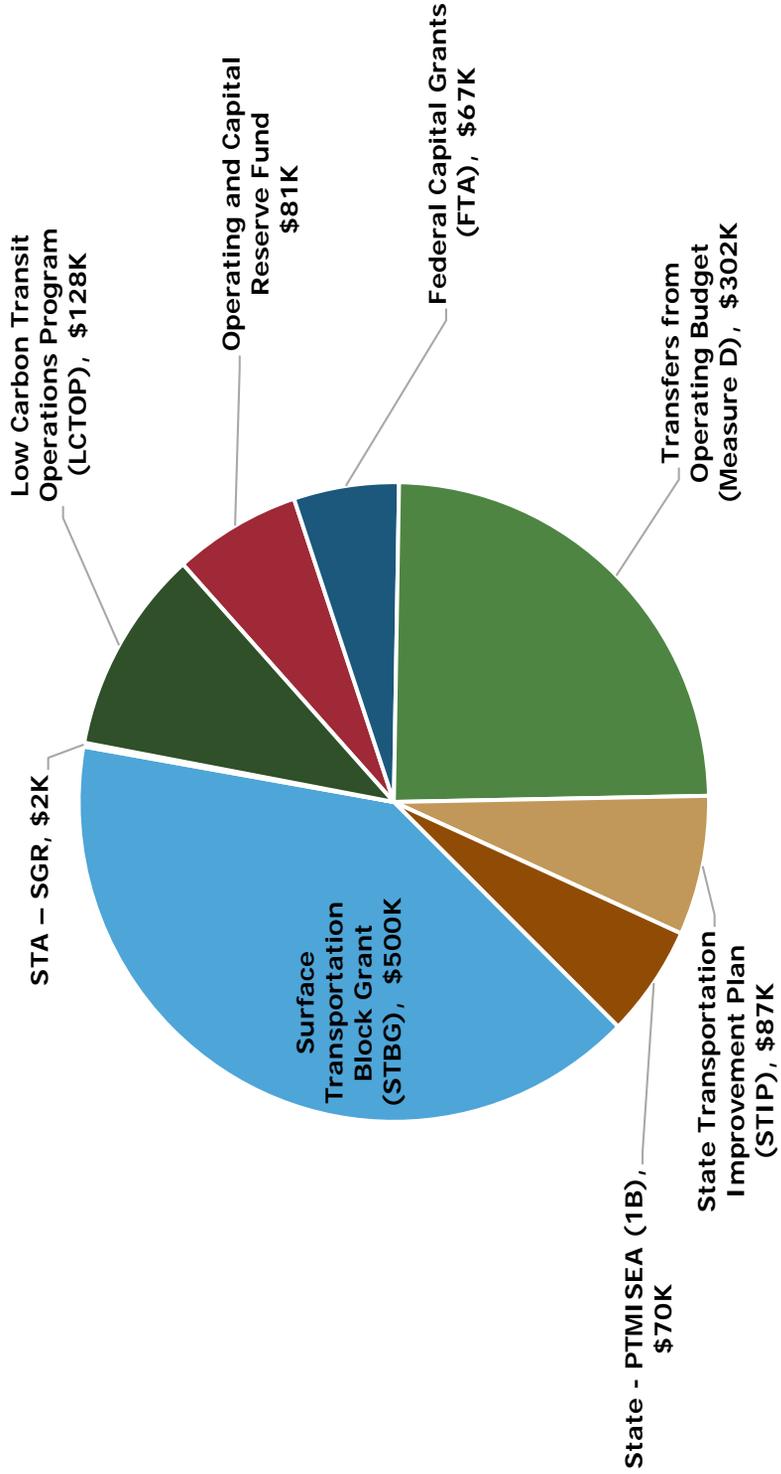


FY20 Capital Budget:

Spending Year to Date (by Funding Source) as of October 31, 2019

33% of Fiscal Year Elapsed

	Actual YTD	Total FY20 Budget	% Spent YTD
Total Capital Funding:	\$1,238,255	\$29,384,581	4%



Actual YTD

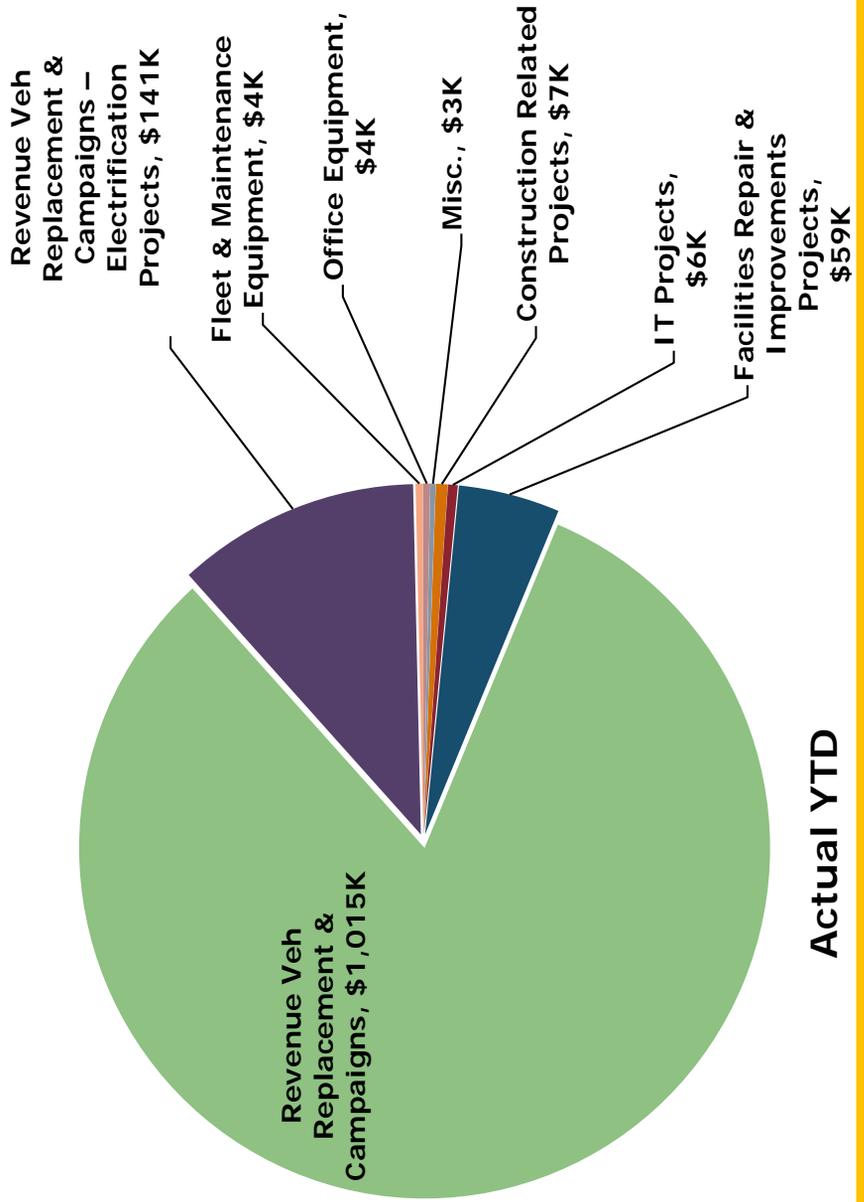


FY20 Capital Budget:

Spending Year to Date as of October 31, 2019

33% of Fiscal Year Elapsed

	Actual YTD	Total FY20 Budget	% Spent YTD
Total Capital Projects:	\$1,238,255	\$29,384,581	4%

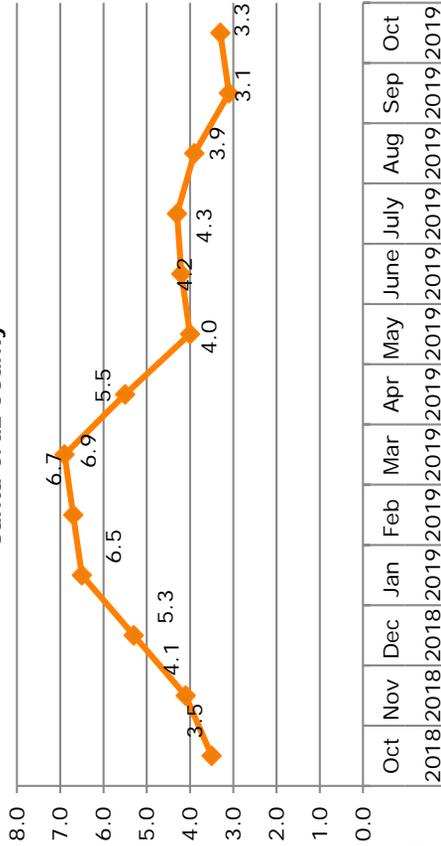


Additional Information

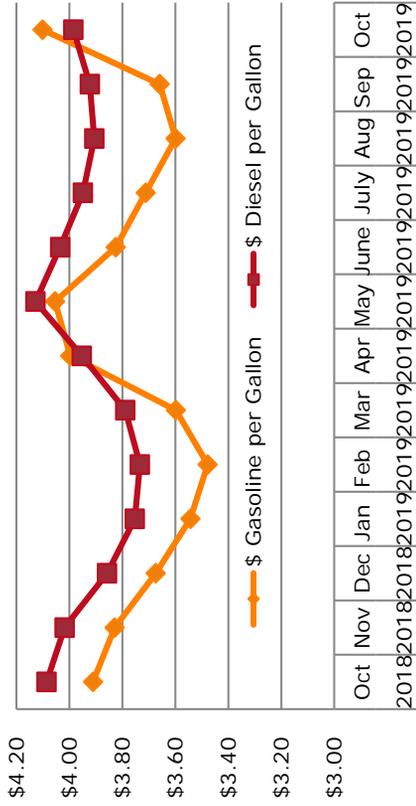


Economic Indicators & Ridership:

Unemployment Rate %
Santa Cruz County



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



FY19-20 Ridership: October YTD

Ridership	FY19	FY20	% Change
Total	1,460,362	1,516,857	3.9%
Hwy 17	95,787	94,071	-1.8%
Local	1,364,575	1,422,786	4.3%
UCSC	617,662	681,201	10.3%
Cabrillo	111,198	107,578	-3.3%
Non-Student	635,715	634,007	-0.3%

Enrollment Information

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



Questions



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DATE: January 24, 2020
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
**SUBJECT: ACCEPT AND FILE YEAR TO DATE MONTHLY FINANCIAL
REPORT AS OF NOVEMBER 30, 2019**

I. RECOMMENDED ACTION

**That the Board of Directors accept and file the Year to Date Monthly
Financial Report as of November 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 November 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 November 30, 2019. The fiscal year has elapsed 42%.

Slide 1

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

Slide 2

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

- Operating Revenues for the month are favorable by \$118K
- Operating Expenses
 - Labor Regular - favorable by \$72K
 - Labor OT - unfavorable by \$149K
 - Fringe Benefits – favorable by \$153K

- Non-Personnel - favorable by \$64K
- Total Operating Expenses – favorable by \$141K
- Transfers – unfavorable by \$34K
- Operating Balance – favorable by \$293K

Slide 3

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

- Operating Revenues for the month are favorable by \$22K
- Operating Expenses
 - Labor Regular - favorable by \$315K
 - Labor OT - unfavorable by \$767K
 - Fringe Benefits – favorable by \$641K
 - Non-Personnel - unfavorable by \$140K
- Total Operating Expenses –favorable by \$49K
- Transfers – favorable by \$84K
- Operating Balance – unfavorable by \$13K

Slide 4

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

- Passenger Fares- actual is \$4,331K while budget is \$4,374K
- Sales Tax Revenue (including Measure D)- actual is \$11,043K while budget is \$11,145K
- Other Revenue- actual is \$497K while budget is \$330K
- 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 November 30, 2019 are as follows:

- Passenger Fares variance to budget is unfavorable by \$43K primarily due to:
 - Special Transit Fares and Highway 17 Fares under budget.
- Sales Tax Revenue variance to budget is unfavorable by \$102K (lower than anticipated receipts in October 2019).
- Other Revenue variance to budget is favorable by \$167K 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 November 30, 2019

- Labor - Regular- actual is \$6,967K while budget is \$7,282K
- Labor – OT - actual is \$1,544K while budget is \$777K
- Fringe Benefits - actual is \$11,265K (*of which \$4,802K is the Retirement Expense YTD due to prepayment of the CalPERS UAL in FY20*) while budget is \$11,906K
- Services - actual is \$1,762K while budget is \$1,659K
- Mobile Materials & Supplies - actual is \$1,199K while budget is \$1,108K
- Other Expenses - actual is \$1,122K while budget is \$1,175K.

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

- Labor – Regular variance to budget is favorable by \$315K due to:
 - Vacant funded positions
 - Extended unpaid leaves of absence
- Labor – OT variance to budget is unfavorable by \$767K due to vacant positions and extended leaves of absence in various departments.
- Fringe Benefits variance to budget is favorable by \$641K primarily due to lower medical and retirement costs YTD.
- Services variance to budget is unfavorable by \$103K primarily due to Temp Help (offset by savings in Personnel Expenses).
- Mobile Materials & Supplies variance to budget is unfavorable by \$91K due to Rev Vehicle Parts and Fuel & Lube Rev Veh over budget.
- Other Expenses variance to budget is favorable by \$53K primarily due to Misc. expenses (Employee Training).

Slide 6

FY20 Transfers Year to Date as of November 30, 2019

- Transfer to Capital Budget (2016 Net Sales Tax Measure D)- actual is \$936K while budget is \$853K.
- Transfer to Capital Budget (2016 Net Sales Tax Measure D) variance to budget is favorable by \$84K.

Slide 7

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

- Total Capital Spending year to date is \$4,336K; FY20 budget is \$29.4M

- Low Carbon Transit Operations Program (LCTOP) spending is \$417K
- Operating and Capital Reserve Fund spending is \$96K
- Federal Capital Grants (FTA) spending is \$2,689K
- Transfers from Operating Budget (Measure D) spending is \$330K
- State Transportation Improvement Plan (STIP) spending is \$232K
- State – PTMISEA (1B) spending is \$70K
- Surface Transportation Block Grant (STBG) spending is \$500K
- STA – SGR spending is \$2K.

Slide 8

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

- Total Capital Projects spending year to date is \$4,336K; FY20 budget is \$29.4M
 - Revenue Veh Replacement & Campaigns – Electrification Projects spending is \$288K for the following projects:
 - Electric Bus (3) and Infrastructure & Project Management (FTA 5339c FY16)
 - Completion of JKS Facility – ZEB Yard Changing Infrastructure
 - ZEB Deployment & Fleet Planning (CTE)
 - 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)
 - Misc. Projects spending is \$9K for the following project:
 - Square Cash Registers for Customer Service (2)
 - 2nd ID Card Printer (Pacific Station)
 - Construction Related Projects spending is \$7K for the following projects:
 - Pacific Station/Metro Center – Conceptual Design/MOU
 - IT Projects spending is \$6K for the following projects:
 - Replacement Laptops (4)
 - Facilities Repairs & Improvements spending is \$70K for the following projects:
 - Vernon Generator Replacement Project
 - Facilities Improvements – ADA Handrail (WTC)
 - Fire Egress

- Awning – Fueling Station
- Security Cameras Install (JKS)
- Revenue Vehicle Replacements & Campaigns spending is \$3,948K for the following projects:
 - CNG Replacements (4 40') (FTA 5339b FY17)
 - 2 ZEBs (FY18 STIP, LPP, HVIP)
 - AVL/ITS (FY18 STIP, Measure D)
 - 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)
 - Cameras on Buses #2

Slide 9

(Cover Sheet) - Additional Information

Slide 10

Additional Information for the Month of November 2019

- Unemployment Rate % in Santa Cruz County is 3.9%
- \$ Gasoline per Gallon for the San Francisco-Oakland-San Jose area is \$3.83;
\$ Diesel is \$4.00
- Ridership YTD as of November 2019 changed as follows, year-over-year (FY19 – FY20):
 - 2.4% increase in Total ridership
 - 2.3% decrease in Highway 17 ridership
 - 2.8% increase in Local ridership
 - 6.7% increase in UCSC ridership
 - 4.5% decrease in Cabrillo ridership
 - 0.5% decrease 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 December 31, 2019: Preliminary

- Revenue – unfavorable by \$95K
- Operating Expenses:
 - Personnel Expenses - favorable by \$389K
 - Non-Personnel - unfavorable by \$170K
- Total Operating Expenses - favorable by \$219K
- Transfers – favorable by \$98K
- Operating Balance – favorable by \$26K

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report pertains to METRO's Financial Stability, Stewardship & Accountability.

V. 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 November 30, 2019.

VI. CHANGES FROM COMMITTEE

None.

VII. ALTERNATIVES CONSIDERED

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

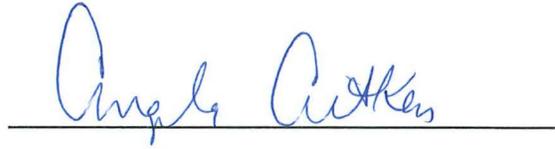
VIII. ATTACHMENTS

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

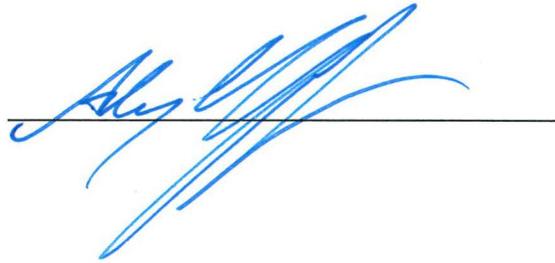
Prepared By: Kristina Mihaylova, Sr. Financial Analyst

IX. 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 November 30, 2019

Santa Cruz METRO Board of Directors

January 24, 2019

Angela Aitken, Chief Financial Officer

FY20 Operating Revenue and Expenses For the Month Ending November 30, 2019

42% of Fiscal Year Elapsed

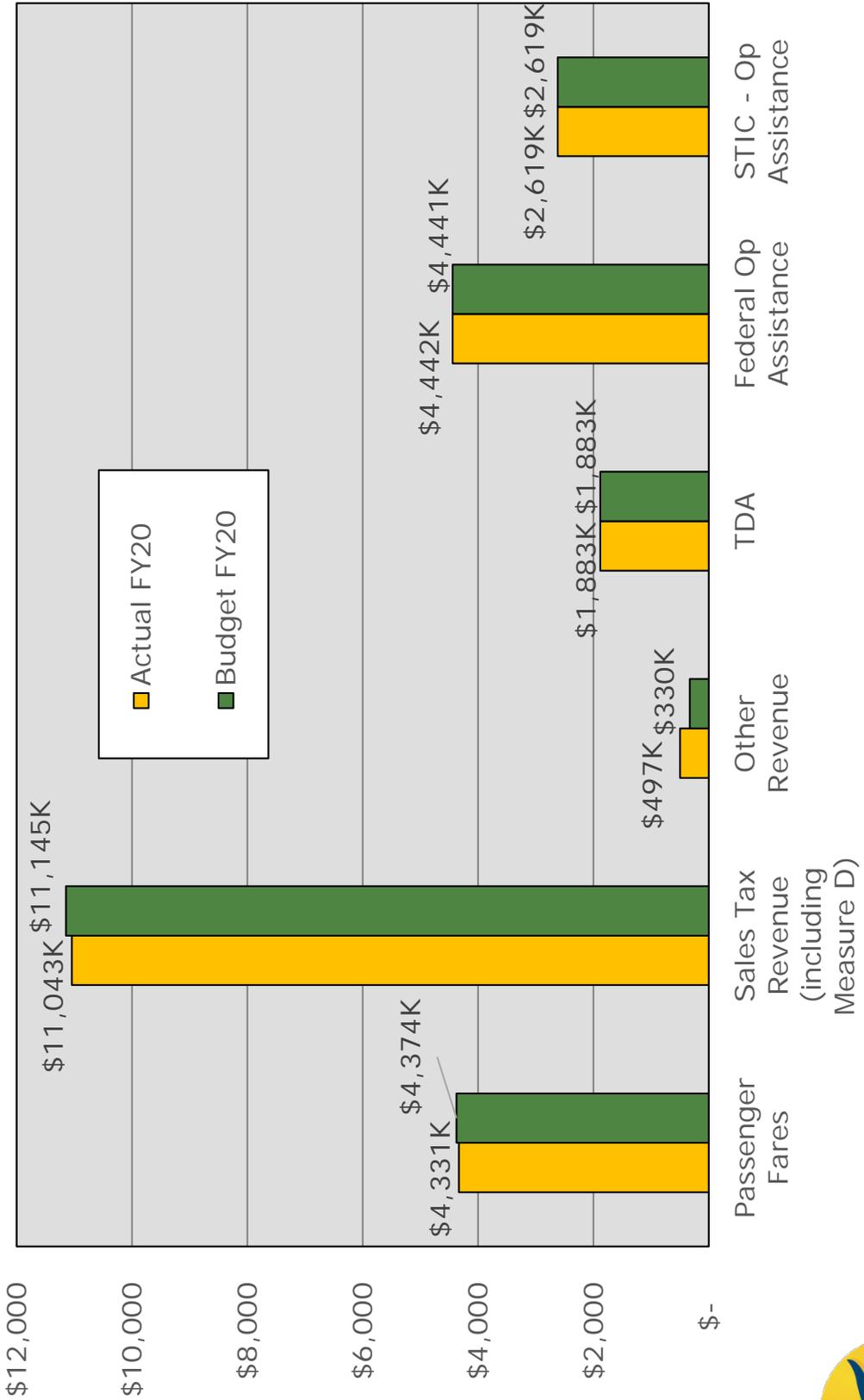
\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$2,815	\$2,697	\$118
Operating Expenses:			
Labor - Regular	\$1,384	\$1,456	\$72
Labor - Overtime	\$304	\$155	(\$149)
Fringe Benefits	\$1,419	\$1,572	\$153
Non-Personnel Expenses	\$725	\$789	\$64
Total Operating Expenses:	\$3,832	\$3,973	\$141
Transfers:	(\$137)	(\$171)	(\$34)
Operating Balance:			\$293

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

42% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$24,815	\$24,793	\$22
Operating Expenses:			
Labor - Regular	\$6,967	\$7,282	\$315
Labor - Overtime	\$1,544	\$777	(\$767)
Fringe Benefits	\$11,265	\$11,906	\$641
Non-Personnel Expenses	\$4,084	\$3,943	(\$140)
Total Operating Expenses:	\$23,860	\$23,908	\$49
Transfers:	(\$963)	(\$853)	\$84
Operating Balance:			(\$13)

FY20 Operating Revenue by Major Funding Source
Year to Date as of November 30, 2019
 42% of Fiscal Year Elapsed

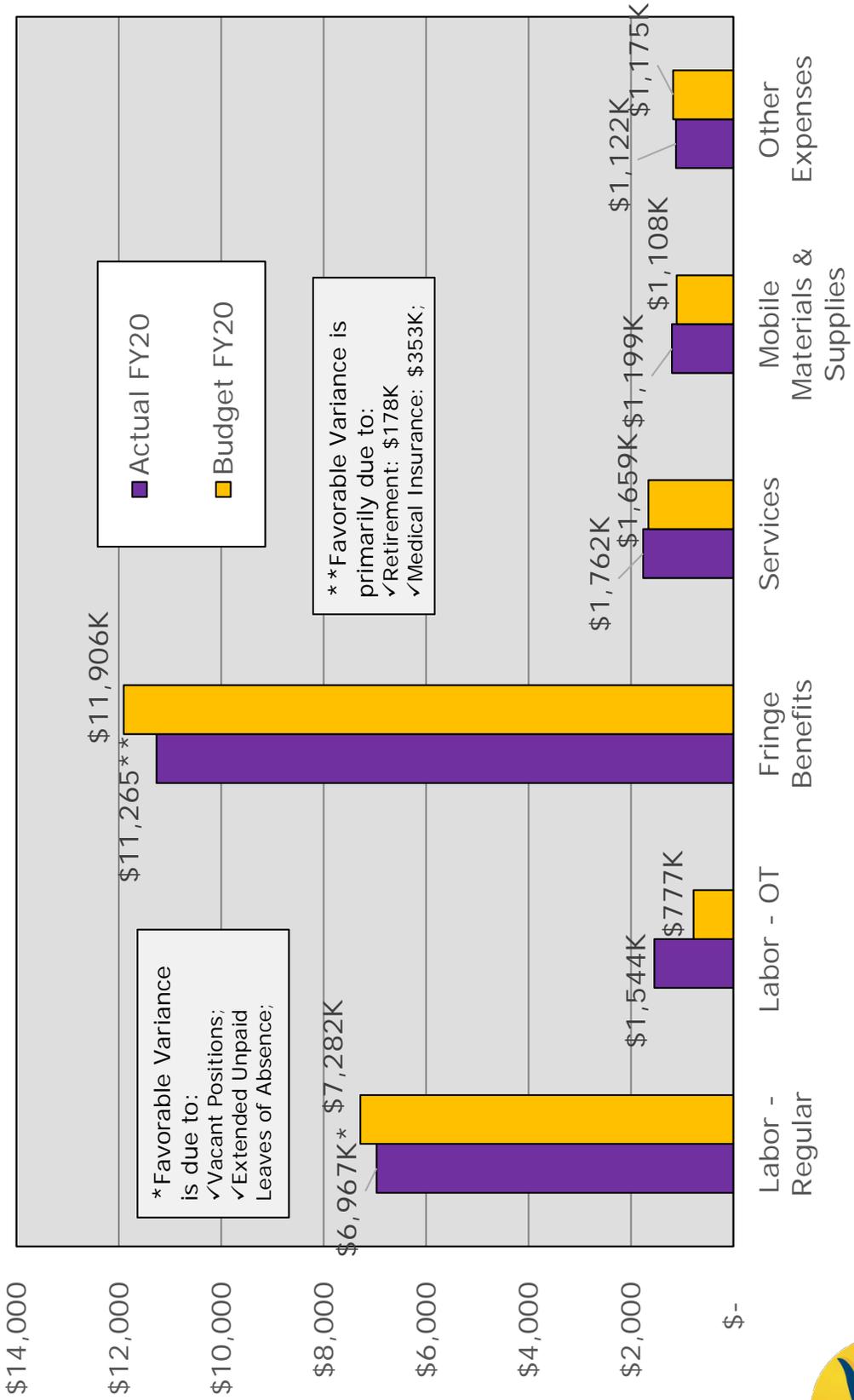


Thousands



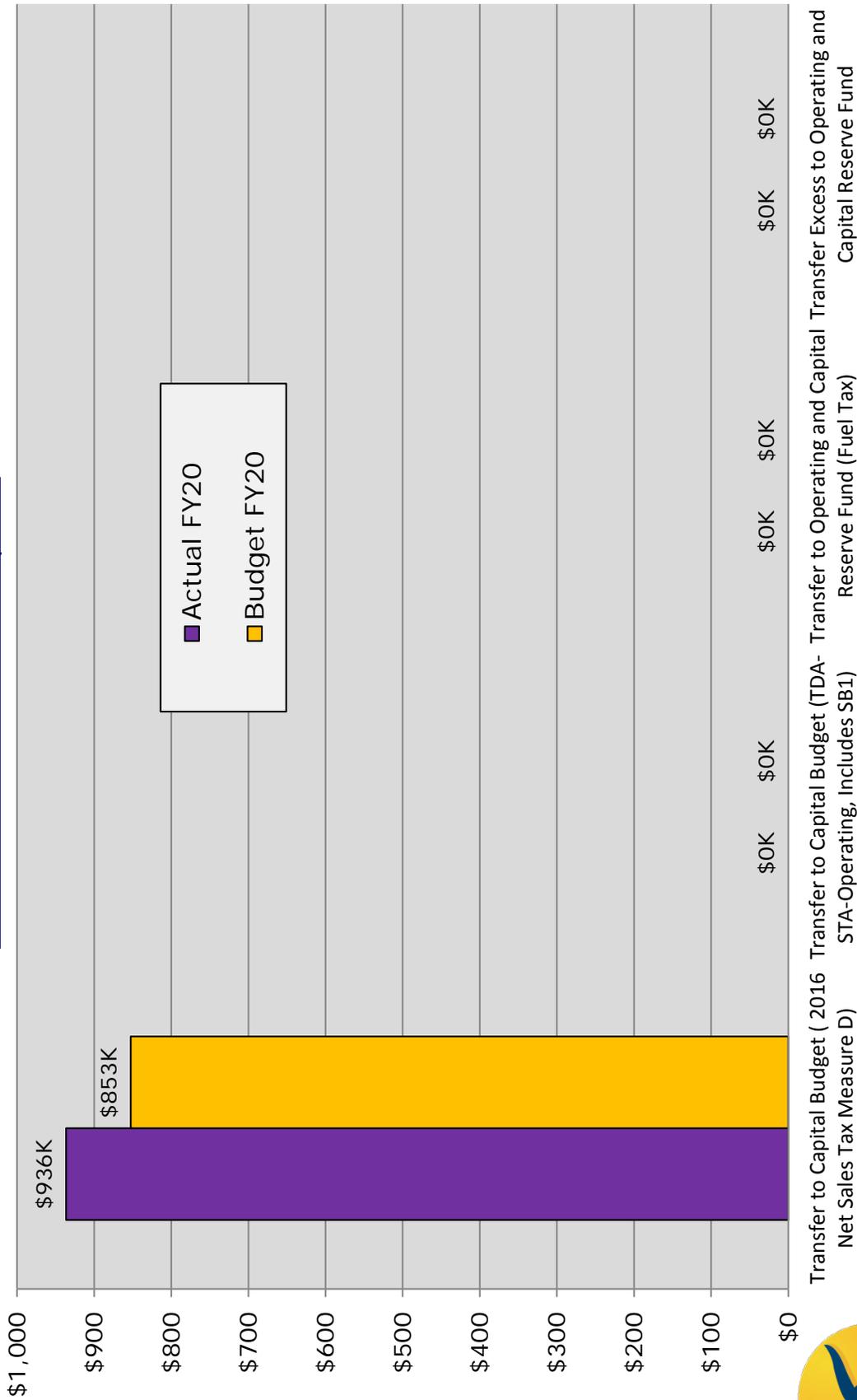
FY20 Operating Expenses by Major Expense Category
Year to Date as of November 30, 2019

42% of Fiscal Year Elapsed



Thousands

FY20 Transfers
Year to Date as of November 30, 2019
42% of Fiscal Year Elapsed



Thousands

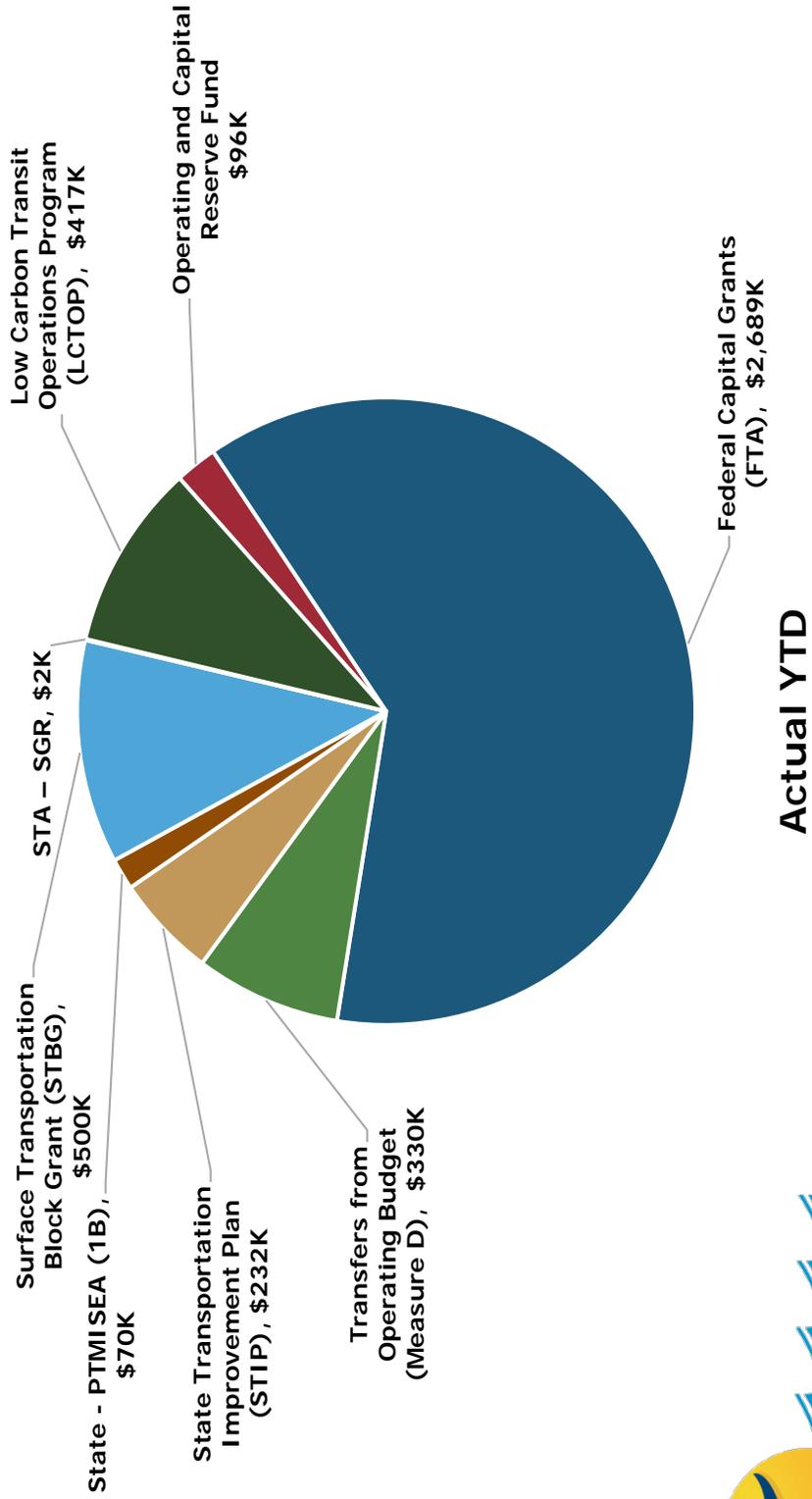


FY20 Capital Budget:

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

42% of Fiscal Year Elapsed

	Actual YTD	Total FY20 Budget	% Spent YTD
Total Capital Funding:	\$4,335,573	\$29,384,581	15%

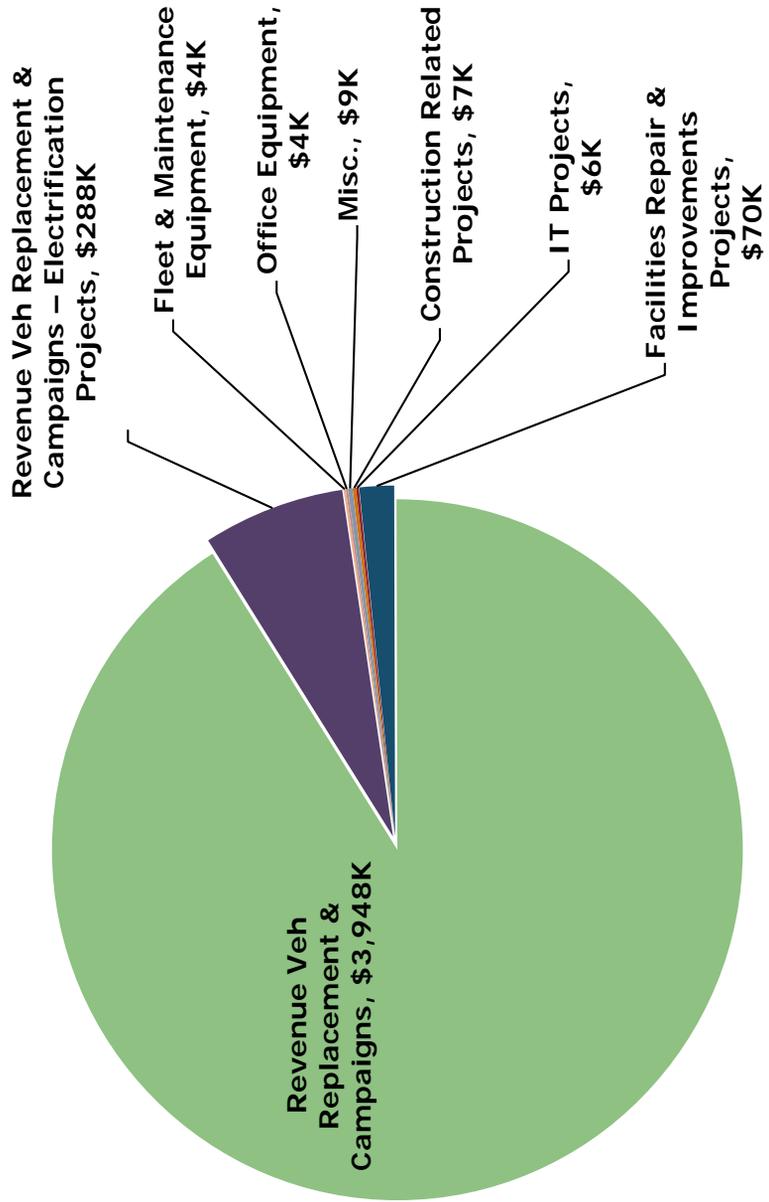


FY20 Capital Budget:

Spending Year to Date as of November 30, 2019

42% of Fiscal Year Elapsed

	Actual YTD	Total FY20 Budget	% Spent YTD
Total Capital Projects:	\$4,335,573	\$29,384,581	15%

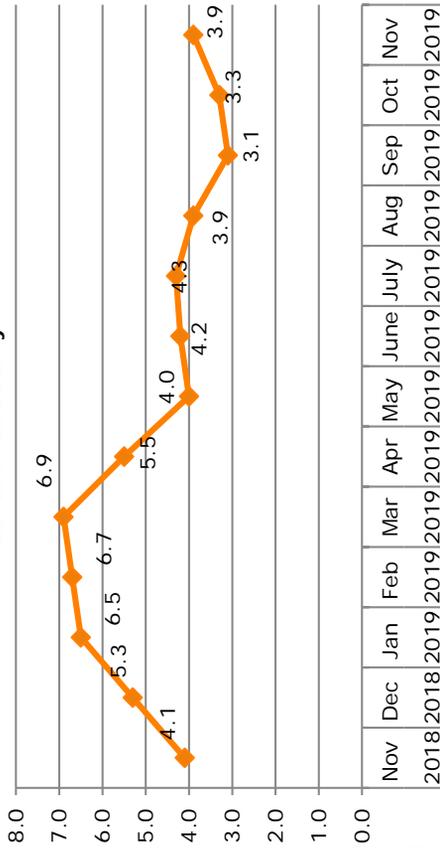


Additional Information

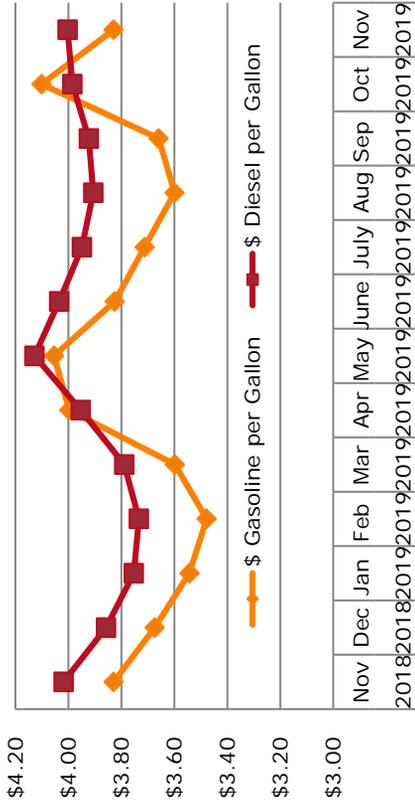


Economic Indicators & Ridership:

Unemployment Rate %
Santa Cruz County



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



FY19-20 Ridership: November YTD

Ridership	FY19	FY20	% Change
Total	1,952,125	1,999,694	2.4%
Hwy 17	122,586	119,724	-2.3%
Local	1,829,539	1,879,970	2.8%
UCSC	909,412	970,440	6.7%
Cabrillo	143,175	136,746	-4.5%
Non-Student	776,952	772,784	-0.5%

Enrollment Information

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



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

50% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Revenue:	\$29,759	\$29,854	(\$95)
Operating Expenses:			
Personnel Expenses	\$22,761	\$23,150	\$389
Non-Personnel Expenses	\$4,901	\$4,731	(\$170)
Total Operating Expenses:	\$27,662	\$27,881	\$219
Transfers:			
Transfers to Capital Budget	\$1,121	\$1,023	\$98
Transfers to Operating and Capital Reserve Fund	\$0	\$0	\$0
Total Transfers:	\$1,121	\$1,023	\$98
Operating Balance:			\$26

Questions



DATE: January 24, 2020
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer



**SUBJECT: CONSIDERATION OF DECLARING VEHICLES AND/OR EQUIPMENT
AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION**

I. RECOMMENDED ACTION

That the Board of Directors approve a resolution declaring vehicles and/or obsolete equipment as ready for disposal or auction and direct the CEO to dispose of the surplus items in conformance with METRO's Administrative Policy Number AP-2020 - Fixed Assets and Inventoried Items

II. SUMMARY

- In accordance with Santa Cruz Metropolitan Transit District's (METRO) policy on disposal of fixed assets, at least once per year the Chief Financial Officer shall recommend to the Board of Directors a list of items to be declared excess with appropriate action for disposal.
- Vehicles and/or equipment have exceeded their useful lives and are no longer needed by METRO.
- Staff recommends that the Board of Directors approve the resolution for the disposal or auction of excess property (Attachment A) and declare the item(s) listed in Exhibit A as excess and direct staff to use appropriate action for disposal.

III. DISCUSSION/BACKGROUND

The following vehicles/equipment identified in the Excess Vehicle & Equipment Listing (Exhibit A) have become obsolete and surpassed their useful life expectancy:

- One (1) lot of Orion bus parts

The bus parts recommended for disposal are fully depreciated, so there is no financial obligation to a granting agency with regard to the recommended disposal. METRO no longer has a need for these parts because all Orion buses have been declared excess and disposed, therefore they are recommended for disposal at this time.

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

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

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report pertains to METRO's Financial Stability, Stewardship, & Accountability.

V. FINANCIAL CONSIDERATIONS/IMPACT

The estimated gross market value of these parts is approximately \$43,025. All parts have reached the end of their useful life and are obsolete. There is no financial impact because of these disposals.

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

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

- Keep the parts in inventory. Staff does not recommend this alternative because METRO no longer has Orion buses in its fleet.

VIII. ATTACHMENTS

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

Exhibit A: Excess Vehicle & Equipment Listing—as of January 24, 2020

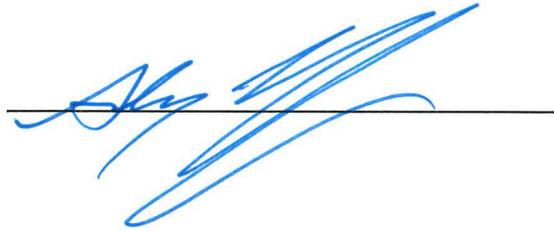
Prepared by: Caitlin Nelson, Financial Analyst

IX. APPROVALS

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

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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 TO APPROVE THE DISPOSAL OR AUCTION OF EXCESS ASSETS

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

WHEREAS, all such assets must be managed, used, and disposed of in accordance with applicable laws and regulations; and

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

WHEREAS, the acquisition cost of each item identified as excess is greater than \$5,000; and

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

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

1. The following assets are declared excess property on the Excess Vehicle & Equipment Listing as of 01/24/2020, "Exhibit A" and may be disposed of or auctioned as such:
 - a. "One (1) lot of Orion bus parts"

Attachment A

Resolution No. _____
Page 2 of 3

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on January 24, 2020, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

ABSTAIN: DIRECTORS –

Board Chair

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE SHERMAN
General Counsel

Attachment A

Resolution No. _____

Page 3 of 3

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

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
EXCESS VEHICLE & EQUIPMENT LISTING AS OF 01/24/2020

(Attached)



DATE: January 24, 2020
TO: Board of Directors
FROM: Angela Aitken, CFO
**SUBJECT: ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT
AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2019**

I. RECOMMENDED ACTION

That the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ended June 30, 2019

II. SUMMARY

- The Financial Statements with Independent Auditor's Report (Attachment A) prepared by the firm Brown Armstrong, Certified Public Accountants present Santa Cruz METRO's financial position as of June 30, 2019, with a comparison to the financial position as of June 30, 2018. The auditors have found that Santa Cruz METRO's financial statements present fairly, in all material respects, the financial position of Santa Cruz METRO as of June 30, 2019.
- In the Independent Auditor's Report on Compliance Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with the Statutes, Rules, and Regulations of the California Transportation Development Act and the Allocation Instructions and Resolutions of the Transportation Commission (page 61-62), the auditors found nothing that came to their attention that indicated Santa Cruz METRO failed to comply with the Statutes, Rules, and Regulations of the California Transportation Development Act, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission (SCCRTC) during the course of their audit. Additionally, the auditors tested Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) program receipts and expenses for the year audited.
- In the Schedule of Findings and Questioned Costs (pages 63-64), the auditors identified no findings associated with their testing of major federal program expenditures in connection with their audit performed under *Government Auditing Standards* (GAS) and in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- The Required Communication to the Board of Directors in Accordance with Professional Standards letter (Attachment B) provides information related to

the auditors' responsibilities under generally accepted auditing standards as well as observations arising from the audit.

- One audit condition from the prior year was resolved in FY19, and one unresolved audit condition from the prior year was carried forward to the current year, along with corrective recommendations, as detailed in an Agreed upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting letter issued by the auditors this year.

III. DISCUSSION/BACKGROUND

Attachment A – Santa Cruz METRO's Financial Statements with Independent Auditor's Report

The Independent Auditor's Report (pages 1-3) documents that the audit was conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The auditors have found that Santa Cruz METRO's financial statements present fairly, in all material aspects, the financial position of Santa Cruz METRO as of June 30, 2019.

While the basic financial statements and notes (pages 16-49) provide information about Santa Cruz METRO's financial position in detail, the Management's Discussion and Analysis (pages 4-15) presents narrative highlights of the financial statements, an overview of the agency's financial activities, and information that enhances overall financial disclosure. This report is prepared by Santa Cruz METRO management and staff.

The Statements of Net Position (pages 16-17) present current and noncurrent assets and liabilities on a full accrual basis. Net position represents the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources.

The Statements of Revenues, Expenses and Changes in Fund Net Position (page 18) present Santa Cruz METRO's revenues, expenses and the net impact these activities had on its net position for the year.

The Statements of Cash Flows (pages 19-20) demonstrate how changes in balance sheet accounts and income affect cash and cash equivalents.

The Notes to Basic Financial Statements (pages 21-49) are an integral component of the financial statement report, as they provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of Santa Cruz METRO's

operations and significant accounting policies, as well as clarify financial information unique to Santa Cruz METRO.

The Required Supplementary Information section of the report highlights information that is considered essential for placing the financial statement and note information in an appropriate context, in accordance with generally accepted accounting principles:

- The Schedule of Changes in the Net Pension Liability and Related Ratios (page 50) and the Schedule of Contributions (page 51) for Santa Cruz METRO's defined benefit pension plan presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.
- The Schedule of Changes in the Net OPEB Liability and Related Ratios for post-employment medical, dental, vision and life insurance benefits (page 52) and the Schedule of Contributions - OPEB (page 53) are required under current standards on accounting and financial reporting for OPEB plans (GASB 75), implemented in FY18. At this time, Santa Cruz METRO has not prefunded the liability for retiree medical or other post-employment benefits. However, the FY20 budget provides for \$2M to be used to set up and seed an irrevocable prefunding trust for this obligation.

The Statements of Operating Expenses (page 54) are presented as Supplementary Information, showing the total operating costs that were reported in the financials in further detail, broken out by natural expense classification.

Attachment B - Required Communication to the Board of Directors in Accordance with Professional Standards

The Required Communication to the Board of Directors in Accordance with Professional Standards is a letter from the auditors that serves to communicate to those charged with governance the scope of audit procedures performed, significant findings or misstatements, and other information, such as significant accounting estimates, audit adjustments, any difficulties or disagreements with management, and other matters that are not communicated in the audited financial statements.

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

The purpose of the Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting communication (AUC letter) from the auditors is to provide Santa Cruz METRO with recommendations for

strengthening internal controls and operations efficiency with regard to matters that came to their attention during the course of the audit.

AICPA standards specifically require auditors to inform those charged with governance of any finding considered to be a *material weakness* or *significant deficiency* in internal control through a written communication, however the items presented in this AUC letter do not rise to the level of such reportable conditions; this management letter communication is offered as a “best practices” recommendation for the consideration of management and staff. The conditions identified by the auditors are neither *material weaknesses* nor *significant deficiencies* under *Government Auditing Standards* (“Yellow Book”) or the Uniform Guidance (“Single Audit”). There were no findings related to Federal Transit Administration (FTA) or U.S. Department of Transportation (US DOT) programs.

The AUC letter reflects the status of two conditions that were reported last year, along with the accompanying recommendations by the auditors and an updated response from Santa Cruz METRO management. One audit condition was resolved in FY19. Staff is currently in the process of developing corrective procedures and actions in order to address the remaining condition raised in the AUC letter. Management anticipates clearing this finding by the end of this year.

Attachment D – Santa Cruz METRO’s Measure D Fund Financial Statements with Independent Auditor’s Report

As a recipient agency of Measure D funds, Santa Cruz METRO is required to submit separate independently audited financial statements of Measure D funds received and used. The FY19 Measure D audited financial statements were submitted to the SCCRTC along with Santa Cruz METRO’s district-wide audit and financial reports.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This pertains to METRO’s Financial Stability, Stewardship & Accountability

V. FINANCIAL CONSIDERATIONS/IMPACT

There is no fiscal impact from the Board’s formal acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA) payments from the SCCRTC, the final audit must be submitted to the SCCRTC within 180 days of the end of the fiscal year. Santa Cruz METRO has met this TDA compliance requirement and the SCCRTC has accepted the FY19 audited financial statements.

In addition, Santa Cruz METRO is required to submit annual audit reporting packages to numerous governmental agencies within specified deadlines in order to meet grant compliance requirements and continue to receive Federal, State and Local grant awards and funding. Santa Cruz METRO has timely filed and distributed the FY19 audited financial statements to all required grantor agencies.

VI. CHANGES FROM COMMITTEE

None. The Finance, Audit and Budget Standing Committee recommended acceptance and approval of the FY19 audited financial statements and independent auditor's reports, as presented, at their January 10, 2020 meeting.

VII. ALTERNATIVES CONSIDERED

N/A

VIII. ATTACHMENTS

- Attachment A:** Santa Cruz METRO Financial Statements with Independent Auditor's Report for the year ended June 30, 2019
- Attachment B:** Required Communication to the Board of Directors in Accordance with Professional Standards (letter from Brown Armstrong, CPAs)
- Attachment C:** Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting (Management Letter from Brown Armstrong, CPAs)
- Attachment D:** Santa Cruz METRO Measure D Fund Financial Statements with Independent Auditor's Report for the year ended June 30, 2019

Prepared by: Lorraine Bayer, Accountant II

IX. APPROVALS:

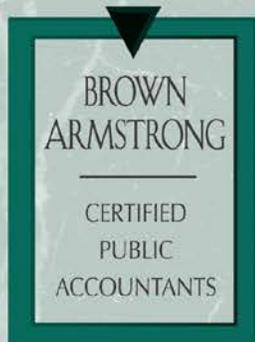
Angela Aitken, CFO

dlc (ow for AA)

Alex Clifford, CEO/General Manager



Attachment A



BROWN ARMSTRONG

Certified Public Accountants

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

We have audited the financial statements of Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 24, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Santa Cruz METRO are described in Note 1 to the financial statements. During the year ended June 30, 2019, no new accounting policies were adopted and the application of existing policies was not changed. We noted no transactions entered into by Santa Cruz METRO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting Santa Cruz METRO's financial statements were:

Management's estimates of the useful lives of capital assets for purposes of calculating annual depreciation expense to be reported in Santa Cruz METRO's results of operations. Estimated useful lives range from three to thirty-nine years. We evaluated the key factors and assumptions used to develop the estimates of the useful lives of assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of both its net pension liability and net other postemployment benefits (OPEB) liability are based on actuarial valuations that involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. We evaluated the key factors and assumptions used to develop the net pension and net OPEB liabilities in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the accrued claims is based upon management's past experience and expected useful life. We evaluated the key factors and assumptions used to develop the estimate of the accrued claims in determining that it is reasonable in relation to the financial statements taken as a whole.

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Attachment A

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosures of capital assets, unpaid claims, pension plan, and OPEB in the notes to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 23, 2019.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Contributions – Pension, Schedule of Changes in the Net OPEB Liability, and Schedule of Contributions – OPEB, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information (Statements of Operating Expenses), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Attachment A

Restriction on Use

This information is intended solely for the information and use of Board of Directors and management of Santa Cruz METRO and is not intended to be, and should not be, used by anyone other than these specified parties.

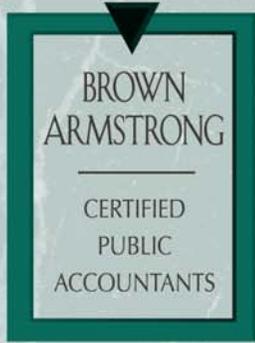
BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 23, 2019

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Attachment B



BROWN ARMSTRONG
Certified Public Accountants

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

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

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the year ended June 30, 2019, and have issued our report thereon dated December 23, 2019. In planning and performing our audit of the basic financial statements of Santa Cruz METRO, we considered its internal control structure over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Santa Cruz METRO's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit we became aware of matters that are an opportunity for strengthening of internal controls and operations efficiency. The recommendation listed in this report summarizes the comments and suggestions regarding these matters.

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Attachment B

Current Year Agreed Upon Conditions and Recommendations

Agreed Upon Condition 2019-1 – Passenger Sales

Condition:

All fixed route tickets for Santa Cruz METRO are electronically activated and issued by a GFI Printer Encoder Machine (PEM) or through a GFI Ticket Vending Machine (TVM) and are created on-demand; no pre-printed validated fixed route ticket stock is held in inventory by Santa Cruz METRO. During our walkthrough of the cash receipts process at the Pacific Station, we noted that ticket sales revenue reports did not reconcile to sales figures from the GFI Vendstar Information (VIP) PEM sales reports. Although reconciliation procedures are performed for ticket sales at the Infobooth, Santa Cruz METRO does not perform routine ticket reconciliations that provide assurance that all tickets that are activated and issued through all PEMs are accurately tracked and accounted for in the weekly Bus Pass Program Bank Deposit Recap report.

Criteria:

In accordance with Governmental Accounting Standards, internal controls should be designed to provide reasonable assurance of achieving effective and efficient operations, reliable financial and performance reporting, or compliance with applicable laws and regulations.

Cause of Condition:

Procedures are not in place to reconcile all ticket sales to the VIP PEM sales reports. Additionally, we noted in our review of VIP PEM Sales Summary reports that some of these VIP system-generated sales reports were not consistent, accurate, or complete. In the course of our walkthrough, it was discussed that if a PEM is not networked or correctly configured, a GFI VIP-generated report does not pick up ticket sales; therefore, it will not report the correct amount of revenue.

Potential Effects:

Failure to reconcile ticket sales to the system-wide VIP PEM sales reports increases the opportunity for misappropriation of Santa Cruz METRO assets without detection. The absence of performing routine ticket reconciliations also provides an opportunity for errors to occur that may go undetected. Consequently, there is a lack of assurance that all ticket sales are accurately reported.

Recommendation:

We recommend management establish and implement policies and procedures for routine and periodic system-wide ticket reconciliations.

Views of Responsible Officials:

Management concurs with the auditor's recommendation and takes its responsibility to assure the prompt and proper resolution of all audit conditions seriously.

As of December 2019, the following steps were taken by Santa Cruz METRO in an effort to further improve the ticket sales reconciliation process, as well as troubleshoot and remedy the programming issues with the PEMs and the VIP application:

- New models of the PEMs were purchased in 2018 from Genfare (GFI)
- In October 2018, the IT and Planning departments worked with Genfare (GFI) to implement a system-wide software upgrade to the GFI VIP system in an attempt to resolve reporting issues.
- Numerous staff hours were devoted to documenting, reporting and troubleshooting GFI equipment and system errors in 2018 and 2019; efforts continue to be ongoing. METRO's IT department, Revenue Account Coordinator, Planning Analyst, Accountant and Customer Service Coordinators continue to work towards resolving issues in the system, improving the reports and understanding best practices on the PEMs for ensuring accuracy of sales records. New training manuals were delivered by GFI and distributed to Customer Service to provide instruction to all Customer Service Representatives on how to properly utilize the new PEMs. As a result, user errors were identified, and updated procedures were created to reduce deviations in the accounting of pass sales.

Attachment B

- In an attempt to resolve the back-end reporting issues, another software system upgrade was rolled-out and implemented by Genfare in January 2019. It was anticipated that all of the previously reported and unresolved software issues would be remedied with this new system update, which would then allow METRO to produce the accurate and reliable sales reports needed to track and reconcile ticket sales. The update resolved some of METRO's prior issues but generated other problems with the PEMs, TVMs and fareboxes. Weekly conference call meetings were held between METRO staff and Genfare programmers for over a year to document and discuss the status of unresolved system issues. After the system was stabilized the conference calls subsided to ad hoc communications as errors in the system occurred.
- In 2019, Santa Cruz METRO switched to a more robust Point of Sales (POS) system that provides improved retail sales tracking and reporting, as well as a more intuitive system interface for Customer Service staff.
- A new Marketing, Communications and Customer Service Director was hired in 2019 to lead the development, training and oversight of monthly system-wide ticket reconciliation policies and procedures, as well as serve as the agency's point of contact to regulate any ongoing reporting issues with Genfare. Additionally, an accounting consultant was hired to work with Customer Service staff on site at Pacific Station to develop policies and procedures while helping to streamline and improve cash handling and balancing practices.

Status of Prior Year Agreed Upon Conditions and Recommendations

Agreed Upon Condition 2018-1 – Passenger Sales

Condition:

All fixed route tickets for Santa Cruz METRO are electronically activated and issued by a GFI Printer Encoder Machine (PEM) or through a GFI Ticket Vending Machine (TVM) and are created on-demand; no pre-printed validated fixed route ticket stock is held in inventory by Santa Cruz METRO. During our walkthrough of the cash receipts process at the Pacific Station, we noted that ticket sales revenue reports did not reconcile to sales figures from the GFI Vendstar Information (VIP) PEM sales reports. Although reconciliation procedures are performed for ticket sales at the Infobooth, Santa Cruz METRO does not perform routine ticket reconciliations that provide assurance that all tickets that are activated and issued through all PEMs are accurately tracked and accounted for in the weekly Bus Pass Program Bank Deposit Recap report.

Criteria:

In accordance with Governmental Accounting Standards, internal controls should be designed to provide reasonable assurance of achieving effective and efficient operations, reliable financial and performance reporting, or compliance with applicable laws and regulations.

Cause of Condition:

Procedures are not in place to reconcile all ticket sales to the VIP PEM sales reports. Additionally, we noted in our review of VIP PEM Sales Summary reports that some of these VIP system-generated sales reports were not consistent, accurate, or complete. In the course of our walkthrough, it was discussed that if a PEM is not networked or correctly configured, a GFI VIP-generated report does not pick up ticket sales; therefore, it will not report the correct amount of revenue.

Potential Effects:

Failure to reconcile ticket sales to the system-wide VIP PEM sales reports increases the opportunity for misappropriation of Santa Cruz METRO assets without detection. The absence of performing routine ticket reconciliations also provides an opportunity for errors to occur that may go undetected. Consequently, there is a lack of assurance that all ticket sales are accurately reported.

Attachment B

Recommendation:

We recommend management establish and implement policies and procedures for routine and periodic system-wide ticket reconciliations.

Views of Responsible Officials:

Management concurs with the auditor's recommendation and takes its responsibility to assure the prompt and proper resolution of all audit conditions seriously.

In order to implement the audit recommendation of performing routine system-wide ticket reconciliations, it is necessary that the root cause of the audit condition first be addressed: the GFI ticket sales reporting function is not consistently accurate or reliable. In 2018, the following steps were taken by Santa Cruz METRO in an effort to troubleshoot and remedy the programming and configuration issues with the PEMs and the VIP application:

- New models of the PEMs were purchased in 2018 from Genfare (GFI).
- In October 2018, the Information Technology (IT) and Planning departments worked with Genfare to implement a system-wide software upgrade to the GFI VIP system in an attempt to resolve reporting issues.
- Numerous staff hours were devoted to documenting, reporting and troubleshooting GFI equipment and system errors in 2018; efforts continue to be ongoing. Santa Cruz METRO's IT department, Ticketing and Pass Specialist, Planning Analyst, Accountant, and Customer Service Coordinators continue to work towards improving the reports and understanding best practices on the PEMs for ensuring accuracy of sales records. Weekly conference call meetings are held between Santa Cruz METRO staff and Genfare programmers to document and discuss the status of unresolved system issues.
- Recruiting efforts will begin in January 2019 to hire a Customer Service Manager. This position will lead the development, training, and oversight of monthly system-wide ticket reconciliation policies and procedures, as well as serve as Santa Cruz METRO's point of contact to regulate any ongoing reporting issues with Genfare.
- In an attempt to resolve the back-end reporting issues, another software system upgrade will be rolled-out and implemented by Genfare in January 2019. It is anticipated that all of the previously reported and unresolved software issues will be remedied with this new system update, which will then allow Santa Cruz METRO to produce the accurate and reliable sales reports needed to track and reconcile ticket sales.

Current Year Status:

Refer to Condition 2019-1.

Agreed Upon Condition 2018-2 – Paracruz Transit Ticket

Condition:

Although fixed route bus tickets for Santa Cruz METRO are electronically issued on-demand, paratransit (Paracruz) ride tickets are sequentially numbered, pre-printed coupons that are held in inventory. Paracruz coupon purchases at the Infobooth require hand-written receipts be issued by Customer Service staff. Paracruz coupon sales are also manually recorded and tracked by staff on a sales log. Periodic ticket stock reconciliations are performed to track the Paracruz coupon serial numbers sold out of inventory.

Criteria:

In accordance with Governmental Accounting Standards, internal controls should be designed to provide reasonable assurance of achieving effective and efficient operations, reliable financial and performance reporting, or compliance with applicable laws and regulations.

Attachment B

Cause of Condition:

The fare media of the fixed route bus service and the Paracruz ride service are managed through two separate ticketing systems – one electronic/automated, the other manual.

Potential Effects:

A manual system for tracking Paracruz fare media is time-consuming and subject to errors. Maintaining ticket stock on hand requires periodic inventory counts and safeguard measures. The performance of routine ticket reconciliations from hand-written manual logs provides an opportunity for errors to occur that may go undetected.

Recommendation:

In order to create efficiencies and reduce the likelihood of error, we recommend that Santa Cruz METRO consider converting the Paracruz manual ticketing system to the electronic ticketing system used by fixed route, so that all fare media for Santa Cruz METRO be automated and monitored under the same electronic ticketing system.

Views of Responsible Officials:

Management agrees with the auditor's recommendation and takes its responsibility to assure the prompt and proper resolution of all audit conditions seriously. In 2018, the following steps were taken by Santa Cruz METRO to automate the Paracruz ticketing system:

- Santa Cruz METRO staff worked with Genfare to create a new Paracruz pass that could be encoded through the PEMs and tracked through the PEM sales reports.
- GFI updated the PEM configurations and the VIP software to include the Paracruz pass and enable the ability to track the passes that are issued through the PEM.
- Staff coordinated with Genfare to ensure that the PEMs were properly producing the pass and that the reports were able to identify and accurately track all Paracruz passes.
- New Paracruz pass media was designed and (blank) ticket stock inventory was purchased (to be processed through the PEMs and activated when purchased by customers).
- Recruiting efforts will begin in January 2019 to hire a Customer Service Manager. This position will work with the Operations Manager: Paratransit Division to create policies and procedures for staff to produce, process and accurately track all sales of Paracruz passes.

Current Year Status:

Resolved.

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 23, 2019

9-05B.5

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Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

JUNE 30, 2019 AND 2018

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT JUNE 30, 2019 AND 2018

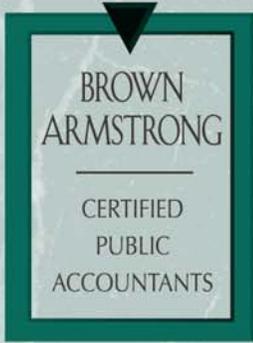
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FINANCIAL SECTION

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BROWN ARMSTRONG *Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

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

Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the years ended June 30, 2019 and 2018, and the related notes to the basic financial statements, which collectively comprise Santa Cruz METRO's basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Santa Cruz METRO's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of Santa Cruz METRO as of June 30, 2019 and 2018, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Net Pension Liability and Related Ratios, and Schedule of Contributions – Pension, as well as the Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Schedule of Contributions – OPEB, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise Santa Cruz METRO's basic financial statements. The statements of operating expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The statements of operating expenses and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements of operating expenses and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of Santa Cruz METRO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 23, 2019

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2019 AND 2018

Introduction

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Santa Cruz Metropolitan Transit District (Santa Cruz METRO or the District) provides a narrative and analytical overview of the financial activities of Santa Cruz METRO with selected comparative information for the years ended June 30, 2019 and 2018. Following the MD&A are the basic financial statements of Santa Cruz METRO together with the notes thereto, which are essential for a full understanding of the data contained in the financial statements.

Activities and Highlights

Santa Cruz METRO is an independent special-purpose district formed in 1969 by the legislature of the State of California for the purpose of providing fixed route bus service to the general public in Santa Cruz County. Santa Cruz METRO assumed direct operation of federally mandated Americans with Disabilities Act (ADA) complementary paratransit (Paracruz) services in November 2004. Prior to 2004, the paratransit service was delivered under contract. Santa Cruz METRO also operates the Highway 17 (Commuter) Express bus service to Santa Clara County in cooperation with the Santa Clara Valley Transportation Authority (VTA), Amtrak, San Joaquin Joint Powers Authority (SJJPA), and the Capitol Corridor Joint Powers Authority (CCJPA). Overseeing the employees who work in the public interest, the Chief Executive Officer (CEO)/General Manager coordinates the operation of Santa Cruz METRO according to the policy and direction of the governing Board of Directors (Board), composed of eleven directors and two ex-officio directors as described in Note 1.A.

The Financial Statements

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

The Statements of Net Position present complete information on Santa Cruz METRO's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference reported as net position. Changes in net position that occur over time may serve as an indicator of Santa Cruz METRO's financial position.

The Statements of Revenues, Expenses, and Changes in Fund Net Position report the operating revenues and expenses, non-operating revenues and expenses, and capital contributions. Federal capital grant expenses are listed in the Schedule of Expenditures of Federal Awards and are included in the current year increase in capital assets.

The Statements of Cash Flows report the sources and uses of cash for the fiscal years resulting from *operating activities*, *non-capital financing activities* (operating grants and sales tax receipts), *capital and related financing activities* (capital acquisitions and disposals), and *investing activities* (interest and rental receipts). The net result of these activities, added to the cash balances at the beginning of the year, reconciles to the cash balances (current plus restricted) at the end of the current fiscal year on the Statements of Net Position.

The Notes to the Basic Financial Statements are an integral component of the report, as they provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of Santa Cruz METRO's operations and significant accounting policies as well as clarify financial information unique to Santa Cruz METRO.

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Following the basic financial statements and footnotes is the Required Supplementary Information, which provides a schedule of changes in the net pension liability, schedule of contributions to Santa Cruz METRO's defined benefit pension plan, schedule of changes in the net other postemployment benefits (OPEB) liability, and schedule of contributions to the OPEB plan.

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

Financial Highlights

- The liabilities and deferred inflows of resources of Santa Cruz METRO exceeded its assets and deferred outflows of resources at the close of the year ended June 30, 2019, resulting in a Total Net Position (Deficit) of \$(58,457,594).
- Of this amount, \$82,302,120 consisted of Net Investment in Capital Assets, which reflects investment in capital assets used for operational and administrative functions (e.g., facilities, vehicles, and equipment). Accordingly, these assets are not available for future spending.
- The remaining balance of Total Net Position (Deficit) represents Unrestricted Net Position (Deficit) of \$(140,759,714). The Unrestricted Net Position (Deficit) is the result, in large part, of the District incurring increasing pension obligations (Net Pension Liability) that reached \$57,868,302 by June 30, 2019, and increasing retiree medical benefits obligations (OPEB) in fiscal year 2019 totaling \$114,516,918 at year-end. These liabilities are required to be accounted for under Governmental Accounting Standards Board (GASB) Statement No. 68, and GASB Statement No. 75, which replaces GASB Statement No. 45, effective fiscal year 2018. Net Pension Liability represents a future long-term pension obligation, but does not significantly affect the District's ability to meet immediate (short-term) operational cash flow needs. Therefore, although the projected long-term pension and OPEB obligation costs have generated a deficit net position balance on the financial statements, Santa Cruz METRO is able to utilize current, available funds to pay for ongoing obligations for pension and retiree medical expenses as they come due.
- Total passenger fares revenue decreased 0.4% during the year ended June 30, 2019, to \$10.2 million compared to a 17.6% increase during the year ended June 30, 2018, over the previous year. The decrease directly correlates with the declining local non-student ridership (decreased 4.5% compared to fiscal year 2018) coupled with reduced contract payments from Cabrillo College in the last quarter of the fiscal year 2019. An increase in the University of California, Santa Cruz (UCSC) funding for student transit services in fiscal year 2019 offset the decline in non-student ridership, resulting in the minimal variance year over year.
- Operating expenses (excluding depreciation) decreased 0.69% during the year ended June 30, 2019, to \$53.2 million compared to a 3.2% increase during the year ended June 30, 2018, over the previous year. The minimal decrease in the current year was mainly attributable to the decrease in workers' compensations and pension costs net of increased insurance and settlement costs over the prior year. In the prior year, the increase was mainly attributable to the increase in pension and settlement costs.
- In 2019, Santa Cruz METRO's Capital Assets (after the application of accumulated depreciation) decreased \$2,383,862, compared to a decrease in 2018 of \$215 thousand over the previous year. Depreciable Asset additions and transfers were \$4.5 million, offset by asset retirements and transfers of \$5.8 million and an increase in accumulated depreciation of \$5.3 million offset by a \$5.8 million write-off of accumulated depreciation associated with retired assets. Asset additions were attributed primarily to the purchase of revenue vehicle replacements during fiscal year 2019. Capital Asset procurements are funded by a combination of federal, state, and local grants as well as Operating and Capital Reserves.

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Financial Activities

The following discussion provides an overview of the financial activities related to operations (operating revenue and expense) and capital funding (contributions) received for facilities improvements and the purchase of capital equipment for the year ended June 30, 2019.

Operating Revenue and Expense:

Santa Cruz METRO utilizes five primary sources of revenue to operate its public transit services: passenger fares, sales and use taxes, local transportation funds (TDA), federal funds, and other non-transportation related revenues (including advertising income, investment income, and rental income). Operating expenses are classified into ten basic categories: labor and fringe benefits, services, mobile materials and supplies, other materials and supplies, utilities, insurance costs (casualty and liability), taxes, purchased transportation costs, miscellaneous expense, and leases and rental expenses. These categories are consistent with the Uniform System of Accounts (USOA) and National Transit Database (NTD) reporting.

As with many transit and public agencies across the region and throughout the state, Santa Cruz METRO has faced financial challenges in the past decade due to significant increases in operating and capital costs with lagging increases in operating or capital contributions

- Federal bus transit funding is generated from gasoline and diesel fuel taxes. Federal gasoline and diesel fuel tax levels have been unchanged since 1993, therefore Federal assistance has remained relatively flat. The recurring costs for health benefits, retirement, services, materials and supplies, insurance, and utilities have significantly exceeded the annual Consumer Price Index (CPI) for the region since 2012.
- The California Transportation Development Act (TDA) provides two major sources of funding for public transportation: the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA). These funds are for the development and support of public transportation needs that exist in California and are allocated to areas of each county based on population, taxable sales, and transit performance. STA funding is derived from the statewide sales tax on diesel fuel. Since fiscal year 2014, STA funding had been on the decline. On April 28, 2017, Governor Brown signed Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017. SB 1 augments the base of the STA program essentially doubling the funding for this program. Santa Cruz METRO's financial position continues to improve with this much-needed influx of operating and capital funding.

Capital Program:

In fiscal year 2019, Santa Cruz METRO spent \$3.1 million on the purchase of capital assets and on new and ongoing capital projects. A total of \$3.0 million of these capital additions were paid for with capital contributions funded by a variety of sources, including from the Federal Transit Administration (FTA), California Proposition 1B Transportation Bonds (Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) and California Office of Emergency Services California Transit Security Grant Program (Cal-OES CTSGP), STA, STA State of Good Repair (STA-SGR), the State-Local Partnership Program (SLPP), the State Transportation Improvement Program (STIP), and Measure D local sales tax allocations. A total of \$118 thousand of these capital purchases were made using Operating and Capital Reserve Funds.

Bus Replacement Strategies:

Operating buses and owning/maintaining transit facilities is a capital-intensive business. Funding Santa Cruz METRO's overall operation is a delicate balance between identifying the resources to operate the service and identifying the resources to purchase and maintain the vehicles and facilities with which to operate the service. Through the early 2000s, Santa Cruz METRO had always been able to acquire new buses to replace buses that had reached their useful life. Due to the 2008/2009 economic recession that limited funding availability in the following years, along with the elimination of the ability to acquire new buses through the federal earmark process, by the start of fiscal year 2018 over half of Santa Cruz METRO's fleet was beyond its useful life. Older buses are still operational but have significantly increased maintenance costs.

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Addressing the challenge of aging equipment and the attrition of rolling stock inventory continues to be a priority. With the passage of Measure D in 2016 and Senate Bill 1 (the Road Repair and Accountability Act of 2017), Santa Cruz METRO now has recurring revenue sources to address Santa Cruz METRO's critical issue of operating buses beyond their intended useful life. To that end, the Santa Cruz METRO Board adopted a new capital budget funding plan in fiscal year 2018 that results in \$3 million per year being dedicated annually to the capital budget. This new strategy created the "Bus Replacement Fund" and establishes consistent annual transfers of STA-SB1 funds and Measure D funds to the capital budget that are needed to provide funding and stability for the required local match for capital grants used to replace obsolete fixed-route buses and Paratransit vehicles. Annual unspent Measure D and STA-SGR (State of Good Repair) funds will carry-forward in the Bus Replacement Fund until they are allocated to specific projects and spent on new replacement buses and vans.

In conjunction with the creation of the Bus Replacement Fund, Santa Cruz METRO has developed a Long Range Bus Replacement Plan to upgrade and reduce the average age of the fixed route bus fleet while maintaining the number of buses required to meet operational needs. In fiscal year 2018, Santa Cruz METRO procured three buses in a lease-to-buy arrangement, and in fiscal year 2019, acquired 14 buses from Santa Clara Valley Transportation Authority, and is refurbishing two older CNG buses, leaving only 34 buses in the fleet beyond their useful life at the start of fiscal year 2020. In fiscal year 2020 and beyond, Santa Cruz METRO anticipates receiving new buses from previously won grants, continuing to refurbish older buses, and acquiring new CNG buses through a lease-to-buy agreement, effectively updating the fleet in the next five years.

The Bus Replacement Fund establishes an on-going commitment to the Capital Budget and efforts to maintain the District's assets in a state of good repair.

Electric Bus and Infrastructure Projects

Santa Cruz METRO is working with the Center for Transportation and the Environment (CTE) to develop Santa Cruz METRO's Zero Emission Bus implementation plan. Santa Cruz METRO secured funds and is in procurement to purchase seven battery-electric buses. Two of these buses are being acquired with assistance from the State of California Low Carbon Transit Operations Program (LCTOP), which requires the buses to serve Watsonville's designated Disadvantaged Community.

- Watsonville Circulator – Two Zero Emission Buses (ZEB) will arrive in quarter 1 of 2020 with this service to start in the fall 2020 Bid. Depending on the final routing, two buses are assumed to be needed to run the Watsonville Circulator for service all day. However, if a two-way loop is implemented then it could require all four buses to operate this service. Monterey Bay Air Resources District (MBARD) gave us a one-year operating grant for \$200,000. Delays in delivery of the buses have required a one-year extension for the operating grant.
- Charging Infrastructure at Watsonville Transit Center – Consulting work continues on Santa Cruz METRO's FTA § 5339 Low and No Emission Bus Program (Low-No) project. The Low-No program makes funding available nationwide to purchase battery-electric, fuel cell, or hybrid-energy buses and infrastructure to accelerate the deployment and acceptance of advanced vehicle technologies to reduce greenhouse gas emissions. This project is in alignment with the District's "Electric Bus Implementation Strategy" adopted in September 2015. Santa Cruz METRO matched this grant with PTMISEA funds and local Operating and Capital Reserves.

Noteworthy capital project activity this fiscal year includes:

- Cameras on Buses - Santa Cruz METRO was one of the last public transit agencies in the nation operating without an onboard security surveillance system, however with funding from Cal-OES California Transit Security Grant Program funds (CTSGP) cameras were installed on many Santa Cruz METRO's buses in fiscal years 2019 and 2018. This project is to be completed in fiscal year 2020. All future new buses purchased by Santa Cruz METRO will come outfitted and installed with fully operational cameras. Having this type of equipment on Santa Cruz METRO's buses and paratransit vehicles is important to the safety and security of bus riders and employees, and fulfills Santa Cruz METRO's commitment to follow TDA triennial audit recommendations to install them.

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- Paracruz Vehicles - STIP and Measure D sales tax funds were used to purchase three (3) vehicles in fiscal year 2018. In fiscal year 2019, eleven (11) Paracruz vans were purchased with FTA § 5339 Bus and Bus Facilities Program funds and Measure D sales tax funds. Additionally, one (1) Paracruz van was acquired in fiscal year 2019 with FTA § 5310 funds.
- Four (4) Articulated Buses – Due to the success of using articulated buses on UCSC routes, Santa Cruz METRO requested the purchase of articulated buses that the Santa Clara Valley Transportation Authority (VTA) was planning on decommissioning. In October 2018, VTA agreed to allow the purchase of four (4) 2002 New Flyer Diesel Articulated buses that they had in service, for a purchase price of one dollar (\$1.00) each plus decommissioning costs. These buses assist in meeting transport load demands to UCSC routes and have eliminated the cost of monthly payments for three articulated buses that were previously leased.
- Ten (10) 2014 Gillig Diesel Electric Hybrid Buses – In October 2018, VTA transferred to Santa Cruz METRO ten (10) diesel electric hybrid buses for operation in the Highway 17 Express Service route, a commuter transit bus service between Santa Cruz County and Santa Clara County, operated by Santa Cruz METRO and partially subsidized by VTA. Like the four articulated buses from VTA, Santa Cruz METRO paid only decommissioning costs for these vehicles. These buses have contributed to meeting the goals of Santa Cruz METRO's Long Range Bus Replacement Plan.
- Three (3) 2016 New Flyer Buses – Santa Cruz METRO entered into a lease-to-purchase agreement (capital lease) in fiscal year 2018 for three New Flyer Xcelsior buses that extends through November 2023. This purchase is part of Santa Cruz METRO's effort to replace and update its aging fleet. The principal portion of the ongoing monthly lease payments is funded by Measure D funds.
- Electric Bus and Infrastructure Project – Consulting work continues on Santa Cruz METRO's FTA § 5339(c) Low and No Emission Bus Program (Low-No) project. The Low-No program makes funding available nationwide to purchase battery-electric, fuel cell, or hybrid-energy buses to accelerate the deployment and acceptance of advanced vehicle technologies to reduce greenhouse gas emissions. This project is in alignment with the District's "Electric Bus Implementation Strategy" adopted in September 2015. This grant funds three Over the Road Coaches (OTRCs) and the partnership with several vendors including project management consulting services. Santa Cruz METRO matched this grant with PTMISEA funds and local Operating and Capital Reserves.
- Mid-Life Bus Engine Overhauls Campaign – The Mid-Life Bus Engine Overhauls Campaign increases bus reliability and reduces maintenance cost during years 7 to 12, usually enabling an additional 2 years of lower maintenance cost. This project is funded by FTA § 5339 funds matched with Measure D funds; four buses received a mid-life engine overhaul in fiscal year 2019.
- Bus Repaint Campaign – Santa Cruz METRO was able to repaint 26 buses this fiscal year. Bus exterior paint deteriorates through bus washing and sun UV fading. Repainting provides a protective seal for body seams, a good public image, and enables ease of cleaning. This project was also funded with FTA § 5339 funds matched with Measure D funds.
- Automatic Vehicle Location (AVL) – On-board technology in the transit industry has afforded transit operators the ability to utilize detailed data to optimize services and offer an array of conveniences to their riders. Santa Cruz METRO is utilizing GMV Syncromatics for the purchase and installation of an AVL system to maximize operational efficiency and customer amenity. The AVL system is scheduled to be implemented system-wide in early fiscal year 2021. See the *Future Operational Improvements* section in this report for further information.

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Ridership:

At the end of fiscal year 2019, the Santa Cruz METRO fixed-route bus system consisted of 24 routes, and provided 5,046,560 rides with a fleet of 94 Compressed Natural Gas (CNG) and diesel buses, a decrease of 1,952 fixed-route rides (0.04%) from the previous year. As with many transit agencies across the nation, ridership has eroded due to prolonged low fuel costs, greater access to personal vehicles, service reductions due to budgetary constraints, as well as the rising popularity and public usage of ride-sharing services such as Uber and Lyft.

Paracruz, Santa Cruz METRO's paratransit service, provided 73,467 paratransit rides to mobility impaired patrons on 32 specially equipped minibuses and minivans during fiscal year 2019. This represents a 1.7% increase in Paracruz ridership from the prior year (1,258 fewer paratransit rides), resulting primarily from an increase in the elderly and disabled population in Santa Cruz METRO's paratransit service area.

Factors Effecting Financial Conditions

A significant source of revenue for Santa Cruz METRO is retail sales and use tax in Santa Cruz County. Sales tax accounts for almost 50% of budgeted revenue while the TDA Local Transportation Fund (TDA-LTF), also funded by sales tax, provides an additional 13.2% to the budget. Santa Cruz METRO's actual sales tax receipts increased 4.6% in fiscal year 2019, and 4.4% in fiscal year 2018, while the TDA-LTF receipts increased by 7.7% and 6.7%, respectively.

Despite the continuing recovery experienced in the local economy, world-wide economic realities and uncertainties about funding at the federal level necessitate that Santa Cruz METRO closely monitor revenue and expenses and continue to employ cost control measures to balance its budget.

Future Outlook

For the first time since the economic crises of 2008/2009, the fiscal year 2020 budget includes a five year balanced projection of revenues and expenses, providing a clear road map for the delivery of service, future planned improvements and addressing anticipated challenges. The budget and the opportunity for that vision is made possible by not only the influx of funds from Measure D and SB 1, but also the dedication of Santa Cruz METRO's employees who recognized the critical need that Santa Cruz METRO plays in the community and made personal sacrifices to support the agency's long term goals by accepting a myriad of compensation concessions for the past several years. After several months of negotiations, new labor agreements were finalized in early fiscal year 2020, reflecting salary adjustments and title changes recommended through a District-wide class and compensation study performed in fiscal year 2019.

Future Funding and Reserves:

Local Santa Cruz County Measure D was approved in November 2016 by over 2/3 of Santa Cruz County voters in order to fund a comprehensive package of county-wide transportation improvements through a 0.5% sales and use tax levy on retail sales within Santa Cruz County for a thirty-year period, effective April 1, 2017. Santa Cruz METRO is allocated 16% of Measure D sales and use tax revenues collected, less administrative costs, to provide transit and paratransit service for seniors and people with disabilities. Measure D is providing over \$3 million dollars in revenue each year.

SB 1 (Chapter 5, Beall, 2017), known as The Road Repair and Accountability Act of 2017, was signed into law in April 2017, providing a significant, stable and ongoing increase in state transportation funding for the first time in four years, generating an estimated \$5.2 billion annually over the next decade for the State of California. Funding is provided by state-wide increases in gasoline and diesel taxes as well as increases in vehicle registration fees. The passage of SB 1 established a new State of Good Repair (STA-SGR) program that funds capital projects that support public and community transportation services (e.g., transit and paratransit), with preference given to counties where local voters have approved taxes or fees dedicated to transportation in their community. STA-SGR should provide Santa Cruz METRO with approximately \$737 thousand per year. California Proposition 6, the ballot measure to overturn the tax and fee increases and repeal SB 1, was defeated in November 2018, helping to protect this vital investment in public transit and transportation.

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Prior to the outcome of Proposition 6 and in response to this financial threat, Santa Cruz METRO was able to dialogue with key funding partners in the community. Cabrillo College students voted to impose a mandatory transportation fee of \$40 per student per semester effective fall semester 2016 to sustain bus service that was scheduled to be eliminated due to a Comprehensive Operational Analysis (COA) service restructuring. The fee provides each student with a bus pass valid seven days a week during the semester term, providing Santa Cruz METRO bus service throughout Santa Cruz County with transfers to Monterey-Salinas Transit. Cabrillo College has extended their commitment for transit funding through the 2019-20 school year. Additionally, UCSC has increased its level of funding for student transit services for the 2018-19 academic year, and increased it further for the 2019-20 academic year

Santa Cruz METRO's improving financial position has allowed for a renewed focus on prudent financial planning by shoring up Operating and Capital reserve levels. Maintaining reserve funding will prove a valuable long-term investment; reserves allow public agencies some ability to navigate difficult times and respond to short-term crises and funding disruptions. Additionally, the fiscal year 2020 budget calls for \$2 million to be put towards prefunding long-term retirement-related liabilities. Establishing an irrevocable trust for funding the defined benefit pension plan (CalPERS) and Other Post-Employment Benefits (OPEB) (retiree medical, dental, vision insurance) obligations will not only increase investment income, but will reduce the growing unfunded long-term liabilities associated with these retiree-related commitments, as well as reduce future required contribution levels. Prefunding can improve financial reporting outcomes as well as preserve Santa Cruz METRO's positive credit ratings.

Fare Structure and Ticketing Initiatives:

In fiscal year 2019, Santa Cruz METRO staff explored transit incentive programs and fare payment technology improvements.

- New Single-Ride tickets were introduced in October 2018, to help shorten wait times while boarding the Highway 17 Express and local routes.
- Downtown Employee Bus Pass Program Pilot – In an effort to increase mobility options and reduce single occupant vehicle travel in downtown Santa Cruz, Santa Cruz METRO collaborated with the City of Santa Cruz by issuing 4,000 “Go Santa Cruz” bus passes to provide to every downtown employee for a one year pilot project to test the appeal of public transportation for new users who work in the downtown area. These passes provide unlimited rides on Santa Cruz METRO's local service for the pilot project period. Santa Cruz METRO's portion of project costs, totaling \$311,117, were reimbursed by the City of Santa Cruz. The estimated loss in fares from the pilot program was deduced by approximating the cost of a 31-day bus pass (\$65) for the downtown employees for a projected loss of \$205,000. The actual fare loss and success of the program will be reassessed at the end of the pilot period by both the City and Santa Cruz METRO's Planning Department in fiscal year 2021.
- Highway 17 Express Mobile Ticketing Program Pilot – METRO will use the Highway 17 Express route to test a mobile ticketing system using a one-year pilot. METRO is employing Masabi to implement this pilot program in March of 2020. The intent of this pilot is to minimize boarding times and simplify the ticket purchase process. Upon completion of the pilot, METRO will decide whether to continue this service and expand it to the rest of the system. Purchase of on-board validators will likely be necessary to provide mobile ticketing to Santa Cruz METRO's entire system

Future Operational Improvements:

Bus On Shoulders – Santa Cruz METRO collaborated with the Santa Cruz County Regional Transportation Commission (SCCRTC) on a Caltrans Planning Grant to assess the feasibility of bus on shoulders operations on the Highway 1 corridor. Santa Cruz METRO contributed to the environmental/design costs and will ultimately contribute to California Highway Patrol (CHP) and Caltrans operational support costs as the project commences. SCCRTC is managing the bus on shoulder project in conjunction with an auxiliary lane project with Caltrans. Construction will begin in fiscal year 2021 on the first segment from Soquel Avenue to 41st Avenue, with the other two segments of Highway 1 to follow pending funding.

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The ITS (Intelligent Transportation System) Project, which encompasses both AVL and an Audio/Visual Annunciation System (AVAS) commenced in fiscal year 2019 with funding received from the Transportation Improvement Program (STIP) in October 2018, and is expected to be completed by fiscal year 2021:

- AVL (Automatic Vehicle Location) describes the use of computers and Global Positioning Systems (GPS) in dispatching and tracking transit vehicles. The Planning and Information Technology (IT) Departments are coordinating to introduce this technology to improve operational efficiency, data gathering and analysis, and provide a customer facing Predictive Arrival and Departure System (PADS). Transit agencies and its riders benefit from these improvements to service planning and customer service through real-time information. This technology will provide Santa Cruz METRO with much needed data that will be used to improve the accuracy of on-time performance, making for better system service. AVL will also significantly enhance the customer's experience by providing up to date information on bus arrival times and system disruptions. The successful passage of SB 1 has resulted in providing Santa Cruz METRO with state funds to purchase components of an AVL system for the fixed-route bus network in fiscal year 2019 and fiscal year 2020, with implementation system-wide expected by early fiscal year 2021.
- AVAS provides automatic audio announcements and visual displays of destination and stop information for passengers with disabilities utilizing GPS to obtain a vehicle's location on a path of travel. Santa Cruz METRO procured an AVAS in response to ADA-related litigation in 2002. Santa Cruz METRO's current AVAS is no longer supported and is faced with dwindling parts availability. Therefore, an updated AVAS is deemed an essential element to this project.

Refurbishing Fleet: In October 2018, Santa Cruz METRO received funding from the STIP for refurbishing four older CNG buses, which will add 4-6 years to their useful life.

Zero Emission Buses (ZEBs): In early 2017, the Santa Cruz METRO Board renewed their commitment to air quality and sustainability by adopting a resolution to achieve a fully zero emissions bus fleet by 2040, in anticipation of the California Air Resources Board mandating this goal in late 2018 for all publicly operated bus fleets in California. Santa Cruz METRO has secured funding that will purchase seven zero emissions buses:

- In June 2016, Santa Cruz METRO was awarded a grant for the District's first electric bus from the LCTOP administered through Caltrans, to be run as a circulator in Watsonville.
- In July 2016, Santa Cruz METRO was awarded a FTA 5339(c) Low-No grant for three zero emissions buses.
- In October 2018, the California Transportation Commission approved an allocation of State Transportation Improvement Program (STIP)/Local Partnership Program (LPP) funding to Santa Cruz METRO for the purchase of two electric buses.
- In June 2018, the fiscal year 2017 and fiscal year 2018 LCTOP awards, in combination, were approved to fund two ZEBs to be operated as Watsonville Circulators. Fiscal year 2019 LCTOP funding will fund EV charging infrastructure for electric buses.

These grants will provide funding not only for the electric buses but for some of the infrastructure needed to operate them. Currently, an order is in progress with Proterra for four ZEBs with a delivery commitment to Santa Cruz METRO of February 2020.

Financial Analysis

Following are the condensed comparative financial statements, which highlight key financial data. Certain significant year-to-year variances are discussed following the statements.

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Statements of Net Position:

Condensed Statements of Net Position

	2019	2018	2017	2019 to 2018		2018 to 2017	
				Increase/(Decrease)		Increase/(Decrease)	
				Amount	%	Amount	%
Assets							
Current Assets	\$ 33,112,067	\$ 28,260,602	\$ 22,587,204	\$ 4,851,465	17.2%	\$ 5,673,398	25.1%
Capital Assets - Net	83,472,558	85,856,420	86,071,566	(2,383,862)	-2.8%	(215,146)	-0.2%
Restricted Assets	11,059,070	8,513,085	8,354,300	2,545,985	29.9%	158,785	1.9%
Total Assets	\$ 127,643,695	\$ 122,630,107	\$ 117,013,070	\$ 5,013,588	4.1%	\$ 5,617,037	4.8%
Deferred Outflows of Resources							
Pension and OPEB Contributions	\$ 13,543,340	\$ 16,717,218	\$ 13,585,398	\$ (3,173,878)	-19.0%	\$ 3,131,820	23.1%
Total Deferred Outflows of Resources	\$ 13,543,340	\$ 16,717,218	\$ 13,585,398	\$ (3,173,878)	-19.0%	\$ 3,131,820	23.1%
Liabilities							
Current Liabilities	\$ 7,220,527	\$ 6,735,562	\$ 6,909,520	\$ 484,965	7.2%	\$ (173,958)	-2.5%
Non-Current Liabilities	11,633,273	9,339,794	6,947,590	2,293,479	24.6%	2,392,204	34.4%
Other Long-Term Liabilities	174,972,058	170,972,880	91,066,828	3,999,178	2.3%	79,906,052	87.7%
Total Liabilities	\$ 193,825,858	\$ 187,048,236	\$ 104,923,938	\$ 6,777,622	3.6%	\$ 82,124,298	78.3%
Deferred Inflows of Resources							
Pension and OPEB deferrals	\$ 5,818,771	\$ 8,918,033	\$ 5,306,999	\$ (3,099,262)	-34.8%	\$ 3,611,034	68.0%
Total Deferred Inflows of Resources	\$ 5,818,771	\$ 8,918,033	\$ 5,306,999	\$ (3,099,262)	-34.8%	\$ 3,611,034	68.0%
Net Position							
Net Investment in Capital Assets	\$ 82,302,120	\$ 84,442,069	\$ 86,071,566	\$ (2,139,949)	-2.5%	\$ (1,629,497)	-1.9%
Unrestricted Net Position	(140,759,714)	(141,061,013)	(65,704,035)	301,299	0.2%	(75,356,978)	114.7%
Total Net Position	\$ (58,457,594)	\$ (56,618,944)	\$ 20,367,531	\$ (1,838,650)	3.2%	\$ (76,986,475)	-378.0%

2019 vs 2018 Analysis

Key changes include:

- *Current assets* increased by \$4.9 million, or 17.2%, to \$33.1 million, primarily due to the significant increase in grants receivables for unreimbursed Federal operating assistance at year-end. These funds were received in July 2019.
- *Capital assets – net* decreased by \$2.4 million, or 2.8%, to \$83.5 million, primarily due to increased depreciation of existing assets. The rate of aging capital assets/expensing off the use of capital assets over their estimated period of utility is outpacing the rate of construction and procurement of new vehicles and equipment.
- *Restricted assets* increased by \$2.5 million, or 29.9%, to \$11.1 million due to Measure D sales tax allocations, LCTOP, and State Transit Assistance – State of Good Repair (STA-SGR) unspent funds currently committed against awarded grants.
- *Deferred outflows of resources* totaling \$13.5 million reflect \$3.9 million in OPEB retiree medical, dental and vision insurance premium payments and \$9.6 million in pension contributions that were recorded in the current fiscal year, as required by GASB Statements No. 75 and No. 68, respectively.
- *Current liabilities* increased by \$485 thousand, or 7.2%, to \$7.2 million in total. An increase in accrued construction retention, along with large year-end payables due for legal counsel (employee contract negotiations), property and liability insurance (CalTIP) and security cameras resulted in this comparative increase over prior year.
- *Non-current liabilities* increased by \$2.3 million, or 24.6%, to \$11.6 million due to the receipt of Measure D sales tax allocations, LCTOP and STA-SGR grant funding. Capital grant funds and subsidies received are restricted and reported as liabilities (unearned revenue) until spent on the specific project or purpose for which they were awarded.

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- *Other long-term liabilities* increased by \$4.0 million, or 2.3%, to \$175.0 million. Even though long-term liabilities associated with worker's compensation and pension decreased in fiscal year 2019, a net increase in total long-term liabilities was experienced this year, driven by a \$7.6 million increase in OPEB obligations.
- *Deferred inflows of resources* of \$5.8 million in pension investment earnings and OPEB deferrals were recognized in the current year through the application of GASB Statements No. 68 and No. 75, respectively.

Statements of Revenues, Expenses, and Changes in Fund Net Position:

	2019	2018	2019 to 2018	
			Increase/(Decrease)	
			Amount	%
Operating Revenues	\$ 10,238,963	\$ 10,280,559	\$ (41,596)	-0.4%
Operating Expenses	58,447,338	58,054,672	392,666	0.7%
Net Operating Loss	(48,208,375)	(47,774,113)	(434,262)	0.9%
Non-Operating Revenues	43,341,253	40,580,481	2,760,772	6.8%
Capital Grant Contributions	3,028,472	2,594,506	433,966	16.7%
Decrease in Net Position	<u>\$ (1,838,650)</u>	<u>\$ (4,599,126)</u>	<u>\$ 2,760,476</u>	<u>-60.0%</u>

	2018	2017	2018 to 2017	
			Increase/(Decrease)	
			Amount	%
Operating Revenues	\$ 10,280,559	\$ 9,720,871	\$ 559,688	5.8%
Operating Expenses	58,054,672	56,141,378	1,913,294	3.4%
Net Operating Loss	(47,774,113)	(46,420,507)	(1,353,606)	2.9%
Non-Operating Revenues	40,580,481	36,701,352	3,879,129	10.6%
Capital Grant Contributions	2,594,506	3,632,663	(1,038,157)	-28.6%
Decrease in Net Position	<u>\$ (4,599,126)</u>	<u>\$ (6,086,492)</u>	<u>\$ 1,487,366</u>	<u>-24.4%</u>

2019 vs 2018 Analysis

Operating Revenues (Passenger Fares) increased by \$42 thousand, or 0.4%, this year over the prior year as a result of a decreases in ridership that transit agencies across the nation are facing. Additional narrative about passenger fares can be found in the *Ridership* section of this report

Operating Expenses increased by \$393 thousand, or 0.7%, overall when compared to last year due to several factors: increases in professional and technical services, all materials and supplies, settlement claims costs, and depreciation, net of the decrease in labor and fringe benefits, due primarily to the reduction in the Worker's Compensation year-end reserves and, and a decrease in the annual adjusting entry for GASB Statement No. 75 OPEB expense.

Non-Operating Revenues increased overall by \$2.8 million, or 6.8%, over last year, primarily due to increases in sales and use tax revenues, TDA, STA, and Federal Operating Assistance. Sales and use tax and STA revenues both increased by nearly \$1.1 million each, while TDA increased by \$520 thousand, and Federal Operating Assistance by \$200 thousand in fiscal year 2019.

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Capital Contributions are capital grant and Measure D sales tax funds received for facilities improvements and the purchase of capital equipment including revenue vehicles. The receipt of capital funds can fluctuate year over year based on a variety of factors including project eligibility requirements, formula-based funding criteria, the economy, etc. Capital contributions increased by \$434 thousand, or 16.7%, over last year.

Statements of Cash Flows:

	2019	2018	2019 to 2018 Change
Net Cash Used in Operating Activities	\$ (38,591,406)	\$ (37,051,184)	\$ (1,540,222)
Net Cash Provided by Non-Capital Financing Activities	42,694,343	39,956,902	2,737,441
Net Cash Provided by (Used in) Capital and Related Financing Activities	(4,518,614)	774,168	(5,292,782)
Net Cash Provided by Non-Transportation Activities	466,496	283,038	183,458
Net Increase in Cash and Cash Equivalents	50,819	3,962,924	(3,912,105)
Cash and Cash Equivalents, Beginning of Year	28,023,632	24,060,708	3,962,924
Cash and Cash Equivalents, End of Year	<u>\$ 28,074,451</u>	<u>\$ 28,023,632</u>	<u>\$ 50,819</u>
	2018	2017	2018 to 2017 Change
Net Cash Used in Operating Activities	\$ (37,051,184)	\$ (34,366,265)	\$ (2,684,919)
Net Cash Provided by Non-Capital Financing Activities	39,956,902	35,801,841	4,155,061
Net Cash Provided by (Used in) Capital and Related Financing Activities	774,168	(2,038,501)	2,812,669
Net Cash Provided by Non-Transportation Activities	283,038	263,508	19,530
Net Increase (Decrease) in Cash and Cash Equivalents	3,962,924	(339,417)	4,302,341
Cash and Cash Equivalents, Beginning of Year	24,060,708	24,400,125	(339,417)
Cash and Cash Equivalents, End of Year	<u>\$ 28,023,632</u>	<u>\$ 24,060,708</u>	<u>\$ 3,962,924</u>

Economic Factors and Next Year's Budget

State law requires Santa Cruz METRO to adopt an annual budget by resolution of the Board. In the spring preceding the start of each fiscal year, staff presents an annual budget based on established District goals, objectives and performance measures to the Board. The presentation may recommend using financial reserves to balance the budget when proposed expenses exceed projected revenues.

The Santa Cruz METRO Board approves the annual budget prior to implementation. Once adopted, the Board has the authority to amend the budget. While the legal level of budgetary control is at the entity level, the District maintains stricter control at departmental and line item levels to serve various needs. Any increase to the expense budget as a whole requires the approval of the Board.

During the fiscal year, the adopted Operating and Capital budgets are used as management tools to monitor revenues and expenses and evaluate operating performance at any given time period. The Board of Directors monitors budget-to-actual performance through monthly staff reports. Department managers monitor budget-to-actual performance on an accrual basis and meet with the CEO monthly to review significant variances.

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The fiscal year 2020 Operating budget was adopted by the Board on June 28, 2019, totaling \$51,717,646, representing a 3.7% growth over that of the previous year. The Operating budget is one of restrained optimism, planning for a future in which recent enacted local and state legislation will provide the District with a much-needed infusion of revenue. The District continues to work with its funding partners and employees to pursue its goals of excellent service. The Capital budget of \$20,362,532 contains projects necessary and essential to sustain the District's existing service and operating facilities.

These significant factors were considered as budget assumptions when preparing Santa Cruz METRO's budget for the fiscal year 2020:

- Expectation that passenger fare revenue will experience a 5.4% decrease from prior year budget primarily due to decreased fixed-route ridership.
- Anticipated increases in Special Transit (contract) fares revenue: 4.7% from prior year due to a new program/contract with the City of Santa Cruz.
- Expectation that sales and use tax revenues will increase at a rate of 4.0% from prior year budget.
- Expectation that Santa Cruz County Measure D will infuse approximately \$3.4 million of sales tax revenue funding into the annual budget for fiscal year 2020.
- TDA – STA Operating revenue to increase 28% due to the passage of SB 1.
- Bus service plans must continue to be sensitive to funding constraints and revenue projections due to economic uncertainty and legislative issues.
- California Public Employees Retirement System (CalPERS) retirement employer contribution rate increases from 26.8% in fiscal year 2019 to 30.2% in fiscal year 2020.
- An average increase of 5% in medical insurance premiums is anticipated.
- Sensitivity to and monitoring of controllable costs and consumables.
- Continued efforts to identify efficiencies in costs.

Contacting Santa Cruz METRO's Financial Management

Santa Cruz METRO's financial report is designed to provide Santa Cruz METRO's Board of Directors, management, and the public with an overview of Santa Cruz METRO's finances. For additional information about this report, please contact Angela Aitken, Finance Manager, at 110 Vernon Street, Santa Cruz, CA 95060.

Attachment C

BASIC FINANCIAL STATEMENTS

Attachment C

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018**

ASSETS	2019	2018
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 17,015,381	\$ 19,510,547
Sales and Use Taxes, Grants, and Other Receivables	14,597,555	7,457,858
Inventory	783,335	722,933
Prepaid Expenses	715,796	569,264
Total Current Assets	33,112,067	28,260,602
RESTRICTED ASSETS		
Cash and Cash Equivalents	11,059,070	8,513,085
CAPITAL ASSETS		
Building and Improvements	78,251,147	76,426,089
Revenue Vehicles	44,779,255	48,319,563
Operations Equipment	6,856,983	6,570,546
Other Equipment	2,131,733	2,131,733
Other Vehicles	1,328,914	1,244,205
Office Equipment	4,019,562	3,962,129
Total Depreciated Capital Assets	137,367,594	138,654,265
Less Accumulated Depreciation	(67,975,486)	(68,452,779)
Total Depreciated Capital Assets Net of Accumulated Depreciation	69,392,108	70,201,486
Construction-in-Progress	2,484,139	4,058,623
Land	11,596,311	11,596,311
Total Capital Assets	83,472,558	85,856,420
Total Assets	127,643,695	122,630,107
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts from Other Postemployment Benefits (OPEB)	3,906,373	3,784,611
Deferred Amounts from Pension Activities	9,636,967	12,932,607
Total Deferred Outflows of Resources	\$ 13,543,340	\$ 16,717,218

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

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF NET POSITION (Continued) JUNE 30, 2019 AND 2018

LIABILITIES	2019	2018
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 1,833,617	\$ 1,528,697
Accrued Payroll and Employee Benefits	4,257,786	4,069,796
Deferred Rent	3,275	3,141
Workers' Compensation Liabilities, Current	437,183	710,917
Other Accrued Liabilities	423,426	166,714
Security Deposit	13,809	12,384
Capital Lease	251,431	243,913
	7,220,527	6,735,562
NON-CURRENT LIABILITIES		
Unearned Revenue - State Transit Assistance (STA)	1,631,378	1,003,033
Unearned Revenue - PTMISEA Grant	4,778,292	4,776,955
Unearned Revenue - Proposition 1B Grant	1,737	409,201
Unearned Revenue - Measure D	2,953,657	1,560,667
Unearned Revenue - LCTOP	2,268,209	1,589,938
	11,633,273	9,339,794
OTHER LONG-TERM LIABILITIES		
Workers' Compensation Liabilities, Net of Current	1,668,551	2,784,881
Capital Lease	919,007	1,170,438
Net OPEB Liability	114,516,198	106,945,439
Net Pension Liability	57,868,302	60,072,122
	174,972,058	170,972,880
Total Other Long-Term Liabilities	174,972,058	170,972,880
Total Liabilities	193,825,858	187,048,236
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts from OPEB	3,003,868	6,520,486
Deferred Amounts from Pension Activities	2,814,903	2,397,547
	5,818,771	8,918,033
Total Deferred Inflows of Resources	5,818,771	8,918,033
NET POSITION (DEFICIT)		
Net Investment in Capital Assets	82,302,120	84,442,069
Unrestricted Net Position (Deficit)	(140,759,714)	(141,061,013)
	\$ (58,457,594)	\$ (56,618,944)
Total Net Position (Deficit)	\$ (58,457,594)	\$ (56,618,944)

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

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
Passenger Fares	\$ 4,382,160	\$ 4,483,352
Special Transit Fares	5,856,803	5,797,207
Total Operating Revenues	10,238,963	10,280,559
OPERATING EXPENSES		
Wages, Salaries, and Employee Benefits	43,409,624	45,022,896
Materials and Supplies	3,255,180	3,135,709
Other Expenses	6,495,732	5,368,916
Depreciation	5,286,802	4,527,151
Total Operating Expenses	58,447,338	58,054,672
Net Operating Loss	(48,208,375)	(47,774,113)
NON-OPERATING REVENUES (EXPENSES)		
Sales and Use Taxes	23,842,398	22,796,094
Transportation Development Act (TDA) Assistance	7,288,209	6,767,933
State Transit Assistance (STA)	4,253,929	3,196,463
Federal Transit Administration (FTA) Section 5307 Operating Assistance	6,794,772	6,568,455
FTA Section 5311 Rural Operating Assistance	174,321	170,428
Alternative Fuel Tax Credit	-	354,826
Interest Income	319,195	141,653
Rental Income	147,301	141,385
Other Revenue	492,562	433,750
Gain on Sale and Disposal of Property, Equipment, and Inventory	28,566	9,494
Total Non-Operating Revenues (Expenses)	43,341,253	40,580,481
Net Loss Before Capital Contributions	(4,867,122)	(7,193,632)
CAPITAL CONTRIBUTIONS		
Grants Restricted for Capital Expenditures	3,028,472	2,594,506
NET POSITION		
Change in Net Position	(1,838,650)	(4,599,126)
Net Position, Beginning of Year	(56,618,944)	20,367,531
Prior Period Adjustment	-	(72,387,349)
Total Net Position (Deficit), Beginning of Year, as Restated	(56,618,944)	(52,019,818)
Total Net Position (Deficit), End of Year	\$ (58,457,594)	\$ (56,618,944)

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

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 9,973,392	\$ 10,268,086
Payments to Employees	(37,383,679)	(41,128,720)
Payments to Suppliers	(9,394,655)	(9,283,883)
Payments from (to) Other	(1,786,464)	3,093,333
Net Cash Used in Operating Activities	<u>(38,591,406)</u>	<u>(37,051,184)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Operating Grants Received, Including Sales and Use Taxes	<u>42,694,343</u>	<u>39,956,902</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Sale of Property and Equipment	28,566	9,494
Capital Grants Received	(1,400,327)	3,662,328
Capital Expenditures	(2,902,940)	(4,312,005)
Acquisition of Capital Lease	-	1,533,558
Payments Made on Capital Lease	(243,913)	(119,207)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(4,518,614)</u>	<u>774,168</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment and Rental Income Received	<u>466,496</u>	<u>283,038</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	50,819	3,962,924
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>28,023,632</u>	<u>24,060,708</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 28,074,451</u>	<u>\$ 28,023,632</u>
FINANCIAL STATEMENT PRESENTATION:		
Cash and Cash Equivalents	\$ 17,015,381	\$ 19,510,547
Cash and Cash Equivalents - Restricted	<u>11,059,070</u>	<u>8,513,085</u>
Total Cash and Cash Equivalents	<u>\$ 28,074,451</u>	<u>\$ 28,023,632</u>

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

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF CASH FLOWS (Continued) FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Net Operating Loss	\$ (48,208,375)	\$ (47,774,113)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	5,286,802	4,527,151
Changes in Assets and Liabilities:		
(Increase) in Receivables	(265,571)	(12,473)
(Increase) in Inventory	(60,402)	(122,368)
(Increase) in Prepaid Expenses	(146,532)	(78,989)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	304,920	(635,400)
Increase in Net Pension Liability	1,509,176	3,093,333
Increase in Net OPEB Liability	3,932,379	3,630,860
Increase/(Decrease) in Other Liabilities	(943,803)	320,815
Net Cash Used in Operating Activities	\$ (38,591,406)	\$ (37,051,184)

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

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) was formed February 9, 1969, following a favorable election in conformity with Section 9800 et. seq. of the Public Utilities Code (PUC). The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, and Capitola and the unincorporated areas of Santa Cruz County. The Board of Directors (Board) consisting of eleven directors and two ex-officio directors representing the University of California, Santa Cruz and Cabrillo College govern Santa Cruz METRO. At June 30, 2019, the Board was as follows:

Chairperson:	Ed Bottorff		
Vice Chair:	Mike Rotkin		
Members:	Bruce McPherson	John Leopold	Trina Coffman-Gomez
	Donna Lind	Dan Rothwell	Cynthia Mathews
	Donna Meyers	Aurelio Gonzalez	Larry Pageler
Ex-Officio:	Stephen Preston	Alta Northcutt	

Santa Cruz METRO also serves the Highway 17 corridor into Santa Clara County to provide a commuter express service through a memorandum of understanding with the San Joaquin Joint Powers Authority (SJJPA), the Capitol Corridor Joint Powers Authority (CCJPA), and the Santa Clara Valley Transportation Authority (VTA). Amtrak Thruway bus service is also provided by Santa Cruz METRO on the same corridor.

B. Reporting Entity

Santa Cruz METRO and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Corporation as a blended component unit of Santa Cruz METRO. Accordingly, the financial activities of the Corporation have been included in the basic financial statements of Santa Cruz METRO. For the years ended June 30, 2019 and 2018, these activities were minimal.

Scope of Public Service:

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

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

Accountability:

1. Santa Cruz METRO's Board appointed the Corporation's Board of Directors.

Attachment C

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

B. Reporting Entity (Continued)

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

C. Basis of Accounting and Presentation

Santa Cruz METRO is accounted for as a Business-Type Activity, as defined by GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*, and its basic financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

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

Contributed Capital/Reserved Retained Earnings:

Santa Cruz METRO receives grants from the Federal Transit Authority (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant had been incurred. Capital grant funds earned, less amortization, equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, Santa Cruz METRO changed its method of accounting for capital grants from capital contributions to reserved non-operating revenues. In accordance with GASB Statement No. 33, capital grants are required to be included in the determination of net income (loss) resulting in an increase in net revenue of \$3,028,472 and \$2,594,506 for the fiscal years ended June 30, 2019 and 2018, respectively.

Under GASB Statement No. 34, contributed capital and reserved retained earnings are presented in the net position section as net investment in capital assets.

Attachment C

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

C. Basis of Accounting and Presentation (Continued)

Proprietary Accounting and Financial Reporting:

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods, in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Santa Cruz METRO are passenger fares and special transit fares. Operating expenses for Santa Cruz METRO include wages, purchased transportation, materials and supplies, depreciation/amortization on capital assets, and other expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net Position:

Net position represents the residual interest in Santa Cruz METRO's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. In accordance with GASB Statement No. 34, the fund equity section on the statements of net position was combined to report total net position and present it in three broad components: net investment in capital assets, restricted, and unrestricted. Net position invested in capital assets includes capital assets net of accumulated depreciation. Net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net position is unrestricted.

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

D. Cash and Cash Equivalents

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

E. Inventory

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

F. Restricted Assets

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

The cash resulting from a design and construction settlement agreement, as described in Note 8, represents proceeds restricted by the FTA. Grants from the State Transit Assistance (STA) program; Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA); Proposition 1B Office of Homeland Security (OHS); California Transit Security Grant Program (CTSGP); and the Low Carbon Transit Operations Program (LCTOP) are restricted for capital expenditures.

Attachment C

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

F. Restricted Assets (Continued)

Restricted assets at June 30 are as follows:

	2019	2018
Cash and Cash Equivalents		
Proposition 1B PTMISEA Grant	\$ 4,778,292	\$ 4,776,955
Proposition 1B OHS and CTSGP Grants	1,737	409,201
STA Grant	1,519,599	778,601
Measure D	3,137,729	1,578,202
LCTOP Grant	1,621,713	970,126
Total Restricted Assets	\$ 11,059,070	\$ 8,513,085

G. Property and Equipment

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

Buildings and improvements	20-39 years
Revenue vehicles	12 years
Other vehicles and equipment	3-10 years

Depreciation expense on assets acquired with capital grant funds are transferred to net position, net investment in capital assets, after being charged to operations.

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

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

H. Sales and Use Taxes Receipts

1979 Gross Sales Tax (1/2-cent): In June 1978, voters in Santa Cruz County approved Measure G which changed the basis of transit support for Santa Cruz METRO from property tax to a ½-cent sales and use tax effective January 1979. This ½-cent sales and use tax levied on all taxable sales in Santa Cruz County is collected and administered by the California State Board of Equalization. Actual receipts of Measure G sales and use tax for the fiscal years ended June 30, 2019 and 2018, were \$22,473,422 and \$21,526,675, respectively.

Attachment C

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

H. Sales and Use Taxes Receipts (Continued)

2017 Net Sales Tax (Measure D): This local ordinance to fund a comprehensive package of county-wide transportation improvements passed in November 2016 by over 2/3 of Santa Cruz County voters. The transportation tax measure levies a 0.5% sales and use tax on retail sales within Santa Cruz County for a thirty-year period, effective April 1, 2017. Measure D sales and use tax receipts are administered by the Santa Cruz County Regional Transportation Commission according to the Expenditure Plan identified in the ordinance. Santa Cruz METRO is allocated 16% of Measure D local sales and use tax receipts collected, net of administrative costs, to provide transit and paratransit service for seniors and people with disabilities. Measure D sales and use tax receipts were \$3,491,041 and \$3,362,419 for the fiscal years ended June 30, 2019 and 2018, respectively. During fiscal year 2019, \$1,368,976 of Measure D funds were earned and spent on operating expenses, and \$730,075 of Measure D funds were earned and spent on capital projects. During fiscal year 2018, \$1,269,419 of Measure D funds were earned and spent on operating expenses, and \$532,333 of Measure D funds were earned and spent on capital projects. At June 30, 2019 and 2018, \$2,953,657 and \$1,560,667, respectively, of Measure D funds were unspent and recorded as unearned (deferred) revenue.

Additionally, Santa Cruz METRO is allocated, through the Santa Cruz County Regional Transportation Commission, a portion of the 0.025% sales and use tax levied by the Transportation Development Act (TDA).

I. Operating Assistance Grants

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

J. Self-Insurance

Santa Cruz METRO is self-insured for the first \$250,000 of general and vehicular liability. For settlements in excess of \$250,000, Santa Cruz METRO has total coverage up to \$25,000,000 per occurrence. The District also self-insures for vehicle physical damage coverage with a deductible option of \$5,000 per vehicle and coverage up to \$30,000,000 per occurrence. Additionally, Santa Cruz METRO is self-insured up to \$350,000 for workers' compensation claims. Santa Cruz METRO has recorded a liability for estimated claims to be paid, including incurred but not reported claims (IBNR).

K. Employee Benefits

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

L. Payroll

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

M. Pension Costs

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of Santa Cruz METRO's California Public Employees' Retirement System (CalPERS) pension plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Attachment C

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

N. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of Santa Cruz METRO's OPEB plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Accounting principles generally accepted in the United States of America require that the reported results must pertain to liability and asset information within certain defined timeframes.

O. Use of Estimates

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

P. Implementation of GASB Statements

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The requirements of this statement are effective for the reporting periods beginning after June 15, 2018. There was no effect on Santa Cruz METRO's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The requirements of this statement are effective for periods beginning after June 15, 2018. There was no effect on Santa Cruz METRO's accounting and financial reporting as a result of implementing this standard.

Q. Future GASB Statements

GASB Statement No. 84 – *Fiduciary Activities*. The requirements for this statement are effective for fiscal years beginning after December 15, 2018. Santa Cruz METRO believes the statement will not apply.

GASB Statement No. 87 – *Leases*. The requirements of this statement are effective for periods beginning after December 15, 2019. Santa Cruz METRO has not fully judged the effect of implementation of GASB Statement No. 87 as of the date of the basic financial statements.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The requirements of this statement are effective for periods beginning after December 15, 2019. Santa Cruz METRO has not fully judged the effect of implementation of GASB Statement No. 89 as of the date of the basic financial statements.

GASB Statement No. 90 – *Majority Equity Interests—an Amendment of GASB Statements No. 14 and No. 61*. The requirements of this statement are effective for periods beginning after December 15, 2018. Santa Cruz METRO has not fully judged the effect of implementation of GASB Statement No. 90 as of the date of the basic financial statements.

GASB Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for periods beginning after December 15, 2020. Santa Cruz METRO will implement GASB Statement No. 91 if and where applicable.

Attachment C

NOTE 2 – CASH AND CASH EQUIVALENTS

Total cash and cash equivalents (restricted and unrestricted) consist of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash on Hand	\$ 15,384	\$ 15,084
Demand Deposits	280,035	380,137
Certificates of Deposit (CD)	110,150	110,050
Deposits in Santa Cruz County Pooled Investment Fund	<u>27,668,882</u>	<u>27,518,361</u>
	<u>\$ 28,074,451</u>	<u>\$ 28,023,632</u>

Cash on Hand and Cash in Banks

Investments Authorized by the California Government Code and Santa Cruz METRO's Investment Policy

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

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

Disclosures Relating to Interest Rate Risk

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

Attachment C

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

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

2019

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Santa Cruz County Pooled Investment Fund	\$ 27,668,882	\$ 27,668,882	\$ -	\$ -	\$ -

2018

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Santa Cruz County Pooled Investment Fund	\$ 27,518,361	\$ 27,518,361	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

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

2019

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End		
				AAA	Aa	Not Rated
Santa Cruz County Pooled Investment Fund	\$ 27,668,882	N/A	\$ -	\$ -	\$ -	\$ 27,668,882

2018

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End		
				AAA	Aa	Not Rated
Santa Cruz County Pooled Investment Fund	\$ 27,518,361	N/A	\$ -	\$ -	\$ -	\$ 27,518,361

Attachment C

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Concentration of Credit Risk

The investment policy of Santa Cruz METRO contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Santa Cruz METRO did not have any investments in any one issuer (other than external investment pools) that represent 5% or more of total Santa Cruz METRO's investments at June 30, 2019 or 2018.

Custodial Credit Risk

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

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

Investment in Santa Cruz County Pooled Investment Fund

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

Fair Value Measurements

Santa Cruz METRO categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset, either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

Attachment C

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Fair Value Measurements (Continued)

Santa Cruz METRO has the following recurring fair value measurements as of June 30, 2019 and 2018:

2019

		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Certificates of Deposit (CD)	\$ 110,150	\$ 110,150	\$ -	\$ -
Total investments measured at fair value	110,150	\$ 110,150	\$ -	\$ -
Investments measured at amortized cost:				
Santa Cruz County Pooled Investment Fund	<u>27,668,882</u>			
Total pooled and directed investments	<u>\$ 27,779,032</u>			

2018

		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Certificates of Deposit (CD)	\$ 110,050	\$ 110,050	\$ -	\$ -
Total investments measured at fair value	110,050	\$ 110,050	\$ -	\$ -
Investments measured at amortized cost:				
Santa Cruz County Pooled Investment Fund	<u>27,518,361</u>			
Total pooled and directed investments	<u>\$ 27,628,411</u>			

Investments in the Santa Cruz County Pooled Investment Fund totaling \$27,668,882 and \$27,518,361 as of June 30, 2019 and 2018, respectively, are measured at amortized cost, which approximates fair value.

NOTE 3 – RECEIVABLES

Receivables at June 30 are as follows:

	2019	2018
Federal Grants	\$ 6,986,648	\$ 792,757
State Grants	2,466,345	1,929,881
Sales and Use Tax Revenue	4,185,374	4,033,526
Other	959,188	701,694
	<u>\$ 14,597,555</u>	<u>\$ 7,457,858</u>

Attachment C

NOTE 4 – CHANGES IN CAPITAL ASSETS

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

June 30, 2019

	Balance July 1, 2018	Additions and Transfers	Retirements and Transfers	Balance June 30, 2019
Non-Depreciated Assets				
Land	\$ 11,596,311	\$ -	\$ -	\$ 11,596,311
Construction-in-Progress	4,058,623	3,146,852	(4,721,336)	2,484,139
Total Non-Depreciated Assets	15,654,934	3,146,852	(4,721,336)	14,080,450
Depreciated Assets				
Building and Improvements	76,426,089	1,825,058	-	78,251,147
Revenue Vehicles	48,319,563	2,164,832	(5,705,140)	44,779,255
Operations Equipment	6,570,546	293,393	(6,956)	6,856,983
Other Equipment	2,131,733	-	-	2,131,733
Other Vehicles	1,244,205	136,708	(51,999)	1,328,914
Office Equipment	3,962,129	57,433	-	4,019,562
Total Depreciated Assets	138,654,265	4,477,424	(5,764,095)	137,367,594
Less Accumulated Depreciation	(68,452,779)	(5,286,802)	5,764,095	(67,975,486)
Depreciated Assets Net of Accumulated Depreciation	70,201,486	(809,378)	-	69,392,108
Total Capital Assets	\$ 85,856,420	\$ 2,337,474	\$ (4,721,336)	\$ 83,472,558

Depreciation expense at June 30, 2019, was \$5,286,802.

June 30, 2018

	Balance July 1, 2017	Additions and Transfers	Retirements and Transfers	Balance June 30, 2018
Non-Depreciated Assets				
Land	\$ 11,596,311	\$ -	\$ -	\$ 11,596,311
Construction-in-Progress	3,190,229	4,315,667	(3,447,273)	4,058,623
Total Non-Depreciated Assets	14,786,540	4,315,667	(3,447,273)	15,654,934
Depreciated Assets				
Building and Improvements	76,065,867	360,222	-	76,426,089
Revenue Vehicles	46,181,700	2,450,930	(313,067)	48,319,563
Operations Equipment	6,396,280	175,130	(864)	6,570,546
Other Equipment	2,131,733	-	-	2,131,733
Other Vehicles	1,071,767	306,234	(133,796)	1,244,205
Office Equipment	3,901,469	151,094	(90,434)	3,962,129
Total Depreciated Assets	135,748,816	3,443,610	(538,161)	138,654,265
Less Accumulated Depreciation	(64,463,790)	(4,527,151)	538,162	(68,452,779)
Depreciated Assets Net of Accumulated Depreciation	71,285,026	(1,083,541)	1	70,201,486
Total Capital Assets	\$ 86,071,566	\$ 3,232,126	\$ (3,447,272)	\$ 85,856,420

Depreciation expense at June 30, 2018, was \$4,527,151.

Attachment C

NOTE 5 – CAPITAL CONTRIBUTIONS

Santa Cruz METRO receives capital grants from the FTA, which provide financing for the acquisition of rolling stock and construction of facilities. Santa Cruz METRO also receives capital grants under the State TDA primarily for the acquisition of rolling stock, support equipment, and the purchase of furniture and fixtures. Additionally, a portion of sales tax allocations received through local Measure D are restricted for use on capital projects, as specified in Santa Cruz METRO's Measure D funds annual expenditure plan approved by the SCCRTC.

A summary of federal, state and local capital grants and sales tax allocations for the years ended June 30 is as follows:

	2019	2018
Federal Grants	\$ 1,231,017	\$ 552,748
State Grants	1,067,380	1,509,425
Measure D Local Sales Tax Allocations	730,075	532,333
Total Capital Contributions	\$ 3,028,472	\$ 2,594,506

NOTE 6 – COMMITMENTS

Santa Cruz METRO leases its Paracruz facilities under an operating lease that extends through August 2021. For the years ended June 30, 2019 and 2018, rental costs relating to the leases were \$189,742 and \$187,235, respectively. In addition, Santa Cruz METRO receives rent income from retail space in its transit centers. Minimum net lease payments for existing operating leases are as follows:

Year Ending June 30	Lease Commitments	Rental Income	Net
2020	\$ 191,165	\$ 231,092	\$ (39,927)
2021	195,146	144,641	50,505
2022	32,631	80,848	(48,217)
2023	-	38,511	(38,511)
2024	-	17,196	(17,196)
2025-2027	-	18,501	(18,501)
	\$ 418,942	\$ 530,789	\$ (111,847)

NOTE 7 – JOINT VENTURES (JOINT POWERS AUTHORITY WITH CalTIP)

Santa Cruz METRO participates in a joint power authority (JPA), the California Transit Indemnity Pool (CalTIP). The relationship between Santa Cruz METRO and the JPA is such that the JPA is not a component unit of Santa Cruz METRO for financial reporting purposes.

CalTIP arranges for and provides property and liability insurance for its 34 members. CalTIP is governed by a board that controls the operations of CalTIP, including selection of management and approval of operating budgets, independent of any influence by the member districts. Each member of the district pays a premium commensurate with the level of coverage requested and shares in surpluses and deficits proportionate to their participation in CalTIP.

Attachment C

NOTE 7 – JOINT VENTURES (JOINT POWERS AUTHORITY WITH CalTIP) (Continued)

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

	<u>2019</u>	<u>2018</u>
Total Assets	\$ 36,325,260	\$ 30,061,842
Total Liabilities	<u>19,256,672</u>	<u>20,215,367</u>
Fund Balance	<u>\$ 17,068,588</u>	<u>\$ 9,846,475</u>
Total Revenues	\$ 14,862,694	\$ 11,960,679
Total Expenditures	<u>7,640,584</u>	<u>10,546,867</u>
Net Increase in Fund Balance	<u>\$ 7,222,110</u>	<u>\$ 1,413,812</u>

CalTIP has not calculated Santa Cruz METRO's share of year-end assets, liabilities, or fund balance.

NOTE 8 – WATSONVILLE FLEET MAINTENANCE FACILITY SETTLEMENT RECEIPT

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

In addition, due to design and construction deficiencies by the design and building contractors involved in the original project, Santa Cruz METRO initiated litigation against the contractors and came to a settlement agreement with said contractors on May 30, 1995. In accordance with this agreement, the contractors remitted \$4,776,858 (including \$171,538 in costs) to Santa Cruz METRO during fiscal year 1996, representing damages less attorney fees. FTA Section 3/5309 restricts the use of these proceeds, and the interest earned thereon. As of June 30, 2019, all settlement funds have been expended.

NOTE 9 – CONTINGENCIES

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLAN

A. General Information About the Pension Plan

Plan Description

Santa Cruz METRO's defined benefit pension plan, the Miscellaneous Plan for Santa Cruz Metropolitan Transit District (the Plan), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The Plan is part of CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers with the State of California. A menu of benefit provisions, as well as other requirements, is established by state statutes within the

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information About the Pension Plan (Continued)

Plan Description (Continued)

Public Employees' Retirement Law. Santa Cruz METRO selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board action. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

There were 302 and 311 active plan members in the Plan as of June 30, 2019 and 2018, respectively, who were required to contribute a percentage of their annual covered salary. Santa Cruz METRO is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. Beginning in fiscal year 2018, CalPERS changed how it bills/collects employer contributions. The total minimum required employer contribution is now the sum of the Plan's Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars). The required employer contribution for fiscal year 2019 was 9.211% of covered payroll plus twelve (12) monthly payments of \$300,849. The required employer contribution for fiscal year 2018 was 8.911% of covered payroll plus twelve (12) monthly payments of \$254,857. The contribution requirements of the Plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS.

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

Hire Date	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit Formula	2.5%@55	2%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	2.000% - 2.500%	1.000%-2.500%
Required Employee Contribution Rates	8.000%	6.250%
Required Employer Normal Cost Contribution Rates	9.211%	9.211%
Required Monthly Employer Dollar UAL Payment	\$300,849/month	\$300,849/month

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

Hire Date	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit Formula	2.5%@55	2%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	2.000% - 2.500%	1.000%-2.500%
Required Employee Contribution Rates	8.000%	6.250%
Required Employer Normal Cost Contribution Rates	8.911%	8.911%
Required Monthly Employer Dollar UAL Payment	\$254,857/month	\$254,857/month

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information About the Pension Plan (Continued)

Funding Policy (Continued)

Employees Covered – At June 30, 2019 and 2018, the following employees were covered by the benefit terms for the Plan:

	2019	2018
Inactive Employees or Beneficiaries Currently Receiving Benefits	366	356
Inactive Employees Entitled to but not yet Receiving Benefits	180	180
Active Employees	302	311
Total	848	847

B. Net Pension Liability

Santa Cruz METRO's net pension liability for the Plan is measured as the total pension liability, less the Plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 and 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service ⁽¹⁾	Varies by Entry Age and Service ⁽¹⁾
Investment Rate of Return	7.50% ⁽²⁾	7.50% ⁽²⁾
Mortality	Derived using ⁽³⁾ CalPERS' Membership Data for all Funds	Derived using ⁽³⁾ CalPERS' Membership Data for all Funds

⁽¹⁾ Depending on age, service, and type of employment.

⁽²⁾ Net of pension plan investment expenses, including inflation.

⁽³⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 and 2016 valuations were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

Discount Rate – The discount rate used to measure the total pension liabilities for June 30, 2019 and 2018, was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate for 2019 and 2018, is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate 7.15% for 2019 and 2018, will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the reporting periods ended June 30, 2019 and 2018, the 7.15% discount rate was not reduced for administrative expenses.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require the CalPERS Board of Administration action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statements No. 67 and No. 68 calculations through at least the 2018-19 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as it has changed its methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

2018 Measurement Date

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
Total	100.0%		

^(a) An expected inflation of 2.5% used for this period.

^(b) An expected inflation of 3.0% used for this period.

2017 Measurement Date

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40%)	(0.90%)
Total	100.0%		

^(a) An expected inflation of 2.5% used for this period.

^(b) An expected inflation of 3.0% used for this period.

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability

The changes in the net pension liability for the Plan follow:

	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at June 30, 2017 ⁽¹⁾	<u>\$ 177,020,413</u>	<u>\$ 116,948,291</u>	<u>\$ 60,072,122</u>
Changes in the year:			
Service Cost	3,267,575	-	3,267,575
Interest on the Total Pension Liability	12,278,470	-	12,278,470
Differences between Actual and Expected Experience	(1,025,273)	-	(1,025,273)
Changes in Assumptions	(1,231,759)	-	(1,231,759)
Net Plan to Plan Resource Movement	-	(285)	285
Contribution - Employer	-	4,686,264	(4,686,264)
Contribution - Employee (Paid by Employer)	-	-	-
Contribution - Employee	-	1,592,606	(1,592,606)
Net Investment Income ⁽²⁾	-	9,742,558	(9,742,558)
Administrative Expenses	-	(182,238)	182,238
Benefit Payments, Including Refunds of Employee Contributions	(9,340,636)	(9,340,636)	-
Other Miscellaneous Income/(Expense)	(9,340,636)	(9,340,636)	-
Net Changes	<u>(5,392,259)</u>	<u>(2,842,367)</u>	<u>(2,549,892)</u>
Balance at June 30, 2018 ⁽¹⁾	<u>\$ 171,628,154</u>	<u>\$ 114,105,924</u>	<u>\$ 57,522,230</u>

⁽¹⁾ The plan fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance, and other postemployment benefits (OPEB) expense. This may differ from the Plan assets reported in the funding actuarial valuation report.

⁽²⁾ Net of administrative expenses.

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016 ⁽¹⁾	\$ 163,336,937	\$ 108,614,809	\$ 54,722,128
Changes in the year:			
Service Cost	3,422,455	-	3,422,455
Interest on the Total Pension Liability	12,002,686	-	12,002,686
Differences between Actual and Expected Experience	(1,952,270)	-	(1,952,270)
Changes in Assumptions	9,337,059	-	9,337,059
Net Plan to Plan Resource Movement	-	107	(107)
Contribution - Employer	-	4,047,221	(4,047,221)
Contribution - Employee (Paid by Employer)	-	-	-
Contribution - Employee	-	1,556,993	(1,556,993)
Net Investment Income ⁽²⁾	-	12,015,977	(12,015,977)
Administrative Expenses	-	(160,362)	160,362
Benefit Payments, Including Refunds of Employee Contributions	(9,126,454)	(9,126,454)	-
Net Changes	13,683,476	8,333,482	5,349,994
Balance at June 30, 2017 ⁽¹⁾	\$ 177,020,413	\$ 116,948,291	\$ 60,072,122

(1) The plan fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance, and OPEB expense. This may differ from the Plan assets reported in the funding actuarial valuation report.

(2) Net of administrative expenses.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan, calculated using the discount rate for the Plan, as well as what Santa Cruz METRO's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

2018

1% Decrease Net Pension Liability	\$ 80,255,613
Current Discount Rate Net Pension Liability	\$ 57,868,302
1% Increase Net Pension Liability	\$ 39,202,910

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability (Continued)

2017

1% Decrease Net Pension Liability	\$ 82,322,608
Current Discount Rate Net Pension Liability	\$ 60,072,122
1% Increase Net Pension Liability	\$ 41,533,585

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the years ended June 30, 2019 and 2018, Santa Cruz METRO recognized a pension expense of \$6,802,193 and \$7,780,109, respectively. At June 30, 2019 and 2018, Santa Cruz METRO reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,293,017	\$ -
Differences between Actual and Expected Experience	30,681	(1,907,291)
Changes in Assumptions	4,001,597	(907,612)
Net Differences Between Projected and Actual Earnings on Plan Investments	311,672	-
Total	\$ 9,636,967	\$ (2,814,903)

2018

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 4,686,776	\$ -
Differences between Actual and Expected Experience	74,512	(1,805,727)
Changes in Assumptions	6,669,328	(591,820)
Net Differences Between Projected and Actual Earnings on Plan Investments	1,501,991	-
Total	\$ 12,932,607	\$ (2,397,547)

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The \$5,293,017 and \$4,686,776 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability, as determined by CalPERS, in the measurement periods ended June 30, 2019 and 2018, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30		
2019	\$	3,033,408
2020		798,034
2021		(1,674,894)
2022		<u>(627,501)</u>
Total	\$	<u>1,529,047</u>

E. Payable to the Pension Plan

At June 30, 2019 and 2018, Santa Cruz METRO reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the years ended June 30, 2019 and 2018.

NOTE 11 – DEFERRED COMPENSATION PLAN

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

At June 30, 2019 and 2018, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying statements of net position as required under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.

Complete financial statements for Great-West can be obtained from Great-West at P.O. Box 173764, Denver, Colorado 80217-3764. Complete financial statements for CalPERS can be obtained from CalPERS at Lincoln Plaza North, 400 Q Street, Sacramento, California 94229.

NOTE 12 – RISK MANAGEMENT

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been IBNR.

Attachment C

NOTE 12 – RISK MANAGEMENT (Continued)

The IBNR for workers' compensation was based on an actuarial study dated April 2016. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Changes in the balances of claims liabilities are as follows:

	<u>2019</u>	<u>2018</u>
Workers' Compensation Liabilities:		
Unpaid Claims, Beginning of Fiscal Year	\$ 3,495,798	\$ 3,372,272
Other Adjustments (Including IBNRs)	(2,200,996)	(347,227)
Claim Payments	<u>810,932</u>	<u>470,753</u>
Unpaid Claims Liability, End of Fiscal Year	<u>\$ 2,105,734</u>	<u>\$ 3,495,798</u>

NOTE 13 – TRANSPORTATION DEVELOPMENT ACT/CALIFORNIA CODE OF REGULATIONS

Santa Cruz METRO is subject to compliance with the TDA provisions; Sections 6634 and 6637 of the California Code of Regulations; and Sections 99267, 99268.1, and 99314.6 of the PUC.

Section 6634

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund (LTF) and the STA Fund in an amount which exceeds the claimant's operating costs, less fares, federal funding, and local support. Santa Cruz METRO did not receive TDA, STA, or LTF revenues in excess of the prescribed formula amounts.

Section 6637

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

Sections 99267, 99268.1, and 99314.6

Pursuant to the TDA, Santa Cruz METRO meets the 50% Expenditure Limitation required by PUC §99268 and does not use the Alternative Revenue Ratio to determine eligibility for TDA funds.

NOTE 14 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, Proposition 1B. Of the \$19.925 billion of state general obligation bonds authorized, \$4 billion was set aside by the State, as instructed by the statute, as PTMISEA. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

The audit of public transportation operator finances, pursuant to Section 99245 of the PUC and required under the TDA, was expanded to include verification of receipt and appropriate expenditure of PTMISEA bond funds.

Attachment C

NOTE 14 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) (Continued)

The Santa Cruz County Regional Transportation Commission (SCCRTC) is responsible for allocating the Proposition 1B PUC Section 99313 funds in Santa Cruz County. In December 2007, the SCCRTC programmed 100% of its share of Section 99313 Proposition 1B PTMISEA funds (approximately \$2.1 million) to Santa Cruz METRO for the Consolidated MetroBase Project. Funds audited include the SCCRTC share of PUC Section 99313 Proposition 1B transit funds that have been passed-through to Santa Cruz METRO.

During the fiscal year ended June 30, 2019, Santa Cruz METRO applied for and received proceeds of \$0 and earned interest of \$95,307 from the State's PTMISEA account for construction funding for the Consolidated MetroBase Project. During the fiscal year ended June 30, 2019, qualifying expenditures of \$93,970 were incurred and the remaining balance of \$4,778,292, including accrued interest, was deferred. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of encumbrance.

**Schedule of PTMISEA Proposition 1B Grants
For the Year Ended June 30, 2019**

	2019
Balance - beginning of the year	\$ 4,776,955
Receipts:	
Interest accrued 7/1/2018 through 6/30/2019	95,307
Expenses:	
MetroBase Construction	(85,049)
LoNo Spending	(8,921)
	\$ 4,778,292

During the fiscal year ended June 30, 2018, Santa Cruz METRO applied for and received proceeds of \$0 and earned interest of \$60,860 from the State's PTMISEA account for construction funding for the Consolidated MetroBase Project. Additionally, Santa Cruz METRO received settlements of \$224,999. During the fiscal year ended June 30, 2018, qualifying expenditures of \$129,259 were incurred and the remaining balance of \$4,776,955, including accrued interest, was deferred. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of encumbrance.

**Schedule of PTMISEA Proposition 1B Grants
For the Year Ended June 30, 2018**

	2018
Balance - beginning of the year	\$ 4,620,355
Receipts:	
Grant received	-
Settlements received	224,999
Interest accrued 7/1/2017 through 6/30/2018	60,860
Expenses:	
MetroBase Construction	(106,569)
LoNo Spending	(22,690)
	\$ 4,776,955

Attachment C

NOTE 15 – OPEB

Plan Description – Santa Cruz METRO provides post-retirement CalPERS medical benefits to qualified retired employees age 50 and older (including eligible dependents) who have completed at least five years of CalPERS eligible service. Santa Cruz METRO pays medical premiums depending on bargaining union and Public Employees' Medical and Hospital Care Act (PEMHCA) contract requirements. If the retiree has ten years of Santa Cruz METRO eligible service, Santa Cruz METRO provides post-retirement dental and vision benefits for qualified retirees (including eligible dependents), and life insurance for the retiree only, until the retiree reaches age 65. The costs of providing these benefits are recognized when paid.

Employees Covered – As of the June 30, 2018 and 2017 valuations, the following current and former employees were covered by the benefit terms for the OPEB Plan:

	2018	2017
Inactive Employees or Beneficiaries Currently Receiving Benefits	277	277
Inactive Employees Entitled to but not yet Receiving Benefits	20	79
Active Employees	322	295
Total	619	651

Contributions – The contribution requirements of OPEB Plan members and Santa Cruz METRO are established and may be amended by Santa Cruz METRO's Board. These contributions are neither mandated nor guaranteed. Santa Cruz METRO has retained the right to unilaterally modify its payment for retiree health care benefits. For the years ended June 30, 2019 and 2018, Santa Cruz METRO contributed \$3,906,373 and \$3,784,611, respectively. Employees are not required to contribute to the OPEB Plan.

Net OPEB Liability – Santa Cruz METRO's net OPEB liability was measured as of June 30, 2018 and 2017, and the total OPEB liability used to calculate the net OPEB liability was the OPEB Plan Fiduciary Net Position of the OPEB trust held with CalPERS as of those dates. The following actuarial methods and assumptions were used:

Reporting Date	June 30, 2019	June 30, 2018
Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	2.98%	3.13%
Inflation	2.75%	2.75%
Salary Increases	3.25%	3.00%
Healthcare Cost Trend Rates	8.0% in 2019, step down 0.5% per year to 5.0% by 2025	8.0% in 2019, step down 0.5% per year to 5.0% by 2025
Mortality Rate	CalPERS 2014 Experience Study; Projected with MW Scale 2017	CalPERS 2014 Experience Study; Projected with MW Scale 2017

Attachment C

NOTE 15 – OPEB (Continued)

The long-term expected rate of return on OPEB Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

2018 Measurement Date

Asset Class	New Strategic Allocation	Real Return Years 1-10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

^(a) An expected inflation of 2.5% used for this period.

^(b) An expected inflation of 3.0% used for this period.

2017 Measurement Date

Asset Class	New Strategic Allocation	Real Return Years 1-10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	47.00%	4.90%	5.98%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	100.00%		

^(a) An expected inflation of 2.5% used for this period.

^(b) An expected inflation of 3.0% used for this period.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.98% and 3.13% for June 30, 2019 and 2018, respectively. The projection of cash flows used to determine the discount rate assumed that Santa Cruz METRO contributions will be sufficient to fully fund the obligation over a period not to exceed 30 years. Historic 30-year real rates of return for each asset class along with the assumed long-term inflation assumption were used to set the discount rate. The expected investment return was offset by the investment expenses of 15 basis points. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive members and beneficiaries. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Attachment C

NOTE 15 – OPEB (Continued)

Changes in the Net OPEB Liability – The changes in the net OPEB liability for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2017	\$ 106,945,439	\$ -	\$ 106,945,439
Changes in the Year:			
Service Cost	5,259,186	-	5,259,186
Interest	3,452,776	-	3,452,776
Changes in Assumptions	2,643,408	-	2,643,408
Contribution - Employer	-	3,784,611	(3,784,611)
Benefit Payments	(3,784,611)	(3,784,611)	-
Net Changes	7,570,759	-	7,570,759
Balance at June 30, 2018	<u>\$ 114,516,198</u>	<u>\$ -</u>	<u>\$ 114,516,198</u>

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2016	\$ 109,949,235	\$ -	\$ 109,949,235
Changes in the Year:			
Service Cost	5,708,352	-	5,708,352
Interest	3,047,381	-	3,047,381
Changes in Assumptions	(7,860,824)	-	(7,860,824)
Contribution - Employer	-	3,898,705	(3,898,705)
Benefit Payments	(3,898,705)	(3,898,705)	-
Net Changes	(3,003,796)	-	(3,003,796)
Balance at June 30, 2017	<u>\$ 106,945,439</u>	<u>\$ -</u>	<u>\$ 106,945,439</u>

Attachment C

NOTE 15 – OPEB (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of Santa Cruz METRO if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement periods ended June 30, 2018 and 2017:

2018	
1% Decrease Net OPEB Liability	1.98% \$ 134,857,885
Current Discount Rate Net OPEB Liability	2.98% \$ 114,516,198
1% Increase Net OPEB Liability	3.98% \$ 98,538,068
2017	
1% Decrease Net OPEB Liability	2.13% \$ 125,320,088
Current Discount Rate Net OPEB Liability	3.13% \$ 106,945,439
1% Increase Net OPEB Liability	4.13% \$ 91,946,276

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Recognition of Deferred Outflows and Deferred Inflows of Resources – Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

Attachment C

NOTE 15 – OPEB (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the fiscal years ended June 30, 2019 and 2018, Santa Cruz METRO recognized OPEB expense of \$7,838,752 and \$7,415,395, respectively. As of fiscal years ended June 30, 2019 and 2018, Santa Cruz METRO reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2019		
OPEB Contributions Subsequent to Measurement Date	\$ 3,906,373	\$ -
Differences between Actual and Expected Experience	-	-
Changes in Assumptions	-	3,003,868
Net Differences between Projected and Actual Earnings on Plan Investments	-	-
Total	\$ 3,906,373	\$ 3,003,868
2018		
OPEB Contributions Subsequent to Measurement Date	\$ 3,784,611	\$ -
Differences between Actual and Expected Experience	-	-
Changes in Assumptions	-	6,520,486
Net Differences between Projected and Actual Earnings on Plan Investments	-	-
Total	\$ 3,784,611	\$ 6,520,486

The \$3,906,373 and \$3,784,611 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 and 2017 measurement dates will be recognized as a reduction in the net OPEB liability in the measurement periods ended June 30, 2019 and 2018, respectively. In addition, future recognition of the deferred inflows of resources is shown below.

Fiscal Year Ended June 30	
2020	\$ (873,210)
2021	(873,210)
2022	(897,794)
2023	(738,394)
2024	274,995
Thereafter	103,745
Total	\$ (3,003,868)

Attachment C

NOTE 16 – CAPITAL LEASE

The following is a summary of Santa Cruz METRO's capital lease activity for the years ended June 30, 2019 and 2018:

	Balance June 30, 2018	Additions	Payments	Balance June 30, 2019	Due Within One Year
Capital Lease	\$ 1,414,351	\$ -	\$ (243,913)	\$ 1,170,438	\$ 251,431
Total Long-Term Debt	<u>\$ 1,414,351</u>	<u>\$ -</u>	<u>\$ (243,913)</u>	<u>\$ 1,170,438</u>	<u>\$ 251,431</u>

	Balance June 30, 2017	Additions	Payments	Balance June 30, 2018	Due Within One Year
Capital Lease	\$ -	\$ 1,533,558	\$ (119,207)	\$ 1,414,351	\$ 243,913
Total Long-Term Debt	<u>\$ -</u>	<u>\$ 1,533,558</u>	<u>\$ (119,207)</u>	<u>\$ 1,414,351</u>	<u>\$ 243,913</u>

Santa Cruz METRO entered into a lease/purchase agreement with Key Government Finance, Inc., on November 21, 2017, for the purchase of three CNG buses. The terms of the lease/purchase call for monthly payments of \$23,627 over a 72 month period beginning in December 2017, and include a 3.04% effective interest rate. At June 30, 2019, the outstanding balance was \$1,170,438.

The annual requirements to amortize the capital lease payable outstanding, including interest, are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 251,431	\$ 32,097	\$ 283,528
2021	259,182	24,347	283,529
2022	267,172	16,357	283,529
2023	275,409	8,121	283,530
2024	117,244	893	118,137
Total	<u>\$ 1,170,438</u>	<u>\$ 81,815</u>	<u>\$ 1,252,253</u>

NOTE 17 – STATE OF GOOD REPAIR (SGR)

As of June 30, 2018, \$673,997 was unspent, \$670,679 was received for fiscal year 2019 (with \$14,898 earned in interest), resulting in \$1,359,574 unspent as of June 30, 2019.

NOTE 18 – DEFICIT NET POSITION

As of June 30, 2019, Santa Cruz METRO had a deficit net position. The deficit was mostly due to the implementation of GASB Statement No. 75 in the year ended June 30, 2018, resulting in a \$(72,387,349) prior period adjustment to net position in that year.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through December 23, 2019, which is the date of issuance.

Attachment C

REQUIRED SUPPLEMENTARY INFORMATION

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2019 LAST 10 YEARS*

	Measurement Period 2017/18	Measurement Period 2016/17	Measurement Period 2015/16	Measurement Period 2014/15	Measurement Period 2013/14
Total Pension Liability					
Service Cost	\$ 3,267,575	\$ 3,422,455	\$ 3,160,455	\$ 3,294,147	\$ 3,200,114
Interest on Total Pension Liability	12,278,470	12,002,686	11,775,833	11,234,261	10,709,850
Differences between Expected and Actual Experience	(1,025,273)	(1,952,270)	162,174	(414,257)	-
Changes in Assumptions	(1,231,759)	9,337,059	-	(2,564,554)	-
Changes in Benefits	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(9,340,636)	(9,126,454)	(7,903,179)	(7,185,556)	(6,660,594)
Net Change in Total Pension Liability	3,948,377	13,683,476	7,195,283	4,364,041	7,249,370
Total Pension Liability - Beginning	177,020,413	163,336,937	156,141,654	151,777,613	144,528,243
Total Pension Liability - Ending (a)	<u>\$ 180,968,790</u>	<u>\$ 177,020,413</u>	<u>\$ 163,336,937</u>	<u>\$ 156,141,654</u>	<u>\$ 151,777,613</u>
Plan Fiduciary Net Position					
Net Plan to Plan Resource Movement	\$ (285)	\$ 107	\$ -	\$ -	\$ -
Contributions - Employer	4,686,264	4,047,221	3,991,447	4,086,806	3,668,004
Contributions - Employee	1,592,606	1,556,993	1,603,071	1,645,356	1,573,391
Net Investment Income	9,742,558	12,015,977	608,702	2,493,939	16,262,179
Administrative Expense	(182,238)	(160,362)	(67,272)	(124,362)	-
Benefit Payments	(9,340,636)	(9,126,454)	(7,903,179)	(7,185,556)	(6,660,594)
Other Miscellaneous Income/(Expense)	(346,072)	-	-	-	-
Net Change in Plan Fiduciary Net Position	6,152,197	8,333,482	(1,767,231)	916,183	14,842,980
Plan Fiduciary Net Position - Beginning	116,948,291	108,614,809	110,382,040	109,465,857	94,622,877
Plan Fiduciary Net Position - Ending (b)	<u>\$ 123,100,488</u>	<u>\$ 116,948,291</u>	<u>\$ 108,614,809</u>	<u>\$ 110,382,040</u>	<u>\$ 109,465,857</u>
Net Pension Liability [(a) - (b)]	<u>\$ 57,868,302</u>	<u>\$ 60,072,122</u>	<u>\$ 54,722,128</u>	<u>\$ 45,759,614</u>	<u>\$ 42,311,756</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.02%	66.06%	66.50%	70.69%	72.12%
Covered-Employee Payroll	\$ 19,075,163	\$ 19,343,552	\$ 19,550,012	\$ 19,490,839	\$ 18,385,116
Net Pension Liability as a Percentage of Covered-Employee Payroll	303.37%	310.55%	279.91%	234.77%	230.14%

*Fiscal year 2015 was the 1st year of implementation; therefore, only five years are shown.

Notes to Schedule:

Benefit changes. In 2019, 2018, 2017, 2016, and 2015, there were no benefit changes.

Changes in assumptions. In 2019, 2018, 2017, 2016, and 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

Attachment C

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHEDULE OF CONTRIBUTIONS – PENSION
FOR THE YEAR ENDED JUNE 30, 2019
LAST 10 YEARS***

	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16	Fiscal Year 2014-15	Fiscal Year 2013-14
Actuarially Determined Contributions	\$ 4,686,264	\$ 4,047,221	\$ 3,991,447	\$ 4,086,806	\$ 3,668,004
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,686,264)</u>	<u>(4,047,221)</u>	<u>(3,991,447)</u>	<u>(4,086,806)</u>	<u>(3,668,004)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered-Employee Payroll	\$ 19,075,163	\$ 19,343,552	\$ 19,550,012	\$ 19,490,839	\$ 18,385,116
Contributions as a Percentage of Covered- Employee Payroll	24.57%	20.92%	20.42%	20.97%	19.95%

*Fiscal year 2015 was the 1st year of implementation; therefore, only five years are shown.

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS FOR THE MEASUREMENT PERIOD ENDED JUNE 30 LAST 10 YEARS*

	<i>Measurement Period</i>	
	2018	2017
Total OPEB Liability		
Service Cost	\$ 5,259,186	\$ 5,708,352
Interest	3,452,776	3,047,381
Actual and Expected Experience Difference	-	-
Changes in Assumptions	2,643,408	(7,860,824)
Changes in Benefits Terms	-	-
Benefit Payments	(3,784,611)	(3,898,705)
Net Change in Total OPEB Liability	7,570,759	(3,003,796)
Total OPEB Liability - Beginning	106,945,439	109,949,235
Total OPEB Liability - Ending (a)	\$ 114,516,198	\$ 106,945,439
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 3,784,611	\$ 3,898,705
Net Investment Income	-	-
Benefit Payments	(3,784,611)	(3,898,705)
Administrative Expenses	-	-
Net Change in Plan Fiduciary Net Position	-	-
Plan Fiduciary Net Position - Beginning	-	-
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -
 Net OPEB Liability [(a) - (b)]	\$ 114,516,198	\$ 106,945,439
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
 Covered-Employee Payroll	\$ 22,116,603	\$ 22,483,538
 Net OPEB Liability as a Percentage of Covered- Employee Payroll	517.78%	475.66%

* Fiscal year 2018 was the 1st year of implementation; therefore, only two years are shown.

Notes to the Schedule:

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CONTRIBUTIONS – OPEB FOR THE YEAR ENDED JUNE 30, 2019 LAST 10 YEARS*

	Fiscal Year 2019	Fiscal Year 2018
Actuarially Determined Contributions	\$ 3,784,611	\$ 3,898,705
Contributions in Relation to the Actuarially Determined Contributions	(3,784,611)	(3,898,705)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll	\$ 22,116,603	\$ 21,929,916
Contributions as a Percentage of Covered-Employee Payroll	17.11%	17.78%

Notes to the Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2019, were from the June 30, 2018 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	2.98%
Inflation	2.75%
Salary Increases	3.25%
Healthcare Cost Trend Rates	8.0% in 2019, step down 0.5% per year to 5.0% by 2025
Mortality Rate	CalPERS 2014 Experience Study; Projected with MW Scale 2017

* Fiscal year 2018 was the 1st year of implementation; therefore, only two years are shown.

Attachment C

SUPPLEMENTARY INFORMATION

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF OPERATING EXPENSES FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Labor		
Operators' salaries and wages	\$ 8,089,242	\$ 8,268,866
Other salaries and wages	7,583,171	7,367,973
Overtime	3,348,346	3,090,876
	19,020,759	18,727,715
Fringe Benefits		
Absence with pay	3,747,912	3,594,668
Pension plans	5,293,017	4,686,776
Vision, medical, and dental plans	6,062,385	6,408,324
Workers' compensation insurance	(579,132)	594,279
Disability insurance	347,893	334,220
Other fringe benefits	168,862	168,110
Other postemployment benefits	9,347,928	10,508,804
	24,388,865	26,295,181
Services		
Accounting	95,709	87,661
Administrative and banking	464,712	387,189
Professional and technical services	1,493,619	1,024,675
Security	518,156	499,252
Outside repairs	1,271,036	1,138,627
Other services	112,057	93,472
	3,955,289	3,230,876
Materials and Supplies Consumed		
Fuels and lubricants	1,627,701	1,566,002
Tires and tubes	190,918	185,340
Vehicle parts	1,024,093	958,537
Other materials and supplies	508,535	427,088
	3,351,247	3,136,967
Utilities	612,122	579,259
Casualty and Liability Costs	1,067,132	696,292
Taxes and Licenses	44,793	41,918
Miscellaneous Expenses	345,932	481,951
Equipment and Facility Lease	334,781	337,362
Depreciation		
Property acquired with operator funds	39,616	4,527,151
Property acquired by federal, state, or TDA funds	5,286,802	-
	5,326,418	4,527,151
Total Operating Expenses	\$ 58,447,338	\$ 58,054,672

Attachment C

OTHER SCHEDULES AND REPORTS

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Federal Transit Administration (FTA)				
Cluster Defined by the Department of Transportation				
Section 3/5309 Consolidation				
Pacific Station Expansion FY2006 (Design/Engineering)	20.500	CA-04-0021	\$ -	\$ 3,399
Section 9/5307				
Operating Assistance	20.507	CA-2018-057	-	6,794,772
Section 5339				
FY14 5339(a) Bus & Bus Facilities	20.507	CA-2017-038-00	-	184,831
FY15/16 5339 (a) Bus & Bus Facilities	20.507	CA-2017-070-00	-	822,337
FY16 5339 (c) LoNo Discretionary	20.507	CA-2017-071-00	-	45,354
FY17 5339(a) Bus & Bus Facilities	20.507	CA-2019-067-00	-	99,052
FY18 5339(a) Bus & Bus Facilities	20.507	CA-2019-070-00	-	16,650
			-	1,168,224
Section 18/5311-5317				
Rural Operating Assistance - 5311	20.509	64BO19-00842	-	174,321
Section 18/5310				
Caltrans FY13/14 5310	20.513	SA-64AC16-00069	-	59,396
Total Expenditures of Federal Awards			\$ -	\$ 8,200,112

See accompanying notes to schedule of expenditures of federal awards.

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 – GENERAL

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

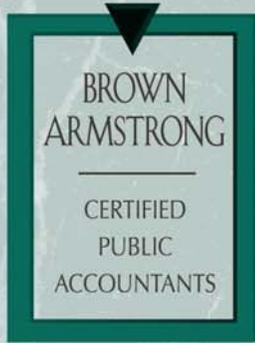
NOTE 2 – BASIS OF ACCOUNTING

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

NOTE 3 – INDIRECT COST RATE

Santa Cruz METRO has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Attachment C



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's basic financial statements, and have issued our report thereon dated December 23, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Santa Cruz METRO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Santa Cruz METRO's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Attachment C

Compliance and Other Matters

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

Purpose of this Report

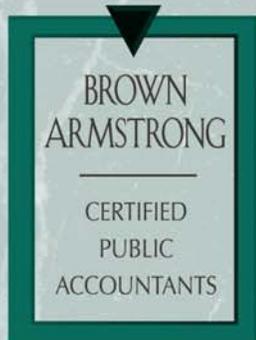
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 23, 2019

Attachment C



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Santa Cruz Metropolitan Transit District's (Santa Cruz METRO) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Santa Cruz METRO's major federal programs for the year ended June 30, 2019. Santa Cruz METRO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Santa Cruz METRO's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Santa Cruz METRO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Santa Cruz METRO's compliance.

Opinion on Each Major Federal Program

In our opinion, Santa Cruz METRO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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Attachment C

Report on Internal Control Over Compliance

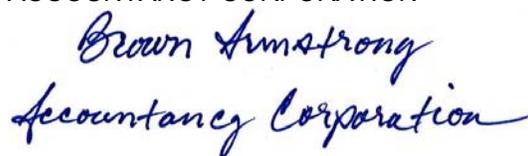
Management of Santa Cruz METRO is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Santa Cruz METRO's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

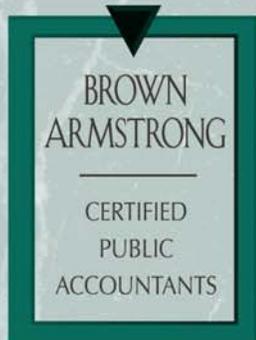
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style.

Bakersfield, California
December 23, 2019

Attachment C



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH THE STATUTES, RULES, AND REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT ACT AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF THE TRANSPORTATION COMMISSION

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the U.S. Office of Management and Budget (OMB) *Compliance Supplement*; and the statutes, rules, and regulations of the California Transportation Development Act (TDA) the financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) as of and for the year ended June 30, 2019, and have issued our report thereon dated December 23, 2019.

Compliance

As part of obtaining reasonable assurance about whether Santa Cruz METRO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Additionally, we performed tests to determine that allocations made and expenditures paid by Santa Cruz METRO were made in accordance with the allocation instructions and resolutions of the Transportation Commission and in conformance with the California TDA. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Sections 6666 and 6667 that are applicable to Santa Cruz METRO. In connection with our audit, nothing came to our attention that caused us to believe Santa Cruz METRO failed to comply with the statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Also as part of our audit, we performed tests of compliance to determine whether certain state funds were received and expended in accordance with the applicable bond act and state accounting requirements.

Other Matters

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B). Of the \$19.925 billion of state general obligation bonds authorized, \$4 billion was set aside by the State as instructed by statute as the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). These funds are available to the California Department of

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Attachment C

Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

During the fiscal year ended June 30, 2019, Santa Cruz METRO received \$0 from the State's PTMISEA funds. As of June 30, 2019, PTMISEA interest received and funds expended were verified in the course of our audit as follows:

	<u>2019</u>
Balance - beginning of the year	\$ 4,776,955
Receipts:	
Interest accrued 7/1/2018 through 6/30/2019	95,307
Expenses:	
MetroBase Construction	(85,049)
LoNo Spending	<u>(8,921)</u>
Balance - end of year	<u>\$ 4,778,292</u>

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance. Accordingly, this report is not suitable for any other purpose.

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 23, 2019

Attachment C

FINDINGS AND QUESTIONED COSTS SECTION

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2019

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weakness identified? Yes No

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

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Clusters

20.500
20.507

Federal Transit Capital Investment Grants – Section 3
Federal Transit Formula Grants – Section 9

Dollar threshold used to distinguish type A and B programs: \$750,000

Auditee qualified as low risk auditee? Yes No

II. Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards

None.

III. Federal Award Findings and Questioned Costs

None.

Attachment C

IV. State Award Findings and Questioned Costs

None.

V. A Summary of Prior Audit (all June 30, 2018) Findings and Current Year Status Follows

None.

Attachment D

**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT
MEASURE D PROGRAM**

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

**FOR THE YEAR ENDED
JUNE 30, 2019**

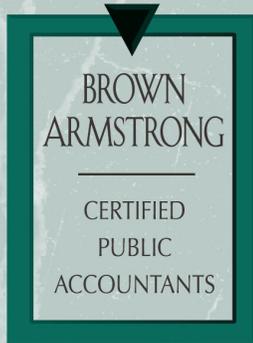
Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019**

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Attachment D



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relating to the Measure D Program, relevant to Santa Cruz METRO's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure D Program of Santa Cruz METRO as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure D Program and do not purport to, and do not, present fairly the financial positions of Santa Cruz METRO as of June 30, 2019, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure D Program financial statements. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of Santa Cruz METRO's internal control over financial reporting, relating to the Measure D Program, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, relating to the Measure D Program, and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance relating to the Measure D Program. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance relating to the Measure D Program.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 23, 2019

Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
BALANCE SHEET
JUNE 30, 2019**

ASSETS

Cash and investments	\$ 3,137,729
Intergovernmental receivables	
Receivables from SCCRTC for Measure D Allocations	<u>546,003</u>
Total assets	<u><u>\$ 3,683,732</u></u>

LIABILITIES AND FUND BALANCE

Liabilities	
Unearned income	\$ 2,953,657
Interfund payable	<u>730,075</u>
Total liabilities	<u>3,683,732</u>
Fund balance	
Restricted	<u>-</u>
Total net position	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 3,683,732</u></u>

See accompanying Notes to Financial Statements.

Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

REVENUES

Measure D revenue	\$ 2,038,012
Interest income	<u>61,039</u>
Total revenues	<u>2,099,051</u>

EXPENDITURES

Transit operations	1,368,976
Transit capital	<u>730,075</u>
Total expenditures	<u>2,099,051</u>

REVENUES OVER EXPENDITURES -

FUND BALANCE

Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Measure D Program by the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) are included as an enterprise fund in the basic financial statements of Santa Cruz METRO. These statements account for Santa Cruz METRO's share of revenues earned and expenditures incurred under Santa Cruz METRO's Transportation for Seniors and People with Disabilities Program. The accompanying financial statements are for the Measure D Program only and are not intended to fairly present the financial position or results of operations of Santa Cruz METRO.

B. Basis of Accounting and Measurement Focus

Santa Cruz METRO uses an enterprise fund format to report its activities for financial statement purposes. The accompanying financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred regardless of when the related cash flows take place.

C. Use of Estimates

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

NOTE 2 – MEASURE D PROGRAM

Under Measure D, approved by the voters of Santa Cruz County in 2016, Santa Cruz METRO receives a portion of the proceeds of a one-half cent sales tax to be used for transportation-related expenditures. This measure was adopted with the intention that the funds generated by the sales tax will not fund transportation-related expenditures previously paid for by existing funds, revenues, and other resources, but rather, will be used for additional projects and programs, so as to supplement (and not replace) the revenue funds designated and used for transportation programs and expenditures.

The major project funded by Measure D was as follows:

Transportation for Seniors and People with Disabilities Program – To provide transit services to seniors and people with disabilities, and to purchase transportation capital improvements.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consisted of \$3,137,729.

See Santa Cruz METRO's basic financial statements for disclosures related to the cash and investments as prescribed by GASB Statement No. 40. The basic financial statements may be obtained from Santa Cruz METRO at 110 Vernon Street, Santa Cruz, CA 95060.

Attachment D

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$546,003 represent the Measure D Program sales tax allocations for fiscal year 2019 that were received from the Santa Cruz County Regional Transportation Commission (SCCRTC) after June 30, 2019.

NOTE 5 – UNEARNED INCOME

Measure D Program sales tax allocations that are allocated to Santa Cruz METRO during the fiscal year are restricted and reported as liabilities (unearned income) until spent on the specific purpose for which they were intended, as outlined in the 5-Year Program of Projects approved by the Santa Cruz METRO Board of Directors and submitted to the SCCRTC.

NOTE 6 – INTERFUND PAYABLE

Interfund payables of \$730,075 represent amounts due to Santa Cruz METRO's general operating fund, in order to reimburse the agency for the Measure D Program capital expenditures paid for with Santa Cruz METRO unrestricted monies during the fiscal year.

Attachment D

SUPPLEMENTARY INFORMATION

Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

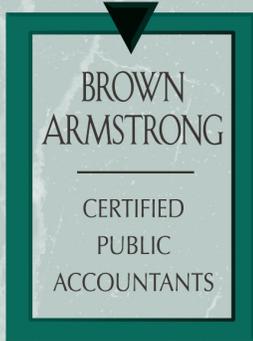
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Measure D Program revenue	\$ 3,229,124	\$ 3,229,124	\$ 2,038,012	\$ (1,191,112)
Interest income	-	-	61,039	61,039
Total revenues	<u>3,229,124</u>	<u>3,229,124</u>	<u>2,099,051</u>	<u>(1,130,073)</u>
EXPENDITURES				
Transit operations	1,368,976	1,368,976	1,368,976	-
Transit capital	1,860,148	1,860,148	730,075	1,130,073
Total expenditures	<u>3,229,124</u>	<u>3,229,124</u>	<u>2,099,051</u>	<u>1,130,073</u>
REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE				
Beginning of year	-	-	-	
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

EXPENDITURES IN EXCESS OF PROJECT BUDGET

Santa Cruz Metropolitan Transit District (Santa Cruz METRO) must receive Board approval of a 5-year Program of Projects prior to expending Measure D funding on any project or program, in accordance with the requirements of the Measure D Master Funding Agreement. The approved 5-year Program of Projects is submitted to the SCCRTC annually, and includes information about each of the projects to be funded with the estimated annual Measure D revenues, allocated according to the Measure D Ordinance and Expenditure Plan.

The fiscal year 2019 project list and expenditure plan used preliminary estimates for assigning costs of fixed-route and paratransit operator wages and benefits and vehicle consumables to various transit service improvements. Subsequent to the approval of this 5-year Program of Projects, a more accurate costing method was developed and used to identify the value of operator labor, resulting in Transit operations expenditures exceeding budget for this first year of the program.

Attachment D



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's Measure D Program's financial statements, and have issued our report thereon dated December 23, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Santa Cruz METRO's internal control over financial reporting (internal control), relating to the Measure D Program, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Santa Cruz METRO's Measure D Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

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

Purpose of this Report

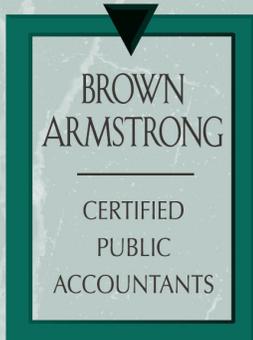
The purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the Measure D Program and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance relating to the Measure D Program. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control and compliance relating to the Measure D Program. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 23, 2019

Attachment D



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON MEASURE D PROGRAM COMPLIANCE

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

Compliance

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) Measure D Program as of and for the year ended June 30, 2019, and the related notes, and have issued our report thereon dated December 23, 2019.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Santa Cruz METRO's management.

Auditor's Responsibility

Our responsibility is to express an opinion on Santa Cruz METRO's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the agreement between Santa Cruz METRO and Santa Cruz County Regional Transportation Commission (SCCRTC). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Measure D Program occurred. An audit also includes examining, on a test basis, evidence about Santa Cruz METRO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Santa Cruz METRO's compliance with those requirements.

Opinion on Measure D Program

In our opinion, Santa Cruz METRO complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure D Program for the year ended June 30, 2019.

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Internal Control Over Compliance

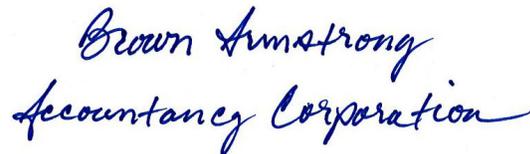
Management of Santa Cruz METRO is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered Santa Cruz METRO's internal control over compliance relating to the Measure D Program to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance relating to the Measure D Program. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control over compliance relating to the Measure D Program.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the agreement between Santa Cruz METRO and SCCRTC. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the firm.

Bakersfield, California
December 23, 2019



DATE: January 24, 2020
TO: Board of Directors
FROM: Angela Aitken, CFO
SUBJECT: CONSIDERATION OF RESOLUTION APPROVING THE FY20 REVISED CAPITAL BUDGET

I. RECOMMENDED ACTION

That the Board of Directors adopt a resolution approving the FY20 Revised Capital Budget, as presented in Attachment B

II. SUMMARY

- The Board of Directors (Board) adopted the FY20 Capital Budget on June 28, 2019.
- Periodic capital budget revisions may be required due to new grant awards, new projects, changes to the scope of existing projects, spending adjustments and removal of projects that are no longer needed.
- Revisions to an adopted capital budget require Board approval and the adoption of a resolution.

III. DISCUSSION/BACKGROUND

The Board must adopt an Operating and Capital Budget by June 30th each year. The Board adopted the FY20 & FY21 Operating and FY20 Capital Budget on June 28, 2019.

Periodically, capital budget revisions are required to add new projects, revise project balances and funding sources, update project descriptions, etc. This will be the first revision to the FY20 Capital Budget since adoption.

Staff requests that the Board adopt a resolution (Attachment A) to approve the FY20 Revised Capital Budget (Attachment B)

A Reconciliation by Project as of January 24, 2020 (Attachment C) is provided; this reconciles the (current) FY20 Revised Capital Budget against the (original) Final FY20 Capital Budget adopted on June 28, 2019.

This revision impacts multiple projects.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This pertains to METRO's Financial Stability, Stewardship & Accountability

V. FINANCIAL CONSIDERATIONS/IMPACT

The original FY20 Capital Budget adopted June 28, 2019 totals \$20,362,532.

- Revision 1 – September 27, 2019 – This revision added six (6) capital projects, added additional funding to two (2) existing projects and revised the description on one (1) project. This revision resulted in a net increase of \$1,096,388, for an FY20 Revised Capital Budget balance of \$21,458,920.
- Revision 2 – January 24, 2020 – This revision added ten (10) projects, added additional funding to three (3), revised one (1) and removed one (1). The projects that were added have been before the Finance, Budget and Audit Committee at their 11/8/19 meeting and the full Board of Directors at their 11/15/19 meeting and are needed to maintain the agency's facilities and equipment in a state of good repair and to meet its operational needs. This revision resulted in a net increase of \$7,925,661, for an FY20 Revised Capital Budget balance of \$29,384,581.

The Reconciliation by Project as of January 24, 2020 (Attachment C) lists the detail of all changes by project since adoption on June 28, 2019, and includes an explanation for the action. The year to date change is a net increase of \$9,022,049.

The estimated balance of the Operating and Capital Reserve Fund after this revision is approximately \$0M as all funds have been committed to capital projects at this time. Reminder: The Operating and Capital Reserve Fund is comprised of Alternative Fuel Tax Rebates from prior years, and any excess revenues above actual expenses (carryover) transferred from the Operating Budget. Note that the estimate provided here includes deductions for approved capital projects *and* commitments (the required local match) against grants that may *not* yet have been awarded; those un-awarded projects are *not* included in the attached revised budget. If or when those grants are awarded, the capital budget will be revised accordingly.

VI. ALTERNATIVES CONSIDERED

- There are no recommended alternatives at this time. If the revised budget is not approved, important capital improvements and capital projects could be delayed or cancelled.

VII. ATTACHMENTS

- Attachment A:** FY20 Capital Budget Resolution
Attachment B: FY20 Revised Capital Budget as of January 24, 2020
Attachment C: FY20 Revised Capital Budget – Reconciliation by Project as of January 24, 2020

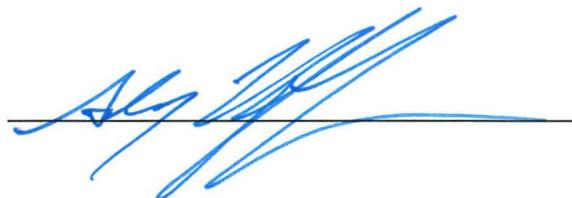
Prepared by: Debbie Kinslow, Finance Deputy Director

VII. 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 OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING A REVISION TO THE FY20 CAPITAL BUDGET

WHEREAS, the Board of Directors approved the FY20 Capital Budget on June 28, 2019 with a total budget of \$20,362,532; and

WHEREAS, it is necessary to revise the adopted FY20 Capital Budget by \$9,022,049 to add funds for various capital projects;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Cruz Metropolitan Transit District hereby amends the FY20 Capital Budget per Attachment B to this resolution for a total FY20 Revised Capital Budget of \$29,384,581.

PASSED AND ADOPTED this 24th day of January 2020, by the following vote:

AYES: Directors -

NOES: Directors -

ABSENT: Directors -

ABSTAIN: Directors -

Approved _____
ED BOTTORFF
Board Chair

ATTEST _____
ALEX CLIFFORD
CEO, General Manager

APPROVED AS TO FORM

JULIE A. SHERMAN
General Counsel

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY20 (REVISED) CAPITAL BUDGET
AS OF JANUARY 24, 2020

9-06B.1

PROJECT/ACTIVITY	RESTRICTED	PTMISEA (1B)	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	LCTOP	LPP	STA-SB1 (XFR FROM OPER BUDGET)	STA-SGR (SB 1)	BUS REPLACEMENT FUND		OPERATING & CAPITAL RESERVE FUND	TOTAL
											STIP	RESTRICTED		
Construction Related Projects														
1 New METRO Owned Paracruz Facility-(Grant Match for 5339(b))														
2 Pacific Station/Metro Center Redevelopment w/ City of SC	\$ 136,388								\$ 34,097				\$ 2,300,000	\$ 2,300,000
3 Pacific Station/Metro Center-Conceptual Design/MOU (5309)	\$ 136,388								\$ 34,097				\$ 1,000,000	\$ 1,000,000
Subtotal	\$ 272,776								\$ 68,194				\$ 2,300,000	\$ 2,300,000
IT Projects														
4 Replace Financial System (includes \$50K Consulting)														
5 Replacement Laptops (6)														
Subtotal	\$ -								\$ -				\$ 6,500	\$ 6,500
Facilities Upgrades & Improvements														
6 Maint Yard-Security Hardening/Expanded Parking	\$ 450,000												\$ 800,000	\$ 800,000
7 Maintenance Facility Roof Replacement (FTA 5339a FY19)													\$ 6,500	\$ 6,500
8 Vernon Generator Replacement Project	\$ 180,000												\$ -	\$ -
9 Fuel Management System (FTA 5339a FY17)	\$ 124,725												\$ -	\$ -
10 Bus Stop Improvements (FTA 5339a FY18)	\$ 100,000												\$ -	\$ -
11 Gate Control at JKS Bus Entry (FTA 5339a FY18)	\$ 100,000												\$ -	\$ -
12 JKS Facility - Bus Wash Rehab (FTA 5339a FY19)	\$ 100,000												\$ -	\$ -
13 JKS Facility - Upper Security Gates													\$ -	\$ -
14 138 Golf Club Fire Egress (FTA 5339a FY17)	\$ 97,523												\$ 100,000	\$ 100,000
15 Facilities Improvements (FTA 5339a FY18)	\$ 77,700												\$ 1,000,000	\$ 1,000,000
15a Fac Imp (FTA 5339a FY19)-ADA Handrail-WTTC	\$ 7,300												\$ 307,732	\$ 307,732
16 Paint Exterior-Maint. Facility (FTA 5339a FY18)	\$ 60,000												\$ -	\$ -
17 Fire Egress - was Facilities Improvements (FTA 5339a FY18)	\$ 25,000												\$ -	\$ -
18 Awning @ Fueling Station A&E only (FTA 5339a FY18)													\$ -	\$ -
19 Security Camera Instal - JKS - (Carryover fr FY18)													\$ -	\$ -
20 Admin Bldg. Engineering & Renovations													\$ -	\$ -
21 Asphalt Repair-Pac Station Layover (FTA 5339a FY18)	\$ 16,000												\$ -	\$ -
22 Concrete Surface Repair - Bus Yard (FTA 5339a FY18)	\$ 10,000												\$ -	\$ -
23 Fencing Behind Diesel Tank (FTA 5339a FY18)	\$ 7,000												\$ -	\$ -
Subtotal	\$ 1,255,248								\$ -				\$ 1,484,906	\$ 1,484,906
Revenue Vehicle Purchases, Replacements & Campaigns														
24 Replace Four (4) CNG Buses		\$ 3,500,000												\$ 3,500,000
25 4 40' CNG Replacements (FTA 5339b FY17)	\$ 1,206,518												\$ 757,951	\$ 2,635,548
26 FY18 STIP - 2 ZEBs (STIP, LPP, HVIP = \$300K)								\$ 786,000					\$ 656,811	\$ 2,312,811
27 FY18 STIP - AVL/ITS (STIP, Measure D)	\$ 870,000												\$ -	\$ 904,936
28 Refurb 4 Buses @ ~ \$254K (FY18, STIP, Measure D)	\$ 904,936												\$ 226,165	\$ 1,126,165
29 VTA Bus Transfer - Decommission & Retrofit 10 Electric CNG Bus (1) - (Caltrans FY13-FY17 5339 Statewide Discretionary)	\$ 456,957												\$ 709,569	\$ 709,569
30 CNG Bus (1) - (STBG FY17 via SCCRTC)	\$ 500,000												\$ 207,842	\$ 664,799
31 New Flyer Repl. Capital Lease - Year 3 of 6 Prin Only - (Measure D) Interest funded in Operating Budget \$32K	\$ 200,000												\$ 88,887	\$ 658,887
32 Paracruz Van Replacement (3) (STBG FY19 via RTC)	\$ 160,000												\$ 251,431	\$ 251,431
34 Mid-Life Bus Engine Overhaul (4) (FTA 5339a FY17)	\$ 160,000												\$ 22,940	\$ 222,940
35 Completion of Cameras on Buses (6 buses)													\$ -	\$ 160,000
36 Cameras on Buses #2													\$ -	\$ 100,000
Subtotal	\$ 2,523,475	\$ 3,570,000	\$ 2,674,936	\$ -	\$ 786,000	\$ -	\$ -	\$ -	\$ -	\$ 671,079	\$ -	\$ -	\$ 1,484,906	\$ 2,740,154
Revenue Vehicle Purchases, Replacements & Campaigns-Fleet Electrification Projects														

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY20 (REVISED) CAPITAL BUDGET
AS OF JANUARY 24, 2020

9-06B.2

PROJECT/ACTIVITY	RESTRICTED	PTMISEA (1B)	RESTRICTED	STIP	LCTOP	LPP	STA-SB1 (XFR FROM OPER BUDGET)	BUS REPLACEMENT FUND		OPERATING & CAPITAL RESERVE FUND	TOTAL
								RESTRICTED	RESTRICTED		
37 Electric Bus (3) + Infra & Proj Mgmt. (FTA 5339c FY16)	\$ 3,588,622	\$ 536,017							\$ 551,136		\$ 4,675,776
38 Electric Bus (1) - Watsonville Circulator DAC (FY15/16 LCTOP) - (Memo Only - HVIP = \$150K)		\$ 357,216	\$ 709,292						\$ 185,051		\$ 1,251,559
39 Electric Bus (1) - Watsonville Circulator DAC (FY17/18 LCTOP)			\$ 863,102						\$ 231,843		\$ 1,094,945
40 EV Charging Infrastructure @ JKS (10 Bays) (FY19 LCTOP)			\$ 646,496								\$ 646,496
41 Completion of JKS Facility-ZEB Yard Charging Infrastructure										\$ 300,000	\$ 300,000
42 ZEB Deployment & Fleet Planning (CTE)										\$ 59,500	\$ 59,500
Subtotal	\$ 3,588,622	\$ 893,233	\$ 2,218,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 968,030	\$ 359,500	\$ 8,028,276
Non-Revenue Vehicle Purchases & Replacements											
43 Replace Custodial Support Vehicle (1) (FTA5339a FY18)	\$ 30,000										\$ 30,000
Subtotal	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Fleet & Maint Equipment											
44 Bus Yard Scrubber/Sweeper (FTA 5339a FY18)	\$ 75,000										\$ 75,000
45 Floor Scrubber (1) for Maint. Shop (FTA 5339a FY18)	\$ 45,000										\$ 45,000
46 Heavy Duty Opacity Smoke Meter										\$ 4,250	\$ 4,250
Subtotal	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,250	\$ 124,250
Office Equipment											
47 Workstations & Cubicles (HR)											
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
Misc.											
48 Misc Capital Contingency-11/15/19 BOD										\$ 800,000	\$ 800,000
49 Ticket Vending Machine-SLV-Installation Costs + Misc							\$ 17,045			\$ 15,000	\$ 32,045
50 TVM Pin Pad Bezel 8 Upgrade (6)										\$ 22,185	\$ 22,185
51 Misc. Emergency Capital Items \$1K to \$5K (2nd) ID Card Printer (Pacific Station)										\$ 3,600	\$ 3,600
51a Square Cash Registers for C/S (2)										\$ 3,300	\$ 3,300
51b Watsonville Transit Mural-(\$2,700 from Arts Council SC)										\$ 3,100	\$ 3,100
52 Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,045	\$ -	\$ -	\$ 6,600	\$ 6,600
TOTAL CAPITAL PROJECTS	\$ 7,653,733	\$ 4,463,233	\$ 2,674,936	\$ 786,000	\$ 2,218,890	\$ 786,000	\$ 51,142	\$ 671,079	\$ 4,936,626	\$ 5,928,941	\$ 29,394,581
CAPITAL PROGRAM FUNDING											
Federal Sources of Funds:											
Federal Grants (FTA)	\$ 6,953,733										\$ 6,953,733
Surface Transportation Block Grant (STBG)	\$ 700,000										\$ 700,000
State Sources of Funds:											
PTMISEA (1B)		\$ 4,463,233									\$ 4,463,233
State Transportation Improvement Program (STIP)			\$ 2,674,936								\$ 2,674,936

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FY20 (REVISED) CAPITAL BUDGET**

AS OF JANUARY 24, 2020

PROJECT/ACTIVITY	RESTRICTED	RESTRICTED	PTMISEA (1B)	STIP	LCTOP	LPP	STA-SB1 (XFR FROM OPER BUDGET)	STA-SGR (SB 1)	MEASURE D (XFR FROM OPER BUDGET)	BUS REPLACEMENT FUND		TOTAL
										RESTRICTED	RESTRICTED	
Low Carbon Transit Operations Program (LCTOP)					\$ 2,218,890							\$ 2,218,890
Local Partnership Program (LPP)						\$ 786,000						\$ 786,000
Transfers from Operating Budget (STA-SB1)	*						\$ 51,142					\$ 51,142
STA-SGR (SB1)	*							\$ 671,079				\$ 671,079
Transfers from Operating Budget (Measure D)	*								\$ 4,936,626			\$ 4,936,626
Local Sources of Funds:												
Operating and Capital Reserve Fund											\$ 5,928,941	\$ 5,928,941
TOTAL CAPITAL FUNDING BY FUNDING SOURCE	\$ 7,653,733	\$ 4,463,233	\$ 2,674,936	\$ 2,218,890	\$ 786,000	\$ 51,142	\$ 671,079	\$ 4,936,626	\$ 5,928,941	\$ 29,384,581		
Restricted Funds	\$ 7,653,733	\$ 4,463,233	\$ 2,674,936	\$ 2,218,890	\$ 786,000	\$ 51,142	\$ 671,079	\$ 4,936,626	\$ 5,928,941	\$ 23,404,498		
Unrestricted Funds										\$ 5,980,083		
TOTAL CAPITAL FUNDING	\$ 7,653,733	\$ 4,463,233	\$ 2,674,936	\$ 2,218,890	\$ 786,000	\$ 51,142	\$ 671,079	\$ 4,936,626	\$ 5,928,941	\$ 29,384,581		
* NOTE: The amounts listed here represent the amounts committed against awarded grants and projects, and therefore will not equal the \$3M allocated to the Bus Replacement Fund in any given year.												

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**FY20 CAPITAL BUDGET
RECONCILIATION BY PROJECT
AS OF JANUARY 24, 2020-2ND REVISION**

Attachment C

CAPITAL PROJECT	LINE	SOURCE	AMOUNT	TOTAL
FY20 FINAL CAPITAL BUDGET ADOPTED JUNE 28, 2019:			\$	20,362,532
Add Back project: Cameras on Buses #2	36	MEASURE D	\$ 47,000	
Reason: Project was not complete at the end of FY19, but was inadvertently not carried forward to FY20				
Add: Replacement Laptops (4)	5	OP & CAPITAL RESERVE	\$ 5,500	
Reason: Replace laptops that have become technologically obsolete				
Add: Vernon Generator Replacement Project.	8	OP & CAPITAL RESERVE	\$ 307,732	
Reason: Add project as per Board approval at the August 23, 2019 BOD meeting				
Add Funds: CNG Bus (1) - Caltrans FY13-FY17 5339 Statewide Discretionary	30	MEASURE D	\$ 5,910	
Reason: Add additional funding needed to backfill the difference between the cost of the bus and the amount of the grant award				
Add: EV Charging Infrastructure @ JKS - 10 Bays (FY19 LCTOP)	40	LCTOP	\$ 646,496	
Reason: Add project - grant awarded				
Change Description: Replace Custodial Vehicles (2) (FTA 5339a FY18)	43	FTA	\$ -	
Reason: Revise project description since only one (1) custodial support vehicle will be purchased - not two (2)				
Add: Heavy Duty Opacity Smoke Meter	46	OP & CAPITAL RESERVE	\$ 4,250	
Reason: Replace failing opacity meter to meet new CARB standards				
Add: Workstations & Cubicles (HR)	47	OP & CAPITAL RESERVE	\$ 20,000	
Reason: Replace furniture in HR department				
Add: ZEB Deployment & Fleet Planning (CTE)	42	OP & CAPITAL RESERVE	\$ 59,500	
Reason: Add funds for CTE contract with CTE needed for the ZEB deployment and fleet planning				

**FY20 CAPITAL BUDGET
RECONCILIATION BY PROJECT
AS OF JANUARY 24, 2020-2ND REVISION**

Attachment C

CAPITAL PROJECT	LINE	SOURCE	AMOUNT	TOTAL
Add: Pacific Station/Metro Center Redevelopment w/City of SC	2	MEASURE D	\$ 1,000,000	
Reason: Add funds as per the 11/15/19 BOD meeting: Year 1 of the 4 year commitment of \$1M per year (\$4M total) towards the redevelopment of the Pacific Station transit facility in conjunction with the City of Santa Cruz				
Add: Four (4) Replacement CNG Buses	24	PTMISEA	\$ 1,253,667	
Reason: Add PTMISEA funds (accumulated interest earnings, refunds, contractor withheld retention, etc.) to the existing amount of PTMISEA funds currently earmarked for the Pacific Station Rehabilitation project (\$2,246,333) to make \$3.5M available to purchase 4 replacement CNG buses as per the 11/15/19 BOD meeting because these funds will expire in June 2023. The Pacific Station/City of Santa Cruz Redevelopment project will then be funded with Bus Replacement Funds (Measure D) because those funds do not 'expire.'				
Add: New Paracruz Facility (Grant Match for 5339 (b)	1	OP & CAPITAL RESERVE	\$ 2,300,000	
Reason: Add grant match as per 11/15/19 BOD meeting using Operating and Capital Reserve funds for a New Paracruz Facility; these funds will serve as the match when METRO applies for an FTA 5339 (b) Bus & Bus Facilities Discretionary grant				
Add: Maintenance Facility Roof Replacement (FTA 5339a FY19)	7	FTA	\$ 450,000	
Reason: Add FY19 FTA 5339a projects - as per 11/15/19 BOD meeting				
Add: JKS Facility - Bus Wash Rehab (FTA 5339a FY19)	12	FTA	\$ 100,000	
Reason: Add FY19 FTA 5339a projects - as per 11/15/19 BOD meeting				
Add: New Projects as per 11/15/19 BOD Meeting:		OP & CAPITAL RESERVE	\$ 2,300,000	
Reason: Add grant match as per 11/15/19 BOD meeting using Operating and Capital Reserve funds for a New Paracruz Facility; these funds will serve as the match when METRO applies for an FTA 5339 (b) Bus & Bus Facilities Discretionary grant				
Completion of Cameras on Buses (6 buses)	35	\$	100,000	
JKS Facility - Upper Security Gates	13	\$	100,000	
Completion of JKS Facility-ZEB Yard Charging Infrastructure	41	\$	300,000	
Misc Capital Contingency	48	\$	800,000	
Maint Yard-Security Hardening/Expanded Parking	6	\$	1,000,000	
Remove: METRO Logo Sign for JKS	n/a	OP & CAPITAL RESERVE	\$ (4,480)	
Reason: Project Completed in prior year				

**FY20 CAPITAL BUDGET
RECONCILIATION BY PROJECT
AS OF JANUARY 24, 2020-2ND REVISION**

Attachment C

CAPITAL PROJECT	LINE	SOURCE	AMOUNT	TOTAL
Add back: Security Camera Install - JKS - (Carryover fr FY19)	19	OP & CAPITAL RESERVE	\$ 23,000	
Reason: Carryover project that was not completed in FY19 but was removed because it was scheduled to be completed prior to year end				
Add funds: New Laptops - Purchase 6 rather than 4	5	OP & CAPITAL RESERVE	\$ 1,000	
Reason: Add 2 more laptops to be replaced-technologically obsolete				
Add: Paracruz Van Replacement (3) STBG FY19 (via RTC)	33	STBG	\$ 200,000	
		MEASURE D	\$ 22,940	
Reason: Add project - grant awarded				
Add funds: Electric Bus (1) - Watsonville Circulator DAC (FY15/16 LCTOP)	38	MEASURE D	\$ 156,614	
Reason: Add additional funding needed to backfill the difference between the cost of the bus and the amount of the grant award				
Add funds: FY18 STIP - 2 ZEBs (STIP, LPP, HVIP = \$300K)	26	MEASURE D	\$ 122,920	
Reason: Add additional funding needed to backfill the difference between the cost of the bus and the amount of the grant award				
FUNDING SUMMARY:				
		OP & CAPITAL RESERVE	\$ 5,016,502	
		FTA	\$ 550,000	
		LCTOP	\$ 646,496	
		LPP	\$ -	
		MEASURE D	\$ 1,355,384	
		PTMISEA	\$ 1,253,667	
		STA	\$ -	
		STA-SGR	\$ -	
		STBG	\$ 200,000	
		STIP	\$ -	
TOTAL CAPITAL BUDGET REVISIONS THROUGH 1/24/20:			\$ 9,022,049	
FY20 REVISED CAPITAL BUDGET AS OF JANUARY 24, 2020:			\$ 29,384,581	

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DATE: January 24, 2020

TO: Board of Directors

FROM: Angela Aitken, CFO & DBELO

SUBJECT: ACCEPT AND FILE THE SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

I. RECOMMENDED ACTION

That the Board of Directors accept and file the Semi-Annual Report on the status of METRO's Disadvantaged Business Enterprise Program Summary

II. SUMMARY

- As a recipient of federal funds, Santa Cruz Metropolitan Transit District (METRO) participates in the federal Disadvantaged Business Enterprise (DBE) Program as specified in Title 49, Code of Federal Regulations, Part 26 (49 CFR 26).
- The Federal Transit Administration (FTA) requires METRO to recalculate its DBE goal triennially and to report goal attainment semi-annually as a requirement to receive federal funds.
- METRO's FFY18-20 goal for DBE participation is 1.93% of all federally funded procurements with competitive contract bidding opportunities.
- A Semi-Annual report provided to the Board in concurrence with the FTA reporting schedule per METRO's DBE Policy.
- April 1, 2019 – September 30, 2019, METRO's DBE attainment was 0.00% for contracts awarded, payments on ongoing contracts, and payments on completed contracts.

III. DISCUSSION/BACKGROUND

The Department of Transportation established a Disadvantaged Business Enterprise (DBE) Program in 1980 to ensure that firms competing for federally funded contracts are not subject to unlawful discrimination. DBEs, as defined by the US Department of Transportation, are for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis.

The FTA requires each qualified recipient of more than \$250,000 annually in federal funds to implement a DBE program, recalculate a DBE goal triennially, and report its goal attainment semi-annually, as specified by 49 CFR 26. METRO received approximately \$7 million from the FTA in FFY18 and, therefore, must maintain a DBE Program.

It is important to acknowledge the challenges placed on DBE goal setting, attainment, and reporting:

- Only competitively biddable contracts with federal funding are counted in the procurement opportunities in which DBEs can participate.
 - The majority of METRO's FTA funding is used to pay for internal labor costs and fringe benefits, and is not required to be monitored for the DBE program.
- Several large expenses have no competitive contract opportunities:
 - Utilities, leases and rent payments, subscription services, membership costs, travel.
- Only certified DBEs can be included for setting goals and measuring attainment.
 - Many businesses are owned by minorities and women, but not all of these owners register as DBEs in the statewide program.

Excerpts from the METRO Administrative Code, Title II, DBE Program:

- Fostering small business participation
 - Your DBE program must include an element to structure contracting requirements to facilitate competition by small business concerns, taking all reasonable steps to eliminate obstacles to their participation, including unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as prime contractors or subcontractors.
 - This element must be submitted to the appropriate DOT operating administration for approval as a part of your DBE program. As part of this program element you may include, but are not limited to, the following strategies:
 - Establishing a race-neutral small business set-aside for prime contracts under a stated amount (e.g., \$1 million).
 - In multi-year design-build contracts or other large contracts (e.g., for "megaprojects") requiring bidders on the prime contract to specify elements of the contract or specific subcontracts that are of a size that small businesses, including DBEs, can reasonably perform.

- On prime contracts not having DBE contract goals, requiring the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work involved.
- Identifying alternative acquisition strategies and structuring procurements to facilitate the ability of consortia or joint ventures consisting of small businesses, including DBEs, to compete for and perform prime contracts.
- To meet the portion of your overall goal you project to meet through race-neutral measures, ensuring that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.
- You must actively implement your program elements to foster small business participation. Doing so is a requirement of good faith implementation of your DBE program.
- Reaching the Goal
 - Santa Cruz METRO shall attempt to meet the maximum feasible portion of the overall goal by using race-neutral means of facilitating DBE participation. Santa Cruz METRO will use narrowly tailored contract goals adequate to meet any portion of the overall goal it does not project being able to meet using race neutral means, where it is demonstrated through a disparity study and relevant market analysis that race conscious methodologies would remedy past discrimination in the state of California.
 - As allowed by federal and state law, Santa Cruz METRO will establish contract goals only on those U.S. DOT-assisted contracts that have subcontracting possibilities. Santa Cruz METRO will not establish a contract goal on every contract and the size of contract goals will be adapted to the circumstances of each such contract (e.g. type and location of work, availability of DBEs to perform the particular type of work).
 - Santa Cruz METRO will track race-conscious and race-neutral participation separately as required by 49 CFR 26.51(g).
 - If allowed by federal and state law, each solicitation for which a contract goal has been established will require the bidders/offerors to submit the following information:
 - The names and addresses of DBE firms that will participate in the contract;
 - A description of the work that each DBE will perform;
 - The dollar amount of the participation of each DBE firm;

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

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

IV. DBE STATUS

METRO's current DBE goal is 1.93% as seen in METRO's DBE semi-annual report for the period covering April 1, 2019 – September 30, 2019 provided as Attachment B. During this reporting period, METRO's DBE attainment for contracts awarded, payments on ongoing contracts, and payments on completed contracts is 0.00%, 0.00%, and 0.00%, respectively.

METRO did not have any large construction procurements with subcontracting opportunities. The majority of METRO's federal capital funds have been obligated for revenue and non-revenue vehicle replacements. For vehicle contracts, the transit vehicle manufacturer (TVM) reports the DBE participation rather than METRO.

V. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report pertains to Financial Stability, Stewardship & Accountability

VI. FINANCIAL CONSIDERATIONS/IMPACT

The DBE Program has direct expenses of less than \$850 for publishing ads and public hearing notices. Failure to update the goal and submit semi-annual reports would jeopardize METRO's receipt of over \$7 million in federal financial assistance in FFY19.

VII. CHANGES FROM COMMITTEE

N/A

VIII. ALTERNATIVES CONSIDERED

There are no alternatives. Receiving the semi-annual report is a legal requirement connected to METRO receiving federal financial assistance and Staff is required to provide this information to inform the Board of this important program per METRO's DBE policy, Art. III § 3.304(G).

IX. ATTACHMENTS

- Attachment A:** December 1, 2019 DBE Semi-Annual Report (April 1, 2019 – September 30, 2019)
- Attachment B:** June 1, 2019 DBE Semi-Annual Report (October 1, 2018 – March 31, 2019)
- Attachment C:** FFY19 DBE Report

Prepared by: Cayla Hill, Planning Analyst

X. APPROVALS

Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



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Attachment A

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

FTA Section

Please refer to the instruction sheet for directions on filling out this form

1	Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number 1622
2	Grant Number(s) (FTA Recipients):			
3	Federal Fiscal year in which reporting period falls:	FFY2019	4. Date This Report Submitted:	
5	Reporting Period:	<input type="checkbox"/> Report due for period Oct 1-Mar 31		<input checked="" type="checkbox"/> Report due for period April 1-Sep 30
6	Name and address of Recipient:	Recipient or subrecipient completing this form		
7	Annual DBE Goal(s):	Race Conscious Projection: 0.00%	Race Neutral Projection: 1.93%	OVERALL Goal: 1.93%

Awards/Commitments this Reporting Period

		A	B	C	D	E	F	G	H	I
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD (Total contracts and subcontracts committed during this reporting period)	Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ 690,404.00	4	\$ -	0			\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ -	0	\$ -	0	\$ -		\$ -	0	0%
10	TOTAL			\$ -	0	\$ -		\$ -	0	0.00%

		A			B			C			D			E			F		
B	BREAKDOWN BY ETHNICITY & GENDER	Total to DBE (dollar amount)						Total to DBE (number)											
		Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total			
11	Black American	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0			
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0			
13	Native American	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0			
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0			
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0			
17	Non-Minority	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0			
17	TOTAL	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0			

Payments Made this Reporting Period

		A	B	C	D	E	F
C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in progress	0	\$ -	0	\$ -	0	0.00%

		A	B	C	D	E
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	0	\$ -	\$ -	\$ -	#DIV/0!
21	Totals	0	\$ -	\$ -	\$ -	#DIV/0!

22 Submitted by: Cayla Hill	23. Signature:	24. Phone Number: 831-420-2581
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Attachment B

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

FTA Section

Please refer to the instruction sheet for directions on filling out this form

1	Submitted to (check only one) <input type="checkbox"/> FHWA <input type="checkbox"/> FAA <input checked="" type="checkbox"/> FTA - Recipient ID Number 1622
2	Grant Number(s) (FTA Recipients):
3	Federal Fiscal year in which reporting period falls: FFY2019 4. Date This Report Submitted:
5	Reporting Period: <input checked="" type="checkbox"/> Report due for period Oct 1-Mar 31 <input type="checkbox"/> Report due for period April 1-Sep 30 <input type="checkbox"/> FAA annual report due Dec 1
6	Name and address of Recipient: Recipient or subrecipient completing this form
7	Annual DBE Goal(s): Race Conscious Projection: 0.00% Race Neutral Projection: 1.93% OVERALL Goal: 1.93%

Awards/Commitments this Reporting Period

		A	B	C	D	E	F	G	H	I
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD <small>(Total contracts and subcontracts committed during this reporting period)</small>	Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ -	0	\$ -	0			\$ -	0	#DIV/0!
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ -	0	\$ -	0	\$ -	0	\$ -	0	0%
10	TOTAL			\$ -	0	\$ -	0	\$ -	0	#DIV/0!

		A	B	C	D	E	F
B	BREAKDOWN BY ETHNICITY & GENDER	Total to DBE (dollar amount)			Total to DBE (number)		
		Women	Men	Total	Women	Men	Total
11	Black American	\$ -	\$ -	\$ -	0	0	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0
17	Non-Minority	\$ -	\$ -	\$ -	0	0	0
17	TOTAL	\$ -	\$ -	\$ -	0	0	0

Payments Made this Reporting Period

		A	B	C	D	E	F
C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in progress	0	\$ -	0	\$ -	0	0.00%

		A	B	C	D	E
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	4	\$ 119,222.89		\$ -	0.00%
21	Totals	4	\$ 119,222.89		\$ -	0.00%

22 Submitted by: Cayla Hill	23. Signature:	24. Phone Number: 831-420-2581
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Attachment C

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

FTA Section

Please refer to the instruction sheet for directions on filling out this form

1	Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number 1622
2	Grant Number(s) (FTA Recipients):			
3	Federal Fiscal year in which reporting period falls:	FFY2019		4. Date This Report Submitted:
5	Reporting Period:	<input checked="" type="checkbox"/> Report due for period Oct 1-Mar 31		<input type="checkbox"/> Report due for period April 1-Sep 30
6	Name and address of Recipient:	Recipient or subrecipient completing this form		
7	Annual DBE Goal(s):	Race Conscious Projection: 0.00%	Race Neutral Projection: 1.93%	OVERALL Goal: 1.93%

Awards/Commitments this Reporting Period

		A	B	C	D	E	F	G	H	I
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD (Total contracts and subcontracts committed during this reporting period)	Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ 690,404.00	0	\$ -	0			\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ -	0	\$ -	0	\$ -	0	\$ -	0	0%
10	TOTAL			\$ -	0	\$ -	0	\$ -	0	0.00%

		A			B			C			D			E			F		
B	BREAKDOWN BY ETHNICITY & GENDER	Total to DBE (dollar amount)						Total to DBE (number)											
		Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
11	Black American	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Non-Minority	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	TOTAL	\$ -	\$ -	\$ -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Payments Made this Reporting Period

		A	B	C	D	E	F
C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in progress	0	\$ -	0	\$ -	0	0.00%

		A	B	C	D	E
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	4	\$ 119,222.89	\$ -	\$ -	0.00%
21	Totals	4	\$ 119,222.89	\$ -	\$ -	0.00%

22 Submitted by: Cayla Hill	23. Signature:	24. Phone Number: 831-420-2581
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DATE: January 24, 2020
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 January 2020

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 two claims for the month of January 2020 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 VIII.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report pertains to METRO's Financial Stability, Stewardship and Accountability.

V. FINANCIAL CONSIDERATIONS/IMPACT

None

VI. CHANGES FROM COMMITTEE

N/A

VII. 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)).

VIII. DESCRIPTION OF CLAIMS

Claimant	Claim #	Description	Recommended Action
Rubio, Ignacio	20-0001	Claimant alleges that a METRO bus collided into his parked car. Amount of claim: \$3,265.38.	Reject
Shults, Scott	20-0002	Claimant alleges that METRO is at fault for his fall and broken glasses. Amount of claim: \$60.00	Reject

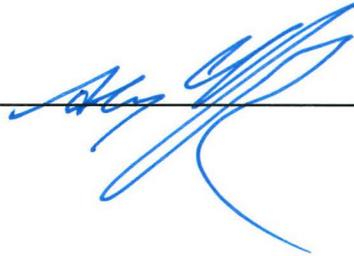
Prepared by: Tom Szestowicki, Safety Specialist

IX. APPROVALS

Rufus Francis, Safety, Security
and Risk Management Director



Alex Clifford, CEO/General Manager



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DATE: January 24, 2020
TO: Board of Directors
FROM: Dawn Crummié, Human Resources Director
**SUBJECT: CONSIDERATION OF APPROVING THE AMENDED PERSONNEL
RULES AND REGULATIONS AND APPROVAL OF THE RESOLUTION
REGARDING THIS ACTION**

I. RECOMMENDED ACTION

**Adopt Santa Cruz METRO's Personnel Rules and Regulations and Approve
the Resolution Adopting the Amended Rules and Regulations**

II. SUMMARY

- It is useful for the Santa Cruz Metropolitan Transit District (METRO) to maintain Personnel Rules and Regulations in order to provide a fair and equitable system of personnel management.
- The Personnel Rules and Regulations of the METRO were initially adopted in 1976 and have been revised several times since that date.
- The Personnel Rules and Regulations were last revised on July 24, 1987.
- METRO's HR Director and General Counsel have updated the Personnel Rules and Regulations to reflect current law, current position titles and current practices.
- The revised Policy was provided to SMART on November 1, 2019 and to the Service Employees International Union (SEIU) on December 3, 2019 . Staff has received no objections from either union.
- METRO staff is recommending that the Board adopt the amended Personnel Rules and Regulations and approve the attached Resolution.

III. DISCUSSION/BACKGROUND

METRO's Personnel Rules and Regulations were established in order to provide a fair and equitable system of personnel management. In addition, these regulations ensure that METRO can provide a public transportation system for its passengers that is productive, while also providing a work environment that is beneficial to all METRO employees.

The Personnel Rules and Regulations were created and adopted by the Board of Directors to ensure just and similar treatment for those who compete for

employment and promotion within METRO. In addition, these regulations define the rights, obligations, privileges, benefits and prohibitions relating to all METRO employees.

METRO's HR Director, along with the General Counsel have updated the Personnel Rules and Regulations to reflect current law, current position titles and current practices.

Representatives from Service Employees International Union (SEIU), Local 521 and SMART, Local 23 have been given the opportunity to review and discuss the amended Personnel Rules and Regulations, and to date, no objections have been raised to the proposed changes.

METRO staff took the amended Personnel Rules and Regulations to the Personnel/HR Committee on January 10, 2020, and they had no proposed changes. Staff recommends that the Board of Directors approve the revised Personnel Rules and Regulations (Exhibit A). Also, attached is a redlined copy of the Regulations (Exhibit A), showing the language that was revised.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

These Rules and Regulations apply to employee engagement.

V. FINANCIAL CONSIDERATIONS/IMPACT

There are no financial considerations at this time.

VI. CHANGES FROM COMMITTEE

None.

VII. ALTERNATIVES CONSIDERED

None.

VIII. ATTACHMENTS

Attachment A: Resolution Adopting the Amended Personnel Rules and Regulations of the Santa Cruz Metropolitan Transit District

Exhibit A: Personnel Rules and Regulations (final and redlined versions)

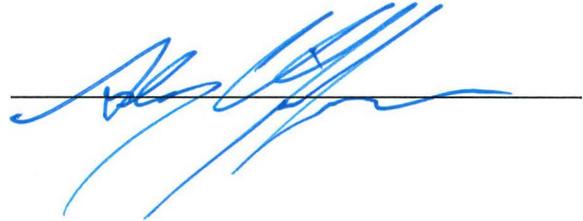
Prepared by: Rickie-Ann Kegley, Paralegal

VII. APPROVALS

Dawn Crummié
Human Resources Director



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:

ADOPTION OF SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S AMENDED PERSONNEL RULES AND REGULATIONS

WHEREAS, the Santa Cruz Metropolitan Transit District has found it useful to maintain Personnel Rules and Regulations to provide a fair and equitable system of personnel management;

WHEREAS, in 1976, the Personnel Rules and Regulations were adopted by the Board of Directors with approval of Resolution No. 76-1-2;

WHEREAS, the Personnel Rules and Regulations were last amended on July 24, 1987;

WHEREAS, METRO's General Counsel has reviewed the amended Personnel Rules and Regulations and has approved the recommended changes to reflect current law, position titles and practices; and

WHEREAS, Staff recommends that the Board of Directors approve the amended Personnel Rules and Regulations.

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

1. The Personnel Rules and Regulations previously adopted on July 24, 1987, are hereby rescinded.

Attachment A

Resolution #
Page 2 of 3

2. The amended Personnel Rules and Regulations attached and labeled "Exhibit A", is hereby adopted.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on January 24, 2020, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

ABSTAIN: DIRECTORS –

ED BOTTORFF
Chairperson

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE A. SHERMAN
General Counsel

9-09A.2

Attachment A

Resolution #
Page 3 of 3

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

PERSONNEL RULES AND REGULATIONS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

(Attached)

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PERSONNEL RULES AND REGULATIONS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

SECTION 1: DEFINITIONS

For the purpose of these Rules and Regulations, certain words and phrases shall be construed as herein set forth:

1. **APPLICANT** - A person who has made application for a vacancy with METRO.
2. **APPOINTING AUTHORITY** - The group or person having the lawful power to make appointments and to remove persons from METRO positions.
3. **CHARGEABLE ACCIDENT** - An accident which is determined by METRO to be the fault of the employee.
4. **CLASSIFIED POSITIONS** - Those positions established and classified by the METRO Board of Directors.
5. **DEMOTION** - A personnel action taken by the appointing authority to assign an employee to another classification with a lower salary range than the position to which the employee was previously assigned.
6. **DISCIPLINARY ACTION** - An action pursuant to Section 29 of these Personnel Rules and Regulations taken by the appointing authority or his/her delegated representative to reprimand in writing, suspend, demote or terminate an employee for any disciplinary cause pursuant to Section 30 of these Personnel Rules and Regulations.
7. **DISCIPLINARY CAUSE** - Any ground for disciplinary action set forth in Section 30 of these Personnel Rules and Regulations.
8. **DISCIPLINARY DEMOTION** - A disciplinary action demoting an employee for disciplinary cause. All other demotions shall be non-disciplinary and so noted in the employee's Personnel File.
9. **DISTRICT**- The Santa Cruz Metropolitan Transit DISTRICT.
10. **ELIGIBILITY LIST** - A list of applicants for a vacant position or anticipated vacant position who meet the requirements set forth in a position specification, have passed all required examinations, and have been certified by the appointing authority as qualified to be appointed to the position.

11. **EMPLOYEE** - A person filling a classified or unclassified, position with METRO.
12. **EMPLOYEE WORK STATION** - The METRO facility to which an employee regularly reports for work assignments.
13. **EVALUATION** - A compulsory, periodic performance review for each employee assigned to a classified position. An evaluation is intended to be a summary of the performance of the employee and to reflect the ongoing communication between the rating supervisor and the employee.
14. **EXEMPT EMPLOYEE** - An employee who is exempt from overtime and other benefits specified under provisions established by the Fair Labor Standards Act.
15. **INTERMITTENT APPOINTMENT** - A recurring appointment for a specified period of time to a classified or unclassified position. Said appointments shall be made from an Intermittent Employment Eligibility list
16. **LAYOFF** - A reduction of the work force of METRO.
17. **NARCOTICS** - Narcotics shall include all drugs specified as narcotics in the California Uniform Controlled Substances Act, all drugs in the pharmacological classification of narcotics and all designer drugs or other substances determined to be illegal by California State law.
18. **NON-EXEMPT EMPLOYEES** - An employee who is entitled to overtime and other benefits specified under provisions established by the Fair Labor Standards Act
19. **POSITION SPECIFICATION** -A job description for classified positions which includes examples of duties, qualifications, knowledge and abilities for said position.
20. **PROBATIONARY STATUS** - A status on which an employee is placed for a specified period of time immediately after appointment to a particular classified position. The probationary period shall be regarded as part of the testing process and shall be utilized for closely observing the employee's performance.
21. **PROMOTION** - A personnel action taken by the appointing authority to assign an employee to another classification with a higher salary range than the one previously occupied by the employee. Promotion may occur as a result of an open recruitment or a closed promotional recruitment.
22. **PROPERTY** - Any equipment, vehicles, tools, supplies, materials, real estate, facilities, or other tangible or intangible thing, owned, leased or possessed by METRO.

23. **PROVISIONAL APPOINTMENT** - An appointment made to a classified position for a specified period of time longer than six months and less than two years.
24. **RECLASSIFICATION** - A determination by METRO that there has been a change of duties, responsibilities, authority and/or employment requirements in a position classification in accordance with Section 6 of these Personnel Rules and Regulations.
25. **RECRUITMENT** - A personnel action taken by the appointing authority to obtain applicants for vacant classified positions.
 - A. Open Recruitment - Those job opportunities available to employees and the public.
 - B. Closed Promotional Recruitment - Those job opportunities available to present employees occupying classifications in METRO as designated by the appointing authority.
26. **REGULAR EMPLOYEE** - An employee who has satisfactorily completed their probationary period in the classified position that they are occupying.
27. **REINSTATEMENT** - The rehiring of an employee who was previously laid off because of the abolition of a position or work force reduction, into the position they held prior to layoff.
28. **REPRIMAND** - A written notice issued for any minor disciplinary cause.
29. **RESIGNATION** - The notification to METRO by an employee that they shall cease their employment with METRO.
30. **SEPARATION** - The non-disciplinary departure of an employee from METRO service.
31. **SPECIAL EVALUATION STATUS** - Placement of an employee on a monthly evaluation schedule.
32. **SUPERVISOR**- An employee who has supervisory duties listed in his/her job description and who is authorized by the appointing authority to direct and evaluate the work performance of one or more employees assigned to be supervised by them.
33. **SUSPENSION** - A disciplinary action in which an employee is placed on a status wherein an employee is precluded from performing work activities for a specified period of time.

34. **TEMPORARY APPOINTMENT** - Any appointment for a special or temporary purpose not to exceed six months. Temporary appointments may be made to classified positions, or unclassified positions.
35. **TERMINATION** - The involuntary discharge of an employee from METRO service for cause set forth in Section 30 of these Personnel Rules and Regulations or for failure to complete satisfactorily the probationary period.
36. **TRANSFER** - An action taken by the appointing authority to reassign an employee from one position to another position having substantially similar duties, responsibilities, qualifications and substantially the same salary range.
37. **UNCLASSIFIED POSITION** - A job position not existing in METRO's established Classified Personnel List.
38. **WORK STANDARDS** - Written job performance requirements specified in an employee's job specification and in METRO and/or Department rules, regulations and procedures, and/or in written instructions to the employee.

SECTION 2: AMENDMENTS

These Rules and Regulations may be amended by a majority vote of the METRO Board of Directors at any regular or special meeting of said Board.

SECTION 3: APPOINTING AUTHORITY

The appointing authority shall be defined as follows: for the positions of CEO/General Manager, and General Counsel, the appointing authority shall be the METRO Board of Directors. For all other positions, the appointing authority shall be the CEO/General Manager of METRO or their designee as specified in writing by the CEO/General Manager.

SECTION 4: PERSONNEL COVERED

These Rules and Regulations shall be applicable to all employees of METRO. Employees shall be defined as all persons assigned to positions listed in the Classified Personnel List or occupying an unclassified position. The only limitation of the application of this section is outlined in Section 5.

SECTION 5: PERSONNEL RULES AND REGULATIONS APPLICABILITY

These Personnel Rules and Regulations are valid, in full force and govern the Personnel matters of METRO. A conflict between a particular provision of these Personnel Rules and Regulations and any existing collective bargaining agreement shall not affect any other provision of these rules and regulations. Where a specific provision of these rules and regulations is in conflict with a provision of a collective bargaining agreement, the provision of the collective bargaining agreement shall prevail.

SECTION 6: CLASSIFIED POSITIONS

The Human Resources Department shall establish all employee classified positions. The Human Resources Department shall make periodic studies of classifications, job specifications and/or compensation of all positions and shall submit for approval to the CEO/General Manager any changes, which they deem desirable to better classify or describe positions. Changes shall be called reclassification.

SECTION 7: ALLOCATION OF POSITIONS AND SALARY

The Human Resources Department shall establish the necessary position title and the salary range for each position contained within the Classified Personnel List

SECTIONS 8: CLASSIFIED PERSONNEL LIST

A record to be known as the Classified Personnel List of METRO shall be kept in the office of the Human Resources Department, and shall contain the name of every person employed in a classified position and receiving compensation from METRO. This list shall show respectively every officer or employee, the title of the position held, the salary or compensation as approved by the Board of Directors, the date of appointment to such office or employment and the term thereof, if any, and the positions filled, suspensions, layoffs, transfers, promotions, demotions, reclassifications, separations, terminations and any classification actions.

SECTION 9: POSITION SPECIFICATIONS

A job specification for each position in the Classified Personnel List shall be prepared by the Human Resources Department and adopted by the CEO/General Manager. Said specification shall include examples of duties, all qualifications, knowledge and abilities required for said position. The Human Resources Department shall maintain a list which specifies all examinations, if any, (and including any medical examinations) which must be successfully completed as part of the selection process for the position.

SECTION 10: SALARY PLAN

The CEO/General Manager shall maintain a salary plan for all employees. Said salary plan shall be set for each specified group to which the employee belongs consistent with each compensation plan or collective bargaining agreement. The first step shall be the entry level salary except that unusually qualified individuals may be entered on Step 2 or higher upon written authorization from the CEO/General Manager. Employees shall advance to Step 2 upon satisfactory completion of the probationary period. In the event that an employee is entered at Step 2 or higher, said employee shall advance to the next highest step after satisfactory completion of the probationary period. Thereafter, employees shall be evaluated for advancement to the remaining steps upon satisfactory completion of 2080 hours worked of service on the

previous step. Step increases shall be consistent with Section 27 of these Personnel Rules and Regulations.

SECTION 11: OVERTIME AND COMPENSATORY TIME OFF

Non-exempt employees in paid status are entitled to overtime for: authorized work in excess of 8 hours per day when assigned to an 8-hour shift; authorized work in excess of 10 hours per day when assigned to a 10-hour shift; or authorized work in excess of 40 hours per week. Said overtime shall be compensated as additional salary based on 1 1/2 times the employee's regular hourly rate at which they are employed.

SECTION 12: NOTICE OF VACANCIES

All vacancies shall be publicly advertised by posting and also may be advertised by publication at the discretion of METRO. If said advertising is done by posting, then the posting of the advertisement on the official bulletin boards of METRO shall be for not less than ten (10) calendar days. Said notice shall contain the job duties, qualifications and range of compensation for the position.

SECTION 13: APPLICATION FOR VACANCIES

Application for current vacancies and future employment opportunities may be completed online at www.scmt.com. Anticipated vacancies shall be kept in the office of the the Human Resources Department. Applications shall be readily available to all employees and interested members of the public.

SECTION 14: NOTICE OF ELIGIBILITY LIST EXAMINATIONS

Where deemed necessary, the Human Resources Department may accept applications and set examinations for anticipated vacancies. Said examinations shall be noticed in the same manner as for vacancies described in Section 12.

SECTION 15: CERTIFICATION OF ELIGIBLE APPLICANTS

The CEO/General Manager, or their designee, shall review all applications for vacancies or anticipated vacancies in the Classified Personnel List and shall certify as eligible, all applicants who meet the requirements set forth in the position specification for the position and who have passed all required examinations.

Fraudulent conduct or false statements by an applicant on their application or examination shall be deemed cause for disqualification.

METRO shall make reasonable accommodation for persons with disabilities as appropriate for the position. METRO will provide a reasonable accommodation to disabled applicants if the reasonable accommodation would allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship.

Eligible applicants shall be placed on a Certified Eligibility List. Said list of eligible applicants shall be submitted to the appointing authority for final selection and appointment.

Said Eligibility List shall be valid for six months following the date of examination. However, the CEO/General Manager, or their designee may extend the period of time that the list is valid for up to six additional months when more than two names remain on the list at the time the list is due to expire.

Appointments to vacancies in the Classified Personnel List shall be made from the Certified Eligibility List if one exists for the vacant position, except when the Certified Eligibility List shall consist of less than two names. In such case, the vacancy shall be noticed and a new list prepared.

SECTION 16: APPOINTMENT PROCEDURES

All vacancies in positions in the Classified Personnel List shall be filled by reinstatement, selection from a Certified Eligibility List, transfer, promotion, demotion or from eligible applicants. METRO shall hire the applicant who best meets the needs of METRO. METRO, to the extent practicable, shall encourage current employees to apply for all vacancies in METRO.

SECTION 17: APPOINTMENT

After interview and investigation by the appointing authority, or selection committee chosen by the appointing authority, the appointing authority shall make appointments from among the list of eligible applicants. Examinations, if required, shall be performed prior to review by the appointing authority. The CEO/General Manager or their designee shall notify the applicant of their appointment. If the applicant accepts the appointment and reports for duty at the prescribed time, they shall be deemed to be appointed; otherwise, the applicant shall be deemed to have declined the appointment.

SECTION 18: ANNIVERSARY DATE

The date of an employee's first reporting for duty with METRO shall be the anniversary date and shall be used as the beginning date for the computation of benefits and METRO seniority. The appointing authority may adjust an employee's anniversary date to avoid inequities.

SECTION 19: EMERGENCY APPOINTMENTS

To meet the immediate requirements of any emergency conditions such as natural disaster which threatens human life or property, or labor disputes which threaten the continuation of transit service by METRO, the CEO/General Manager may employ such persons as may be needed for the duration of the emergency without regard to adopted Personnel Rules and Regulations, or other rules affecting appointments. All such appointments must be reported to the METRO Board of Directors as soon as possible and shall be limited to a thirty day prior from the start of said emergency or until the next METRO Board meeting (whichever occurs first) unless otherwise approved by the METRO Board of Directors.

SECTION 20: TEMPORARY APPOINTMENTS

The appointing authority may authorize temporary appointments for a special or temporary purpose.

Temporary appointments to classified positions shall receive the benefits denied in the collective bargaining agreement which applies to the position. Temporary appointments to unclassified positions shall not receive benefits except for those required by Federal, State and local laws.

SECTION 21: INTERMITTENT APPOINTMENTS

The appointing authority may authorize intermittent appointments. Intermittent appointments shall be consistent with Section 20 of these Personnel Rules and Regulations. The term of employment shall be specified at the time of appointment.

SECTION 22: PROVISIONAL APPOINTMENTS

Provisional appointments shall be made whenever programmatic requirements for the position dictate that the position be filled other than by a temporary appointment for a defined term longer than six months but not to exceed two years. The term of employment shall be specified at the time of appointment.

SECTION 23: TRANSFERS

The appointing authority may at any time transfer any employee under their jurisdiction from one position to another in the same classification or in another classification having substantially similar duties, responsibilities and qualifications, and substantially the same salary range.

SECTION 24: LAYOFFS

The Board of Directors shall have the right to reduce the work force and lay off employees due to lack of work.

SECTION 25: PROMOTIONS

Whenever a classified personnel vacancy exists, unless such vacancy is filled by competitive application, reinstatement or transfer, it shall be filled by closed promotional recruitment. If filled by closed promotional recruitments, vacancies shall be filled by any employee holding a position with a lower salary range meeting the job qualifications and serving in a position designated by

the appointing authority as appropriate for promotional purposes. Closed promotion shall be based on performance, effectiveness, conduct, seniority, needs of the department (including

Affirmative Action Goals) and ability to perform properly the work of the higher position as determined through examination of employee's credentials, qualifications, and performance evaluations. Vacancies eligible to be filled by closed promotion shall be posted at all METRO offices, including the employee's normal workstation.

SECTION 26: PROBATIONARY PERIOD

All employees shall work in probationary status for 26 weeks following their anniversary date or until such other date as specified in the compensation plan or the executed collective bargaining agreement which applies to the position. During said period, employees may be terminated without notice or cause. Probationary employees shall otherwise accrue all other benefits specified in these Rules and Regulations for regular employees of METRO. The probationary period may be extended in an amount of time equal to periods of absence, provided written notification has been given to the employee.

The probationary period shall be regarded as part of the testing process and shall be utilized for closely observing the employee's work and for rejecting any probationary employee whose performance does not meet the required work standards of the position.

SECTION 27: EVALUATIONS

Evaluations shall be completed as specified below.

Standardized rating forms shall be designed for all classifications in order to accurately measure the job performance of employees. The evaluation system shall be reviewed periodically by the Human Resources Department

Evaluations shall be recorded only on METRO standardized rating forms by the supervisor of the employee. The purpose of the evaluation shall be to measure the quality and quantity of work performed, the conduct and work habits of the employee, and other factors having a bearing on their work performance, and shall establish performance goals and objectives for the next rating period.

The performance evaluation of all employees shall be completed in accordance with this section. The evaluation shall be part of the ongoing communication between the rater and the employee.

Evaluations shall be consistent with all the provisions of this section and shall be conducted as follows:

1. Probationary Period: Employees shall be evaluated just prior to the mid-point and near the end of their probationary period.
2. Annual Evaluation: All regular, non-probationary employees shall be evaluated at least annually prior to their anniversary date.
3. Special Evaluation: An employee may be placed on special evaluation status at any time when performance problems exist. Regular employees receiving an annual performance evaluation with an overall rating of unsatisfactory, or otherwise determined not to meet the standards of the job, shall be placed on a special monthly evaluation schedule for a specified period of time. Once the employee attains an overall performance rating of satisfactory, they shall be removed from special evaluation status. The maximum time period than an employee can remain on special evaluation status is six consecutive months.

Employees who are unsuccessful in attaining an overall performance rating of satisfactory or better during the special evaluation period shall be subject to disciplinary action.

Special evaluations are in addition to, and do not replace the annual evaluation process.

Employees placed in special evaluation status shall be entitled to an administrative review of such action by the CEO/General Manager or their designee. Request for administrative review shall be submitted in writing to the CEO/General Manager within ten working days of placement of such status or any evaluation given thereunder.

Step increases, dependent upon satisfactory completion of the evaluation period, will be implemented only when the evaluation has an overall satisfactory or better performance rating.

SECTION 28: COMMENDATIONS AND COUNSELING

The purpose of a commendation shall be to recognize and encourage an employee's positive job performance. Employees may be commended orally or in writing. Written commendations shall be placed in the employee's Personnel File.

The purpose of counseling shall be to inform and advise employees of ways to improve job performance.

Counseling of employees, including counseling for which written records are kept by METRO, shall not be considered disciplinary action. Written records of counseling may only be placed in the official Personnel File of the employee as part of a formal disciplinary action, or as documentation to an evaluation.

SECTION 29: ADMINISTRATION OF COUNSELING, EVALUATION AND DISCIPLINARY ACTION

METRO shall employ a system of counseling, evaluations and progressive discipline to advise employees of their strengths and weaknesses and to ensure employees are performing the work required of them.

This system shall include:

- A. Counseling and Evaluations:
 - 1. Counseling/Verbal Warning
 - 2. Periodic evaluations
 - 3. Placing an employee in special evaluation status

- B. Disciplinary Actions:
 - 1. Written reprimands
 - 2. Suspensions
 - 3. Demotions (non-voluntary)
 - 4. Terminations

These elements may be used together or independently to meet needs of METRO.

1. Disciplinary Actions

A. WRITTEN REPRIMAND

The appointing authority shall have the right to reprimand in writing an employee for any minor disciplinary cause as set forth in Section 30 of these Rules and Regulations. Such letters shall be filed in the employees Personnel File.

B. SUSPENSION

The appointing authority shall have the right to suspend an employee for a period of time appropriate for the cause of such action as set forth in Section 30. A suspension is a disciplinary action in which an employee is precluded from performing work activities for a specified period of time. A suspension may be with or without pay at the discretion of the appointing authority. While an employee is on suspension status, the appointing authority may order that said employee shall receive no salary.

C. DEMOTION

The appointing authority may demote an employee. Said demotions may be disciplinary or non-disciplinary. A disciplinary demotion shall be one which occurs for disciplinary cause as set forth in Section 30. All other demotions shall be non-disciplinary, (e.g., voluntary or as the result of a reduction of force).

No employee shall be demoted to a classification for which they do not possess the minimum qualifications unless METRO provides training for the employees. If the demotion is a disciplinary action, the employee shall have all procedural rights set forth in Sections 29 and 33 hereof.

D. TERMINATION

The appointing authority may terminate an employee for any single serious violation of METRO policy or for any cause, or combination of causes, identified in Section 30 of these Personnel Rules and Regulations.

2. Application of Disciplinary Action

Any employee may be subjected to disciplinary action for just cause. Disciplinary action shall include being reprimanded in writing, being placed on suspension, being demoted and/or being terminated and/or any combination thereof:

Where the disciplinary action is for a suspension of more than five days, a demotion, or termination, the employee shall be given a written notice of the intent to take disciplinary action, including notice of the proposed effective date of said disciplinary action, the reasons for said action, charges, copies of materials relied upon, and notice of opportunity to respond prior to the imposition of said disciplinary action. The employee shall be given a written notice of action after the employee has been given the opportunity to respond. For a suspension of five days or fewer, the foregoing procedure shall apply except that the opportunity to respond need only be given within a reasonable time after the imposition of the disciplinary action.

Except as otherwise provided herein, discipline shall be administered as provided below:

- A. Written letters of reprimand may be issued for any minor disciplinary cause.
- B. An employee may be suspended, demoted or terminated for repeated minor disciplinary causes or for more major disciplinary causes for a period not exceeding six months.
- C. An employee may be suspended, demoted or terminated as a disciplinary action when job performance falls below satisfactory standards, or for other major disciplinary causes. An employee may be demoted for cause for a disciplinary action in lieu of or in addition to a suspension or termination. If demotion occurs as a result of unsatisfactory work performance, such demotion shall follow a minimum period of not less than three months of documented, less than satisfactory job performance while on special evaluation status.
- D. An employee may be suspended, demoted or terminated at any time as a disciplinary action for a single major or severe disciplinary cause.

The imposition of the above listed forms of discipline shall be based on the severity of the violation and/or number of violations that have occurred, the employee's employment history with METRO and in consideration of efforts made by an employee to rehabilitate themselves. A single major or severe

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- property or while wearing a METRO uniform off-duty and observable by the public.
6. Possession of any narcotics or hallucinogenic substances or open containers of alcohol while on duty or on METRO property or while wearing a METRO uniform off-duty and observable by the public.
 7. Reporting to work intoxicated or under the influence of alcohol, prescribed or over-the-counter medications in excess of prescribed dosages or other non-prescribed hallucinogenic substances, or becoming intoxicated or influenced by narcotics, drugs or alcohol while on duty, or on METRO property, or while wearing a METRO uniform. If there is a reasonable suspicion that an employee is so intoxicated or under the influence and the employee refuses to take a sobriety test in accordance with established METRO procedures or refuses to release sobriety test results, they shall be considered to be under the influence.
 8. The possession or use of any non-prescribed drug or use of a prescribed drug or narcotic which jeopardizes the safe operation of METRO equipment, or in any way endangers METRO employees or patrons or which violates any local ordinance or State or Federal law.
 9. The consumption of alcohol or use of any narcotic, prescribed or non-prescribed, or hallucinogenic substance while in METRO uniform and observed by or observable by the public.
 10. Actions, including misconduct, willful malfeasance or misfeasance, which reasonably could have an adverse effect on the public or on other METRO employees.
 11. Possession or use of a weapon not authorized in writing by METRO while on duty or on METRO property.
 12. Conviction of a felony while employed by METRO where the CEO/General Manager determines that continued employment of said employee would not be beneficial to METRO.
 13. Conviction of any crime involving moral turpitude, immoral acts or crimes of an immoral nature, crimes involving the sale of illicit drugs and/or crimes involving children, or conviction of any crime performed while on duty.
 14. Disobedience of any written METRO rule or regulation, policy, procedure or written department rule or regulation.
 15. Violation of sick leave privileges, including use of sick leave for any reason other than those established in written operational procedures, collective bargaining agreements, or leave subject to statutory

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- protection; an unscheduled absence that would otherwise violate METRO's attendance policy; or excessive absenteeism.
16. Dishonesty which shall include but not be limited to falsifying one's time card, falsifying claims for reimbursement, or lying on application forms.
 17. Misrepresentation of the employee's authority to represent METRO.
 18. Theft, or unauthorized use, or taking of METRO property including, but not limited to: tools, supplies, vehicles and equipment
 19. Failure to maintain a neat, clean personal appearance as established in writing by the department and/or to dress in clothing appropriate for the employee's assigned duties including the proper wearing and maintenance of any uniform prescribed by METRO.
 20. Failure to comply with written safety rules and procedures, including failure to use appropriate protective safety equipment.
 21. Where employees are required as a part of their duties to represent METRO or to interact with the public or other employees, any act, habit, behavior, appearance, or combination of factors either on or off duty, that impairs the trust, safety or confidence, of the public or other employees as required of the employees to effectively perform their duties.
 22. Mishandling, theft, or misappropriation of METRO fares, revenues, funds or monies.
 23. For positions that require operation of METRO vehicles, loss of privilege of, suspension of, or failure to obtain or maintain appropriate driver's license required by local ordinance or state or federal law, except, however, where the loss of privilege of, or suspension of such license is for medical reasons and the employee is out on an approved medical leave.
 24. Use of abusive or offensive language directed toward an employee or the public while on duty.
 25. Violation of the California State Vehicle Code while operating a METRO vehicle.
 26. Failure to follow the orders of a police, fire protection, or peace officer while conducting METRO business or performing job duties.
 27. Where an employee functions in a supervisory capacity, failure to employ reasonable and accepted management or supervisory practices in the supervision and management of employees assigned to the supervisor.

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28. Assault and battery on another person while on duty or on METRO property.
 29. Unauthorized absence from duty or work station or failure to be in attendance at the employee's assigned work station at the time and place prescribed for the employee as defined in Section 30B of these regulations.
- B. Unauthorized absence from duty or work station shall include but not be limited to unexcused absence and unexcused lateness as defined in this section.
1. Unexcused absence is defined as being absent from duty for an entire work shift without prior authorization. An employee who remains out on an unexcused absence for 48 hours (two work shifts) or more without notification to their supervisor shall be considered to have voluntarily resigned.
 2. Unexcused lateness shall be defined as failure to be in attendance at the employees assigned work station at the time prescribed for the employee.

To ensure that a fair and equitable policy is established to control unexcused lateness consistent with the overall mission of METRO and its various subdivisions, the following rules shall be in effect. These rules shall apply to disciplinary action only, and shall be independent of the application of payroll procedures.

- a. For employees required to be on time to ensure continuity of bus service to the public the following policy shall be in effect.

Employees must report for their assignments within one (1) minute of their schedule report time or they will be charged with a miss-out. Employees calling in sick must notify their workstation at least sixty (60) minutes prior to their scheduled report time or they will be charged with a miss-out.

Disciplinary action for miss-outs shall be based on the following schedule. Miss-outs shall remain on an employee's record for six (6) months.

One	(1)	Miss Out	Counseling/(non disciplinary)
Two	(2)	Miss Outs	Letter of Reprimand
Three	(3)	Miss Outs	One Day Suspension
Four	(4)	Miss Outs	Three Day Suspension
Five	(5)	Miss Outs	Subject to Termination

Employees who fail within one hundred eighty (180) minutes of their scheduled report time to report to work shall be charged with

an additional miss-out for that day and shall be assessed an additional day's suspension.

Miss-Outs may be waived if an employee provides proof that they could not report on time due to the following:

1. Inability to report due to a statutorily protected absence
2. Involvement in automobile accident
3. Natural disaster (excluding power failures)
4. Scheduled failure of public transit
5. Traffic congestion due to accident or temporary construction.

Employees who fail to report as a result of METRO scheduling errors shall not be charged with a miss-out

- b. For employees required to be on time to ensure continuity of work products including the provision of vehicle servicing, maintenance of vehicles, maintenance of METRO facilities and equipment, and provision of dispatch and public information services, the following policy shall be in effect

Employees must report to their assignments within five minutes of their scheduled report time or they will be charged with a late arrival. Employees calling in sick are required to notify their department, or designated representative at least 60 minutes prior to their scheduled report time or they will be charged with a late arrival.

Disciplinary action for late arrivals should be based on the following schedule. Late arrivals shall remain on the employee record for six months.

One	(1)	Late Arrival	Counseling
Two	(2)	Late Arrivals	Counseling
Three	(3)	Late Arrivals	Written Reprimand
Four	(4)	Late Arrivals	One Day Suspension
Five	(5)	Late Arrivals	Three Day Suspension
Six	(6)	Late Arrivals	Subject to Termination

Employees who fail within one hundred eighty (180) minutes of their scheduled report time to report to work or who fail to call in sick, or who fail to call in and obtain permission to come in later than one hundred eighty minutes, shall be charged with an additional late arrival for that day.

Late arrivals may be waived if an employee provides proof that they could not report on time due to one of the following:

1. Inability to report due to a statutorily protected absence
2. Involvement in an automobile accident
3. Natural disaster (excluding power failures)
4. Schedule failure of public transit
5. Traffic congestion due to an accident or temporary construction

Employees who fail to report as a result of METRO scheduling errors shall not be charged with a late arrival.

- c. For all other employees:

Employees who establish a pattern of unexcused lateness may be subject to disciplinary action.

- d. The unexcused lateness rule for each department or subdivision thereof as appropriate, shall be written and posted at or near the applicable employee workstation

SECTION 31: SEPARATION

Employees may be separated from service with METRO for reasons other than cause for disciplinary action. Separation may be by resignation, death, lay-off, retirement, work completion by provisional or temporary employees, or for other reasons.

SECTION 32: MEDICAL SEPARATION

The CEO/General Manager may separate employees from service with METRO in cases where the employee, due to physical disability or mental incapacity is unable to perform the duties of the position to which they are assigned; or in the cases where the employee has a protracted absence due to illness where the prospect of recovery within a reasonable period of time is not probable.

METRO shall make reasonable accommodation for an employee's physical disability or mental incapacity if the reasonable accommodation would allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship. If the employee believes

they need an accommodation because of their disability; the employee is responsible for requesting a reasonable accommodation from the Human Resources Department. The employee may make the request orally or in writing. After receiving the employee's oral or written request, the Human Resources Department will engage in an interactive dialogue with the employee to determine the precise limitations of the employee's disability and explore potential reasonable accommodations that could overcome those limitations. Individuals will not be retaliated against for requesting an accommodation in good faith. METRO expressly prohibits any form of discipline, reprisal, intimidation, or retaliation against any individual for requesting an accommodation in good faith.

SECTION 33: APPEAL OF DISCIPLINARY ACTION TO THE BOARD OF DIRECTORS

A regular employee who is suspended, demoted or terminated and who is not covered by a separate appeal process of an existing collective bargaining agreement, shall have the right to file a written notice of appeal of said suspension, demotion or termination with the Secretary to the METRO Board of Directors within ten (10) days after mailing of the notice of disciplinary action. The METRO Board of Directors shall hear the appeal or may delegate the authority to conduct the hearing to an appointed personnel committee composed of members of the METRO Board of Directors or to a hearing officer, but final determination shall be made by the Board of Directors. The determination of the METRO Board of Directors shall be final. The judicial review of the Board of Directors' action shall be pursuant to the Code of Civil Procedure Section 1094.5 and subject to the time, limitations for filing set forth in the Code of Civil Procedure, Section 1094.6.

SECTION 34: SERVICE OF THE CEO/GENERAL MANAGER

The Board of Directors shall appoint the CEO/General Manager who shall have the responsibility for proper administration of METRO in accordance with state laws and such ordinances, resolutions and policies as may be established by the Board. The performance of the CEO/General Manager shall be evaluated annually by the Board of Directors.

The CEO/General Manager shall serve at the pleasure of the Board of Directors.

The Powers and duties of the CEO/General Manager shall include the authority and responsibility of administering these Personnel Rules and Regulations and of serving as the appointing authority for all METRO employees. The CEO/General Manager may designate in writing, in accordance with adopted METRO job descriptions, the authority to appoint, evaluate and discipline METRO employees.

SECTION 35: BENEFITS

Each employee of the Metropolitan Transit District appointed to a classified personnel position shall receive, in addition to the salary or wage rate adopted for said position, benefits as identified in the executed Collective Bargaining Agreement, compensation plan or the specified group to which the employee belongs.

SECTION 36: CONFLICT OF INTEREST/INCOMPATIBLE ACTIVITY

METRO is committed to achieving the highest standards of professionalism and ethical conduct in its operations and expects its employees to conduct their business according to the highest ethical standards of conduct and to comply with all applicable laws.

No employee of METRO shall engage in any arrangement or business, which constitutes a conflict of interest or incompatible activity in regard to said employee's position. A designated employee,

as defined in METRO's adopted Conflict of Interest Code, shall disqualify themselves from making or participating in the making of any decisions which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on any reportable interest of that employee (except sources of gifts less than \$50) or upon any business entity in which the designated employee holds a position of management or is a director, officer, partner, trustee, or employee. METRO further prohibits all employees from using their position with METRO and its relationship with its customers, vendors, suppliers, or contractors for private gain or to obtain benefits for themselves or members of their family. No designated employee shall be prevented from making or participating in the making of any decision to the extents that their participation is legally required for the decision to be made.

If you become aware of any potential conflict of interest or ethical concern regarding your employment or another employee at METRO, you must promptly speak to, write or otherwise contact your direct supervisor or, if the conduct involves your direct supervisor, the next level above your direct supervisor as soon as possible. You should be as detailed as possible. METRO will investigate all concerns regarding conflicts of interest, determine whether a conflict of interest exists, and what action should be taken. METRO prohibits any form of discipline, reprisal, intimidation or retaliation for reporting a potential conflict of interest or violation of this policy or cooperating in related investigations.

SECTION 37: AFFIRMATIVE ACTION PROGRAM

The METRO Board of Directors has adopted an Affirmative Action Program, which insures compliance with the Civil Rights Act of 1964, and Equal Opportunity Act of 1972.

It shall be the policy and practice of METRO to plan, implement and administer all personnel and employment policies, procedures and programs without regard to race, religion (including religious beliefs, observance and practice, and dress or grooming), color, national origin, ancestry, gender, sex (including pregnancy, childbirth, breastfeeding, or medical conditions related to pregnancy), sexual orientation, marital status, military or veteran status, age, genetic information, medical condition, or physical or mental disability when, with reasonable accommodation, the individual can perform the duties of the job. This policy shall apply to all employees, interns, and applicants for employment and to all aspects of employment including recruitment, selection, appointment, training, promotion, reclassification, transfer, demotion, termination, layoff, reinstatement, compensation and discipline.

SECTION 38: REVIEW BY CEO/GENERAL MANAGER

Any employee who is dissatisfied with the application of the Personnel Rules and Regulations may submit in writing to the CEO/General Manager such notice of dissatisfaction or concern for review.

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Exhibit A

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

Resolution No. _____ 87-7-9 _____

On the Motion of Director: Rotkin

Duly Seconded by Director: McNeil

The Following Resolution is Adopted:

A RESOLUTION OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT REVISING PERSONNEL RULES AND REGULATIONS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

WHEREAS, it is beneficial to the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, herein after referred to as ~~the "DISTRICTMETRO,"~~ to maintain a personnel system to facilitate efficient and economical service to the public and to provide for a fair and equitable system of personnel management; and

WHEREAS, in 1976, ~~the DISTRICT~~Santa Cruz-METRO Board adopted Resolution, 76-1-2, establishing a Personnel System; and

WHEREAS, Resolution 76-1-2 was amended on 9-19-80 and 7-15-83, and whereas it is necessary to adopt a Resolution revising the personnel system and implementing rules and regulations to insure just and similar treatment for those who compete for original employment and promotion, and to define rights, obligations, privileges, benefits and prohibitions relating to employees in the service of ~~the DISTRICTMETRO.~~

NOW, THEREFORE, BE IT RESOLVED, that the Personnel Rules and Regulations set forth in this resolution supersede Resolution 76-1-2 and amended versions thereof and are hereby adopted by the ~~Santa Cruz-METRO DISTRICT~~ Board of Directors.

SECTION 1: DEFINITIONS

For the purpose of these Rules and Regulations, certain words and phrases shall be construed as herein set forth:

- 1. APPLICANT** - A person who has made application for a vacancy with Santa Cruz-METRO. ~~in the Classified Personnel List or for examination for anticipated vacancy.~~
- 2. APPOINTING AUTHORITY** - The group or person having the lawful power to make appointments and to remove persons from ~~District~~METRO positions.

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3. **CHARGEABLE ACCIDENT** - An accident which is determined by ~~the~~ DistrictMETRO to be the fault of the employee.
4. **CLASSIFIED POSITIONS** - Those positions established and classified by the Santa Cruz DISTRICTMETRO Board of Directors.
5. **DEMOTION** - A personnel action taken by the appointing authority to assign an employee to another classification with a lower salary range than the position to which the employee was previously assigned.
6. **DISCIPLINARY ACTION** - An action pursuant to Section 29 of these Personnel Rules and Regulations taken by the appointing authority or his/her delegated representative to reprimand in writing, suspend, demote or terminate an employee for any disciplinary cause pursuant to Section 30 of these Personnel Rules and Regulations.
7. **DISCIPLINARY CAUSE** - Any ground for disciplinary action set forth in Section 30 of these Personnel Rules and Regulations.
8. **DISCIPLINARY DEMOTION** - A disciplinary action demoting an employee for disciplinary cause. All other demotions shall be non-disciplinary and so noted in the employee's Personnel File.
9. **DISTRICT**- The Santa Cruz Metropolitan Transit DISTRICT.
10. **ELIGIBILITY LIST** - A list of applicants for a vacant position or anticipated vacant position who meet the requirements set forth in a position specification, have passed all required examinations, and have been certified by the appointing authority as qualified to be appointed to the position.
11. **EMPLOYEE** - A person filling a classified or unclassified, position with ~~the~~ DISTRICTMETRO.
12. **EMPLOYEE WORK STATION** - The ~~District~~METRO facility to which an employee regularly reports for work assignments.
13. **EVALUATION** - A compulsory, periodic performance review for each employee assigned to a classified position. An evaluation is intended to be a summary of the performance of the employee and to reflect the ongoing communication between the rating supervisor and the employee.
14. **EXEMPT EMPLOYEE** - An employee who is exempt from overtime and other benefits specified under provisions established by the Fair Labor Standards Act.

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15. **INTERMITTENT APPOINTMENT** - A recurring appointment for a specified period of time to a classified or unclassified position. Said appointments shall be made from an Intermittent Employment Eligibility list
16. **LAYOFF** - A reduction of the work force of ~~the~~ DISTRICTMETRO.
17. **NARCOTICS** - Narcotics shall include all drugs specified as narcotics in the California Uniform Controlled Substances Act, all drugs in the pharmacological classification of narcotics and all designer drugs or other substances determined to be illegal by California State law.
18. **NON-EXEMPT EMPLOYEES** - An employee who is entitled to overtime and other benefits specified under provisions established by the Fair Labor Standards Act
19. **POSITION SPECIFICATION** - A job description for classified positions which includes examples of duties, qualifications, knowledge and abilities for said position.
20. **PROBATIONARY STATUS** - A status on which an employee is placed for a specified period of time immediately after appointment to a particular classified position. The probationary period shall be regarded as part of the testing process and shall be utilized for closely observing the employee's performance.
21. **PROMOTION** - A personnel action taken by the appointing authority to assign an employee to another classification with a higher salary range than the one previously occupied by the employee. Promotion may occur as a result of an open recruitment or a closed promotional recruitment.
22. **PROPERTY** - Any equipment, vehicles, tools, supplies, materials, real estate, facilities, or other tangible or intangible thing, owned, leased or possessed by ~~the~~ DISTRICTMETRO.
23. **PROVISIONAL APPOINTMENT** - An appointment made to a classified position for a specified period of time longer than six months and less than two years.
24. **RECLASSIFICATION** - A determination by ~~the District~~ METRO that there has been a change of duties, responsibilities, authority and/or employment requirements in a position classification in accordance with Section 6 of these Personnel Rules and Regulations.
25. **RECRUITMENT** - A personnel action taken by the appointing authority to obtain ~~-~~applicants for vacant ~~-~~classified positions.

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- A. Open Recruitment - Those job opportunities available to employees and the public.
 - B. Closed Promotional Recruitment - Those job opportunities available to present employees occupying classifications in ~~the District~~METRO as designated by the appointing authority.
- 26. REGULAR EMPLOYEE** - An employee who has satisfactorily completed ~~his/her~~their probationary period in the classified position that ~~he/she is~~they are occupying.
- 27. REINSTATEMENT** - The rehiring of an employee who was previously laid off because of the abolition of a position or work force reduction, into the position ~~he/she~~they held prior to layoff.
- 28. REPRIMAND** - A written notice issued for any minor disciplinary- cause.
- 29. RESIGNATION** - The notification to ~~the DISTRICT~~METRO by an employee that ~~he/she~~they shall cease ~~his/her~~their employment with ~~the DISTRICT~~METRO.
- 30. SEPARATION** - The non-disciplinary departure of an employee from ~~DISTRICT~~METRO service.
- 31. SPECIAL EVALUATION STATUS** - Placement of an employee on a monthly evaluation -schedule.
- 32. SUPERVISOR**- An employee who has supervisory duties listed in his/her job description and who is authorized by the appointing authority to direct and evaluate the work performance of one or more employees assigned to be supervised by ~~him/her~~them.
- 33. SUSPENSION** - A disciplinary action in which an employee is placed on a status wherein an employee is precluded from performing work activities for a specified period of time.
- 34. TEMPORARY APPOINTMENT** - Any appointment for a special or temporary purpose not to exceed six months. Temporary appointments may be made to classified positions, or unclassified positions.
- 35. TERMINATION** - The involuntary discharge of an employee from ~~DISTRICT~~METRO service for cause set forth in Section 30 of these Personnel Rules and Regulations or for failure to complete satisfactorily the probationary period.

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36. **TRANSFER** - An action taken by the appointing authority to reassign an employee from one position to another position having substantially similar duties, responsibilities, qualifications and substantially the same salary range.
37. **UNCLASSIFIED POSITION** - A job position not existing in ~~the~~ DISTRICT METRO'S established -Classified Personnel List.
38. **WORK STANDARDS** - Written job performance requirements specified in an employee's job specification and in DISTRICT METRO and/or Department rules, regulations and procedures, and/or in written instructions to the employee.

SECTION 2: AMENDMENTS

These Rules and Regulations may be amended by a majority vote of the ~~DISTRICT Santa Cruz~~ METRO Board of Directors at any regular or special meeting of said Board.

SECTION 3: APPOINTING AUTHORITY

The appointing authority shall be defined as follows: for the position of ~~General Manager~~ CEO/General Manager, the appointing authority shall be the ~~DISTRICT Santa Cruz~~ METRO Board of Directors. For all other positions the appointing authority shall be the ~~General Manager~~ CEO/General Manager of ~~the DISTRICT METRO~~ or ~~his/her~~ their designee as specified in writing by the ~~General Manager~~ CEO/General Manager.

SECTION 4: PERSONNEL COVERED

These Rules and Regulations shall be applicable to all employees of ~~the DISTRICT METRO~~. Employees shall be defined as all persons assigned to positions listed in the Classified Personnel List or occupying an unclassified position. The only limitation of the application of this section is outlined in Section 5.

SECTION 5: PERSONNEL RULES AND REGULATIONS APPLICABILITY

These Personnel Rules and Regulations are valid, in full force and govern the Personnel matters of ~~the District~~ METRO. A conflict between a particular provision of these Personnel Rules and Regulations and any existing collective bargaining agreement shall not affect any other provision of these rules and regulations. Where a specific provision of these rules and regulations is in conflict with a provision of a collective bargaining agreement, the provision of the collective bargaining agreement shall prevail, ~~if so specified in the collective bargaining agreement.~~

SECTION 6: CLASSIFIED POSITIONS

The ~~DISTRICT Board of Directors~~ Human Resources Department shall establish all employee classified positions. The ~~General Manager~~ Human Resources Department shall make periodic

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studies of classifications, job specifications and/or compensation of all positions and shall submit for approval to the ~~Board of Directors~~CEO/General Manager any changes which ~~he/she/they~~ deems desirable to better classify or describe positions. Changes shall be called reclassification.

SECTION 7: ALLOCATION OF POSITIONS AND SALARY

The ~~DISTRICT Board of Directors~~Human Resources Department shall establish the necessary position title and the salary range for each position contained within the Classified Personnel List

SECTIONS 8: CLASSIFIED PERSONNEL LIST

A record to be known as the Classified Personnel List of ~~the DISTRICT METRO~~ shall be kept in the office of the ~~General Manager~~CEO/General Manager Human Resources Department, and shall contain the name of every person employed in a classified position and receiving compensation from ~~the DISTRICT METRO~~. This list shall show respectively every officer or employee, the title of the position held, ~~the~~the salary or compensation as fixed-approved by the Board of Directors, the date of appointment to such office or employment and the term thereof, if any, and the positions filled, suspensions, layoffs, transfers, promotions, demotions, reclassifications, separations, terminations and any classification actions.

SECTION 9: POSITION SPECIFICATIONS

A job specification for each position in the Classified Personnel List shall be prepared by the ~~General Manager~~Human Resources Department and adopted by the ~~DISTRICT Board of Directors~~CEO/General Manager. Said specification shall include examples of duties, all qualifications, knowledge and abilities required for said position. The ~~General Manager~~Human Resources Department shall maintain a list which specifies all examinations, if any, (and including any medical examinations) which must be successfully completed as part of the selection process for the position.

SECTION 10: SALARY PLAN

The ~~General Manager~~CEO/General Manager shall maintain a salary plan for all employees. Said salary plan shall be set for each specified group to which the employee belongs consistent with each compensation plan or collective bargaining agreement. The first step shall be the entry level salary except that unusually qualified individuals may be entered on Step 2 or higher upon written authorization from the ~~General Manager~~CEO/General Manager. Employees shall advance to Step 2 upon satisfactory completion of the probationary period. In the event that an employee is entered at Step 2 or higher, said employee shall advance to the next highest step after satisfactory completion of the probationary period. Thereafter, employees shall be evaluated for advancement to the remaining steps upon satisfactory completion of ~~52 weeks~~2080 hours worked of service on the previous step. Step increases shall be consistent with Section 27 of these Personnel Rules and Regulations.

SECTION 11: OVERTIME AND COMPENSATORY TIME OFF

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Non-exempt employees in paid status are entitled to overtime for: authorized work in excess of 8 hours per day when assigned to an 8-hour shift; authorized work in excess of 10 hours per day when assigned to a 10-hour shift; or authorized work in excess of 40 hours worked per week. Said overtime shall be compensated as additional salary based on 1 1/2 times the employee's regular hourly rate at which he/she isthey are employed.

~~Non-exempt employees in paid status are entitled to overtime for all work performed on the seventh consecutive day of that pay week at a rate of 2 times the employee's regular hourly rate of pay, after 8 hours worked..~~

SECTION 12: NOTICE OF VACANCIES

All vacancies shall be publicly advertised by posting and also may be advertised by publication at the discretion of the DistrictMETRO. If said advertising is done by posting, then the posting of the advertisement on the official bulletin boards of the DISTRICTMETRO shall be for not less than ten (10) calendar days. ~~If said advertising is done by publication, then the insertion of the same, one time in a newspaper of general circulation in the DISTRICT shall be sufficient~~ Said notice shall contain the job duties, qualifications and range of compensation for the position.

SECTION 13: APPLICATION FOR VACANCIES

Application forms for current vacancies and future employment opportunities may be completed online at www.scmtd.com ~~and~~ Anticipated vacancies shall be kept in the office of the General Manager, the Personnel-Human Resources Department, ~~and employee workstations.~~ Applications forms shall be readily available to all employees and interested members of the public.

SECTION 14: NOTICE OF ELIGIBILITY LIST EXAMINATIONS

Where deemed necessary, the General ManagerHuman Resources Department may accept applications and set examinations for anticipated vacancies. Said examinations shall be noticed in the same manner as for vacancies described in Section 12.

SECTION 15: CERTIFICATION OF ELIGIBLE APPLICANTS

The General ManagerCEO/General Manager, or his/hertheir designee, shall review all applications for vacancies or anticipated vacancies in the Classified Personnel List and shall certify as eligible, all applicants who meet the requirements set forth in the position specification for the position and who have passed all required examinations.

~~Proof that an applicant has committed any act involving dishonesty, fraud or deceit with the intent to substantially benefit him/herself or another, or substantially injure another shall be sufficient cause for the General Manager to exclude the applicant from examination or employment.~~ Fraudulent conduct or false statements by an applicant on their application or examination shall be deemed cause for disqualification.

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~~The DISTRICTMETRO shall make reasonable accommodation for handicapped individuals persons with disabilities as appropriate for the position. METRO will provide a reasonable accommodation to disabled applicants if the reasonable accommodation would allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship. An applicant may be excluded for physical disability or incapacity only if the DISTRICT cannot make reasonable accommodation to provide an adequate working environment for said applicant.~~

Eligible applicants shall be placed on a Certified Eligibility List. Said list of eligible applicants shall be submitted to the appointing authority for final selection and appointment.

Said Eligibility List shall be valid for six months following the date of examination. However, the ~~General Manager~~CEO/General Manager, or their designee may extend the period of time that the list is valid for up to six additional months when more than two names remain on the list at the time the list is due to expire.

Appointments to vacancies in the Classified Personnel List shall be made from the Certified Eligibility List if one exists for the vacant position, except when the Certified Eligibility List shall consist of less than two names. In such case, the vacancy shall be noticed and a new list prepared.

SECTION 16: APPOINTMENT PROCEDURES

All vacancies in positions in the Classified Personnel List shall be filled by reinstatement, selection from a Certified Eligibility List, transfer, promotion, demotion or from eligible applicants. ~~The DISTRICTMETRO shall hire the applicant who best meets the needs of the DISTRICTMETRO. The DISTRICTMETRO, to the extent practicable, shall encourage current employees to apply for all vacancies in the DISTRICTMETRO.~~

SECTION 17: APPOINTMENT

After interview and investigation by the appointing authority, or selection committee chosen by the appointing authority, the appointing authority shall make appointments from among the list of eligible applicants. Examinations, if required, shall be performed prior to review by the appointing authority. The ~~General Manager~~CEO/General Manager or his/her/their designee shall notify the applicant of his/her/their appointment. If the applicant accepts the appointment and reports for duty at the prescribed time, he/she/they shall be deemed to be appointed; otherwise, he/she/the applicant shall be deemed to have declined the appointment.

SECTION 18: ANNIVERSARY DATE

The date of an employee's first reporting for duty with ~~the DISTRICTMETRO~~ shall be the anniversary date and shall be used as the beginning date for the computation of benefits and ~~DISTRICT-METRO~~ seniority. The appointing authority may adjust an employee's anniversary date to avoid inequities.

SECTION 19: EMERGENCY APPOINTMENTS

9.09A.Exhibit A.REDLINE.8

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To meet the immediate requirements of any emergency conditions such as natural disaster which threatens human life or property, or labor disputes which threaten the continuation of transit service by ~~the DISTRICT METRO~~, the ~~General Manager~~CEO/General Manager may employ such persons as may be needed for the duration of the emergency without regard to adopted Personnel Rules and Regulations, or other rules affecting appointments. All such appointments must be reported to the ~~DISTRICT Santa Cruz METRO~~ Board of Directors as soon as possible and shall be limited to a thirty day prior from the start of said emergency or until the next ~~DISTRICT METRO~~ Board meeting (whichever occurs first) unless otherwise approved by the ~~DISTRICT Santa Cruz METRO~~ Board of Directors.

SECTION 20: TEMPORARY APPOINTMENTS

The appointing authority may authorize temporary appointments for a special or temporary purpose.

Temporary appointments to classified positions shall receive the benefits denied in the collective bargaining agreement which applies to the position. Temporary appointments to unclassified positions shall not receive benefits except for those required by Federal, State and local laws.

SECTION 21: INTERMITTENT APPOINTMENTS

The appointing authority may authorize intermittent appointments. ~~Said appointee shall maintain his/her/their status on an Intermittent Employment Eligibility List and be appointed from time to time on a temporary basis to fill a position.~~ Intermittent appointments shall be consistent with Section 20 of these Personnel Rules and Regulations. The term of employment shall be specified at the time of appointment.

SECTION 22: PROVISIONAL APPOINTMENTS

Provisional appointments shall be made whenever programmatic requirements for the position dictate that the position be filled other than by a temporary appointment for a defined term longer than six months but not to exceed two years. The term of employment shall be specified at the time of appointment.

SECTION 23: TRANSFERS

The appointing authority may at any time transfer any employee under ~~his/her/their~~ jurisdiction from one position to another in the same classification or in another classification having substantially similar duties, responsibilities and qualifications, and substantially the same salary range.

SECTION 24: LAYOFFS

The Board of Directors shall have the right to reduce the work force and lay_off employees due to lack of work.

SECTION 25: PROMOTIONS

9.09A.Exhibit A.REDLINE.9

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Whenever a classified personnel vacancy exists, unless such vacancy is filled by competitive application, reinstatement or transfer, it shall be filled by closed promotional recruitment. If filled by closed promotional recruitments, vacancies shall be filled by any employee holding a position with a lower salary range meeting the job qualifications and serving in a position designated by the appointing authority as appropriate for promotional purposes. Closed promotion shall be based on performance, effectiveness, conduct, seniority, needs of the department (including Affirmative Action Goals) and ability to perform properly the work of the higher position as determined through examination of employee's credentials, qualifications, and performance evaluations. Vacancies eligible to be filled by closed promotion shall be posted at all ~~District~~ METRO offices, including the employee's normal workstation.

SECTION 26: PROBATIONARY PERIOD

All employees shall work in probationary status for 26 weeks following their anniversary date or until such other date as specified in the compensation plan or the executed collective bargaining agreement which applies to the position. During said period, employees may be terminated without notice or cause. Probationary employees shall otherwise accrue all other benefits specified in these Rules and Regulations for regular employees of ~~the District~~ METRO. The probationary period may be extended in an amount of time equal to periods of absence, provided written notification has been given to the employee.

The probationary period shall be regarded as part of the testing process and shall be utilized for closely observing the employee's work and for rejecting any probationary employee whose performance does not meet the required work standards of the position.

SECTION 27: EVALUATIONS

Evaluations shall be completed as specified below.

Standardized rating forms shall be designed for all classifications in order to accurately measure the job performance of employees. The evaluation system shall be reviewed periodically by the Human Resources Department Board of Directors or a designated subcommittee thereof.

Evaluations shall be recorded only on ~~DISTRICT~~ METRO standardized rating forms by the supervisor of the employee. The purpose of the evaluation shall be to measure the quality and quantity of work performed, the conduct and work habits of the employee, and other factors having a bearing on ~~his/her~~ their work performance, and shall establish performance goals and objectives for the next rating period.

The performance evaluation of all employees shall be completed in accordance with this section. The evaluation shall be part of the ongoing communication between the rater and the employee.

Evaluations shall be consistent with all the provisions of this section and shall be conducted as follows:

1. Probationary Period: Employees shall be evaluated just prior to the mid-point and near the end of their probationary period.

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2. Annual Evaluation: All regular, non-probationary employees shall be evaluated at least annually prior to their anniversary date.
3. Special Evaluation: An employee may be placed on special evaluation status at any time when performance problems exist. Regular employees receiving an annual performance evaluation with an overall rating of unsatisfactory, or otherwise determined not to meet the standards of the job, shall be placed on a special monthly evaluation schedule for a specified period of time. Once the employee attains an overall performance rating of satisfactory, ~~he/she~~ they shall be removed from special evaluation status. The maximum time period than an employee can remain on special evaluation status is six consecutive months.
Employees who are unsuccessful in attaining an overall performance rating of satisfactory or better during the special evaluation period shall be subject to disciplinary action.

Special evaluations are in addition to, and do not replace the annual evaluation process.

Employees placed in special evaluation status shall be entitled to an administrative review of such action by the ~~General Manager~~ CEO/General Manager or ~~his/her~~ their designee. Request for administrative review shall be submitted in writing to the ~~General Manager~~ CEO/General Manager within ten working days of placement of such status or any evaluation given thereunder.

Step increases, dependent upon satisfactory completion of the evaluation period, will be implemented only when the evaluation has an overall satisfactory or better performance rating.

SECTION 28: COMMENDATIONS AND COUNSELING

The purpose of a commendation shall be to recognize and encourage an employee's positive job performance. Employees may be commended orally or in writing. Written commendations shall be placed in the employee's Personnel File.

The purpose of counseling shall be to inform and advise employees of ways to improve job performance.

Counseling of employees, including counseling for which written records are kept by ~~the~~ DISTRICT METRO, shall not be considered disciplinary action. Written records of counseling may only be placed in the official Personnel File of the employee as part of a formal disciplinary action, or as documentation to an evaluation.

SECTION 29: ADMINISTRATION OF COUNSELING, EVALUATION AND DISCIPLINARY ACTION

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~~The DISTRICTMETRO~~ shall employ a system of counseling, evaluations and progressive discipline to advise employees of their strengths and weaknesses and to ensure employees are performing the work required of them.

This system shall include:

- A. Counseling and Evaluations:
 - 1. Counseling/Verbal Warning
 - 2. Periodic evaluations
 - 3. Placing an employee in special evaluation status

- B. Disciplinary Actions:
 - 1. Written reprimands
 - 2. Suspensions
 - 3. Demotions (non-voluntary)
 - 4. Terminations

These elements may be used together or independently to meet needs of ~~the~~ DISTRICTMETRO.

1. Disciplinary Actions

A. LETTER OF WRITTEN REPRIMAND

The appointing authority shall have the right to reprimand in writing an employee for any minor disciplinary cause as set forth in Section 30 of these Rules and Regulations. Such letters shall be filed in the employees Personnel File.

B. SUSPENSION

The appointing authority shall have the right to suspend an employee for a period of time appropriate for the cause of such action as set forth in Section 30. A suspension is a disciplinary action in which an employee is

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precluded from performing work activities for a specified period of time. A suspension may be with or without pay ~~or benefits~~ at the discretion of the appointing authority. While an employee is on suspension status, the appointing authority may order that said employee shall receive no salary ~~;~~ ~~and in the case of an employee suspended for a period of thirty calendar days or longer, the appointing authority may order that the employee also shall receive no benefit coverage.~~

C. DEMOTION

The appointing authority may demote an employee. Said demotions may be disciplinary or non-disciplinary. A disciplinary demotion shall be one which occurs for disciplinary cause as set forth in Section 30. All other demotions shall be non-disciplinary, (e.g., voluntary or as the result of a reduction of force).

No employee shall be demoted to a classification for which ~~he/she~~ ~~doesthey do~~ not possess the minimum qualifications unless ~~the~~ DistrictMETRO provides training for the employees. If the demotion is a disciplinary action, the employee shall have all procedural rights set forth in Sections 29 and 33 hereof.

D. TERMINATION

The appointing authority may terminate an employee for any single serious violation of DistrictMETRO policy or for any cause, or combination of causes, identified in Section 30 of these Personnel Rules and Regulations.

2. Application of Disciplinary Action

Any employee may be subjected to disciplinary action for just ~~and sufficient~~ cause. Disciplinary action shall include being reprimanded in writing, being placed on suspension, being demoted and/or being terminated and/or any combination thereof:

Where the disciplinary action is for a suspension of more than five days, a demotion, or termination, the employee shall be given a written notice of the intent to take disciplinary action, including notice of the proposed effective date of said disciplinary action, the reasons for said action, charges, copies of materials relied upon, and notice of opportunity to respond prior to the imposition of said disciplinary action. The employee shall be given a written notice of action after the employee has been given the opportunity to respond. For a suspension of five days or fewer, the foregoing procedure shall apply except that the opportunity to

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respond need only be given within a reasonable time after the imposition of the disciplinary action.

Except as otherwise provided herein, discipline shall be administered as provided below:

- A. Written letters of reprimand may be issued for any minor disciplinary cause.
- B. An employee may be suspended, demoted or terminated for repeated minor disciplinary causes or for more major disciplinary causes for a period not exceeding six months.
- C. An employee may be suspended, demoted or terminated as a disciplinary action when job performance falls below satisfactory standards, or for other major disciplinary causes. ~~An~~ employee may be demoted for cause for a disciplinary action in lieu of or in addition to a suspension or termination. If demotion occurs as a result of unsatisfactory work performance, such demotion shall follow a minimum period of not less than three months of documented, less than satisfactory job performance while on special evaluation status.
- D. An employee may be suspended, demoted or terminated at any time as a disciplinary action for a single major or severe disciplinary cause.

The imposition of the above listed forms of discipline shall be based on the severity of the violation and/or number of violations that have occurred, the employee's employment history with ~~the~~ DISTRICTMETRO and in consideration of efforts made by an employee to rehabilitate ~~him/herself/themselves~~. A single major or severe disciplinary cause may be grounds for termination regardless of the employee's employment history or any attempt by the employee to rehabilitate ~~him/herself/themselves~~.

When it is determined that continued attendance at work by an employee would not be in the best interest of ~~the~~ DISTRICTMETRO, such employee may be suspended with pay and benefits pending completion of a disciplinary investigation. No such suspension with pay and benefits may exceed 30 calendar days.

It shall be customary, for minor violations, that the first violation results in a written reprimand; the second violation in a suspension; and the third violation in demotion or termination.

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7. Reporting to work intoxicated or ~~under~~under the influence of alcohol, prescribed or over-the-counter medications in excess of prescribed dosages or other non-prescribed hallucinogenic substances, or becoming ~~intoxicated~~intoxicated or influenced by narcotics, drugs or alcohol while on duty, or on ~~DISTRICT~~METRO property, or while wearing a ~~METRO~~DISTRICT uniform. If there is a reasonable suspicion that an employee is so intoxicated or under the influence and the employee refuses to take a sobriety test in accordance with established ~~METRO~~District procedures or refuses to release sobriety test results, ~~he/she~~they shall be considered to be under the influence.
8. The possession or use of any non-prescribed drug or use of a prescribed drug or narcotic which jeopardizes the safe operation of ~~METRO~~DISTRICT equipment, or in any way endangers ~~DISTRICT~~METRO employees or patrons or which violates any local ordinance or State or Federal law.
9. The consumption of alcohol or use of any narcotic, prescribed or non-prescribed, or hallucinogenic substance while in ~~DISTRICT~~METRO uniform and observed by or observable by the public.
10. Actions, including misconduct, willful malfeasance or misfeasance, which reasonably could have an adverse effect on the public or on other ~~DISTRICT~~METRO employees.
11. Possession or use of a weapon not authorized in writing by ~~the~~the ~~DISTRICT~~METRO while on duty or on ~~DISTRICT~~METRO property.
12. Conviction of a felony while employed by ~~the~~the ~~DISTRICT~~METRO where the ~~General Manager~~CEO/General Manager determines that continued employment of said employee would not be beneficial to ~~the~~the ~~DISTRICT~~METRO.
13. Conviction of any crime involving moral turpitude, immoral acts or crimes of an immoral nature, crimes involving the sale of illicit drugs and/or crimes involving children, or conviction of any crime performed while on duty.
14. Disobedience of any written ~~DISTRICT~~METRO rule or regulation, policy, procedure or written department rule or regulation.
15. Violation of sick leave privileges, including use of sick leave for any reason other than those established in written operational procedures, ~~or~~or collective bargaining agreements, or leave subject to statutory protection; an unscheduled absence that would otherwise violate METRO's attendance policy; or excessive absenteeism.

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16. Dishonesty which shall include but not be limited to falsifying one's time card, ~~falsifying or other~~ claims for reimbursement, or lying on application forms.
17. Misrepresentation of the employee's authority to represent ~~the~~ DISTRICTMETRO.
18. Theft, or unauthorized use, or taking of ~~Distriet~~METRO property including, but not limited to: tools, supplies, vehicles and equipment
19. Failure to maintain a neat, clean personal appearance as established in writing by the department and/or to dress in clothing appropriate for the employee's assigned duties including the proper wearing and maintenance of any uniform prescribed by ~~the~~DISTRICTMETRO.
20. Failure to comply with written safety rules and procedures, including failure to use ~~appropriate personal protective~~ safety equipment.
21. Where employees are required as a part of their duties to represent ~~the~~ DISTRICTMETRO or to interact with the public or other employees, any act, habit, behavior, appearance, or combination of factors either on or off duty, that impairs the trust, safety or confidence, of the public or other employees as required of the employees to effectively perform their duties.
22. Mishandling, theft, or misappropriation of ~~Distriet~~METRO fares, revenues, funds or monies.
23. For positions that require operation of DISTRICT-METRO vehicles, loss of privilege of, suspension of, or failure to obtain or maintain appropriate driver's license required by local ordinance or state or federal law, except, however, where the loss of privilege of, or suspension of such license is for medical reasons and the employee is out on an approved medical leave.
24. Use of abusive or offensive language directed toward an employee or the public while on duty.
25. Violation of the California State Vehicle Code while operating a DISTRICTMETRO vehicle.
26. Failure to follow the orders of a police, fire protection, or peace officer while conducting DISTRICT-METRO business or performing job duties.
27. Where an employee functions in a supervisory capacity, failure to employ reasonable and accepted management or supervisory practices in the supervision and management of employees assigned to the supervisor.

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28. Assault and battery on another person while on duty or on ~~DISTRICT~~
METRO property.
 29. Unauthorized absence from duty or work station or failure to be in attendance at the employee's assigned work station at the time and place prescribed for the employee as defined in Section 30B. of these regulations.
- B. Unauthorized absence from duty or work station shall include but not be limited to unexcused absence and unexcused lateness as defined in this section.
1. Unexcused absence is defined as being absent from duty for an entire work shift without prior authorization. An employee who remains out on an unexcused absence for 48 hours (two work shifts) or more without notification to ~~his/her~~their supervisor shall be considered to have voluntarily resigned.
 2. Unexcused lateness shall be defined as failure to be in attendance at the employees assigned work station at the time prescribed for the employee.

To ensure that a fair and equitable policy is established to control unexcused lateness consistent with the overall mission of ~~the~~
DISTRICTMETRO and its various subdivisions, the following rules shall be in effect. These rules shall apply to disciplinary action only, and shall be independent of the application of payroll procedures.

- a. For employees required to be on time to ~~insure~~ensure continuity of bus service to the public the following policy shall be in effect.

Employees must report for their assignments within one (1) minute of their schedule report time or they will be charged with a miss-out. Employees calling in sick must notify their work station at least sixty (60) minutes prior to their scheduled report time or they will be charged with a miss-out.

Disciplinary action for miss-outs shall be based on the following schedule. Miss-outs shall remain on an employee's record for six (6) months.

One	(1)	Miss Out	Counseling/(non disciplinary)
Two	(2)	Miss Outs	Letter of Reprimand
Three	(3)	Miss Outs	One Day Suspension
Four	(4)	Miss Outs	Three Day Suspension
Five	(5)	Miss Outs	Subject to Termination

Exhibit A

Employees who fail within one hundred eighty (180) minutes of their scheduled report time to report to work shall be charged with an additional miss-out for that day and shall be assessed an additional day's suspension.

Miss-Outs may be waived if an employee provides proof that ~~she/he~~they could not report on time due to the following:

1. Inability to report due to ~~hospitalization~~a statutorily protected absence
2. Involvement in automobile accident
3. Natural disaster (excluding power failures)
4. Scheduled failure of public transit
5. Traffic congestion due to accident or temporary construction.

Employees who fail to report as a result of DISTRICT METRO scheduling errors shall not be charged with a miss-out

- b. For employees required to be on ~~time~~time to ensure continuity of work products including the provision of vehicle servicing, maintenance of vehicles, maintenance of DISTRICT METRO facilities and equipment, and provision of dispatch and public information services, the following policy shall be in effect

Employees must report to their assignments~~ments~~ments within five minutes of their scheduled report time or they will be charged with a late arrival.

Employees calling in sick are required to notify their department, or designated representative at least 60 minutes prior to their scheduled report time or they will be charged with a late arrival.

Disciplinary action for late arrivals should be based on the following schedule. Late arrivals shall remain on the employee record for six months.

One	(1)	Late Arrival	Counseling
Two	(2)	Late Arrivals	Counseling
Three	(3)	Late Arrivals	Written Reprimand
Four	(4)	Late Arrivals	One Day Suspension
Five	(5)	Late Arrivals	Three Day Suspension
Six	(6)	Late Arrivals	Subject to Termination

Exhibit A

Employees who fail within one hundred eighty (180) minutes of their scheduled report time to report to work or who fail to call in sick, or who fail to call in and obtain permission to come in later than one hundred eighty minutes, shall be charged with an additional late arrival for that day.

Late arrivals may be waived if an employee provides proof that ~~he/she~~they could not report on time due to one of the following:

1. Inability to report due to ~~hospitalization~~a statutorily protected absence
2. Involvement in an automobile accident
3. Natural disaster (excluding power failures)
4. Schedule failure of public transit
- 5.. Traffic congestion due to an accident or temporary construction

Employees who fail to report as a result of ~~DISTRICT-METRO~~ scheduling errors shall not be charged with a late arrival.

- c. For all other employees:

Employees who establish a pattern of unexcused lateness may be subject to disciplinary action.

- d. The unexcused lateness rule for each department or subdivision thereof as appropriate, shall be written and posted at or near the applicable employee workstation

SECTION 31: SEPARATION

Employees may be separated from service with ~~the District~~METRO for reasons other than cause for disciplinary action. Separation may be by resignation, death, lay-off, retirement, work completion by provisional or temporary employees, or for other reasons.

SECTION 32: MEDICAL SEPARATION

The ~~General Manager~~CEO/General Manager may separate employees from service with ~~the District~~METRO in cases where the employee, due to physical disability or mental incapacity is unable to perform the duties of the position to which ~~he/she is~~they are assigned; or in the cases where the employee has a protracted absence due to illness where the prospect of recovery within a reasonable period of time is not probable.

~~The District~~METRO shall make reasonable accommodation for an employee's physical disability or mental incapacity if the reasonable accommodation would allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship. when that employee, with such accommodation, is capable of performing the duties of the job to which

~~he/she is assigned.~~ If the employee believes they need an accommodation because of their disability, the employee is responsible for requesting a reasonable accommodation from the Human Resources Department. The employee may make the request orally or in writing. After receiving the employee's oral or written request, the Human Resources Department will engage in an interactive dialogue with the employee to determine the precise limitations of the employee's disability and explore potential reasonable accommodations that could overcome those limitations. Individuals will not be retaliated against for requesting an accommodation in good faith. METRO expressly prohibits any form of discipline, reprisal, intimidation, or retaliation against any individual for requesting an accommodation in good faith.

SECTION 33: APPEAL OF DISCIPLINARY ACTION TO THE BOARD OF DIRECTORS

A regular employee who is suspended, demoted or terminated and who is not covered by a separate appeal process of an existing collective bargaining agreement, shall have the right to file a written notice of appeal of said suspension, demotion or termination with the Secretary to the ~~DISTRICT Santa Cruz~~-METRO Board of Directors within ten (10) days after mailing of the notice of disciplinary action. The ~~DISTRICT Santa Cruz~~-METRO Board of Directors shall hear the appeal or may delegate the authority to conduct the hearing to an appointed personnel committee composed of members of the ~~DISTRICT Santa Cruz~~-METRO Board of Directors or to a hearing officer, but final determination shall be made by the ~~DISTRICT~~ Board of Directors. The determination of the ~~DISTRICT Santa Cruz~~-METRO Board of Directors shall be final. The judicial review of the ~~DISTRICT~~ Board of Directors' action shall be pursuant to the Code of Civil Procedure Section 1094.5 and subject to the time limitations for filing set forth in the Code of Civil Procedure, Section 1094.6.

SECTION 34: SERVICE OF THE ~~GENERAL MANAGER~~CEO/GENERAL MANAGER

The Board of Directors shall appoint the ~~General Manager~~CEO/General Manager who shall have the responsibility for proper administration of ~~the District~~METRO in accordance with state laws and such ordinances, resolutions and policies as may be established by the Board. The performance of the ~~General Manager~~CEO/General Manager shall be evaluated annually by the Board of Directors.

The ~~General Manager~~CEO/General Manager shall serve at the pleasure of the Board of Directors.

The Powers and duties of the ~~General Manager~~CEO/General Manager shall include the authority and responsibility of administering these Personnel Rules and Regulations and of serving as the appointing authority for all ~~District~~-METRO employees. The ~~General Manager~~CEO/General Manager may designate in writing, in accordance with adopted ~~District~~-METRO job descriptions, the authority to appoint, evaluate and discipline ~~District~~-METRO employees.

SECTION 35: BENEFITS

Each employee of the Santa Cruz Metropolitan Transit District appointed to a classified personnel position shall receive, in addition to the salary or wage rate adopted for said position, benefits as

identified in the executed Collective Bargaining Agreement, compensation plan or the specified group to which the employee belongs.

SECTION 36: CONFLICT OF INTEREST/INCOMPATIBLE ACTIVITY

METRO is committed to achieving the highest standards of professionalism and ethical conduct in its operations and expects its employees to conduct their business according to the highest ethical standards of conduct and to comply with all applicable laws.

No employee of ~~the District~~ METRO shall engage in any arrangement or business which constitutes a conflict of interest or incompatible activity in regard to said employee's position. A designated employee, as defined in ~~the DISTRICT~~ METRO'S adopted Conflict of Interest Code, shall disqualify ~~him/herself~~ themselves from making or participating in the making of any decisions which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on any reportable interest of that employee (except sources of gifts less than \$50) or upon any business entity in which the designated employee holds a position of management or is a director, officer, partner, trustee, or employee. METRO further prohibits all employees from using their position with METRO and its relationship with its customers, vendors, suppliers, or contractors for private gain or to obtain benefits for themselves or members of their family. No designated employee shall be prevented from making or participating in the making of any decision to the extents that ~~his/her~~ their participation is legally required for the decision to be made.

If you become aware of any potential conflict of interest or ethical concern regarding your employment or another employee at METRO, you must promptly speak to, write or otherwise contact your direct supervisor or, if the conduct involves your direct supervisor, the next level above your direct supervisor as soon as possible. You should be as detailed as possible. METRO will investigate all concerns regarding conflicts of interest, determine whether a conflict of interest exists, and what action should be taken. METRO prohibits any form of discipline, reprisal, intimidation or retaliation for reporting a potential conflict of interest or violation of this policy or cooperating in related investigations.

SECTION 37: AFFIRMATIVE ACTION PROGRAM

The ~~DISTRICT Santa Cruz~~ METRO Board of Directors has adopted an Affirmative Action Program which insures compliance with the Civil Rights Act of 1964, and Equal Opportunity Act of 1972.

It shall be the policy and practice of ~~the DISTRICT~~ METRO to plan, implement and administer all personnel and employment policies, procedures and programs without regard to race, religion (including religious beliefs, observance and practice, and dress or grooming), color, national origin, ancestry, gender, sex (including pregnancy, childbirth, breastfeeding, or medical conditions related to pregnancy), sexual ~~preference~~ orientation, marital status, military or veteran status, age, genetic information, medical condition, or physical or mental handicap-disability when, with reasonable accommodation, the individual can perform the duties of the job. This policy shall apply to all employees, interns, and applicants for employment and to all aspects of employment including recruitment, selection, appointment, training, promotion, reclassification, transfer, demotion, termination, layoff, reinstatement, compensation and discipline.

SECTION 38: REVIEW BY ~~GENERAL MANAGER~~CEO/GENERAL MANAGER

Any employee who is dissatisfied with the application of the Personnel Rules and Regulations may submit in writing to the ~~General Manager~~CEO/General Manager such notice of dissatisfaction or concern for review.

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DATE: January 24, 2020
TO: Board of Directors
FROM: Greg Willis, Purchasing Manager
**SUBJECT: ACCEPT AND FILE THE QUARTERLY PROCUREMENT REPORT FOR
3RD QUARTER OF FY20**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the Quarterly Procurement Report for the 3rd quarter of FY20

II. SUMMARY

- This staff report provides the Board with a Quarterly Procurement Report for the 3rd quarter of FY20, covering the months of January through March.
- Each quarter staff will provide a Quarterly Procurement Report listing anticipated formal procurements within the upcoming quarter that are not being presented to the Board separately.

III. DISCUSSION/BACKGROUND

The purpose of this report is to provide the Board of Directors an opportunity to review and comment on upcoming formal procurements before they are ready for award.

Formal procurements are defined as construction valued at \$10,000 or more, and goods, materials and professional services valued at \$50,000 or more. Formal procurements related to major projects will be presented to the Board separately in stand-alone Staff Reports.

Attachment A details the regular formal procurements the Purchasing Department is planning on issuing during the 3rd quarter of FY20 (January through March).

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report aligns to Financial Stability, Stewardship & Accountability.

V. FINANCIAL CONSIDERATIONS/IMPACT

See attached.

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

N/A

VIII. ATTACHMENTS

Attachment A: FY20 3rd Quarter Anticipated Procurements Listing

Prepared by: Joan Jeffries, Purchasing Assistant

IX. APPROVALS

Greg Willis, Purchasing Manager



Approved as to fiscal impact:
Angela Aitken, CFO

dla low for AA

Alex Clifford, CEO/General Manager



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Anticipated Procurement Listing

FY20: 3rd Quarter

Month Anticipated to be Issued	Description	Purpose	Department	Funding Source	Anticipated Value (life of contract)
Expiring Reoccurring Contracts					
January	Security Guard Services	Security for METRO's various transit centers and facilities	Safety, Security & Risk	Operating	\$1,760,000 (initial 3-year term only)
One-Off Contracts					
February	Repaint Exterior of Maintenance Facility	Protect and preserve the Maintenance Facility	Facilities	FTA 5339a FY18	\$150,000
February	Non-Rider Opinion and Market Segmentation Study	Development of future service plan and marketing efforts	Planning	Operating	\$75,000
March	Bus Stop Improvements	Various bus stop improvements, including reconditioning of VTA bus shelters	Maintenance	FTA 5339a FY18	\$124,725
March	Bus Side Advertising	Increase advertising revenue utilizing current industry standard techniques	Marketing, Communications & Customer Service	Operating	Expected to be revenue-neutral or revenue-positive

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DATE: January 24, 2020
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
**SUBJECT: TRANSIT CORRIDOR ALTERNATIVES ANALYSIS – GOALS,
PERFORMANCE MEASURES AND INITIAL ALTERNATIVES**

I. RECOMMENDED ACTION

Staff proposes the Board of Directors review and provide input on the goals/screening criteria/performance measures and initial alternatives for the Transit Corridor Alternatives Analysis of high-capacity public transit for the Santa Cruz Branch Rail Line

II. SUMMARY

- This report provides information and background on the Transit Corridor Alternatives Analysis for the Santa Cruz Branch Rail Line. Input is being sought from the Santa Cruz Metropolitan Transit District (METRO) on the goals, screening criteria, performance measures and initial set of alternatives.

III. DISCUSSION/BACKGROUND

The Santa Cruz County Regional Transportation Commission (RTC) in cooperation with METRO is developing the Transit Corridor Alternatives Analysis (TCAA) to evaluate transit investment options that provide an integrated transit network for Santa Cruz County utilizing all or part of the length of the Santa Cruz Branch Rail Line as a dedicated transit facility. A performance-based planning approach based on a triple bottom line sustainability framework will be utilized to assess various public transit options for the rail right of way. Transit alternatives will be compared to define a viable project that will provide the greatest benefit to the Santa Cruz County residents, businesses and visitors in terms of equity, environment and economy. Proposed future inter-county and interregional connections to the Bay Area, Monterey, Gilroy and beyond will be considered.

Completed Key Milestones for the project are as follows:

- An Alternatives Analysis Ad Hoc Committee, composed of six members of the RTC, was formed to represent both RTC and METRO in developing the Transit Corridor Alternatives Analysis (TCAA). This Ad Hoc Committee will provide input to the TCAA project team at each key milestone.
- A contract with HDR Engineering Inc has been executed to develop the Transit Corridor Alternatives Analysis.

- A TCAA Communications and Stakeholder Involvement Plan has been developed. Approval is anticipated at the January 16, 2020 meeting).

The framework for the TCAA will utilize the triple bottom line goals of economy, equity, and environment to evaluate high capacity public transit on the rail right of way and include two phases:

1. Development of an initial “Universe of Alternatives” that will then be screened using a high-level screening criteria to reduce the universe of alternatives to a smaller set of alternatives for detailed analysis.
2. A second more detailed and data-driven alternatives analysis will then be conducted using the performance measures to identify the preferred alternative.

The Transit Corridor Alternatives analysis project team composed of RTC and METRO staff and HDR consultants seek input from the METRO Board of Directors on the draft goals, screening criteria, performance measures and Initial Universe of Alternatives to be considered. These items will be provided as a handout to the packet the week of the METRO meeting. Input has already been provided by the Ad Hoc Committee. Input will also be sought from the public, community organizations, partner agencies, and RTC Advisory Committees prior to seeking input and approval from the RTC.

Future Key Milestones include:

- Screened Alternatives – Provide results of the phase 1 screening process and gather input on short list of transit alternatives to be considered.
- Performance Analysis Results and Locally Preferred Alternative - Explain performance measure results on short list of alternatives and seek input on locally preferred alternative.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report pertains to METRO’s Strategic Alliances and Community Outreach

V. FINANCIAL CONSIDERATIONS/IMPACT

This project is already funded and included in the RTC budget; therefore, the action proposed does not have any fiscal impacts.

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

- Do not provide input on the TCAA – Intention of the Alternatives Analysis is for RTC and METRO to work together to determine the best transit option for the Santa Cruz Branch Rail Line.

VIII. ATTACHMENTS

Attachment A: TCAA Goals, Screening Criteria, Performance Measures and Initial Set of Alternatives– Will be provided as a handout prior to the meeting.

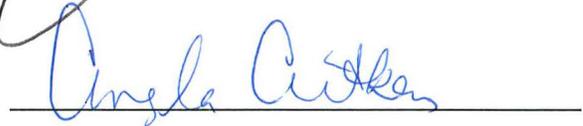
Prepared by: Jayme Ackemann, Marketing, Communication and Customer Service Director

IX. APPROVALS

Jayne Ackemann, Marketing,
Communications & Customer Service
Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



Attachment A

TRANSIT CORRIDOR ALTERNATIVES ANALYSIS

ANALYSIS FRAMEWORK

The Transit Corridor Alternatives Analysis: Watsonville/Pajaro to Santa Cruz (TCAA), will use a triple-bottom line, performance-based planning approach for evaluating future investment decisions. The Triple Bottom Line Approach is a consistent analysis tool applied by the Santa Cruz County Regional Transportation Commission to identify and prioritize transportation policies, programs, and projects in the County. An alternatives analysis will be performed to examine the performance of various transit options for the rail right of way and how well they advance the goals of the project. The following describes the analysis framework designed to evaluate the performance benefits of the alternatives in this planning process. The TCAA will identify a locally preferred alternative that best meets the Economic, Environmental, and Social Equity needs of the County.

Triple Bottom Line Approach to Alternatives Analysis



This Analysis Framework will build from the Triple Bottom Line goals of Economy, Environment, and Social Equity. A two phase approach will be used as described:

1. Phase 1. Initial high-level screening using the screening criteria to winnow the universe of alternatives to a smaller set of alternatives for detailed analysis
2. Phase 2. More detailed and data-driven alternatives analysis using the performance measures, designed to differentiate performance benefits between the smaller set of alternatives and to support the identification of the locally preferred alternative.

The following tables present the proposed Economic, Environmental, Social Equity, and Other Goals that supports the Triple Bottom Line Approach, with descriptions of supporting Evaluation Metrics, Phase 1 Screening Criteria and Phase 2 Performance Measures.

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Attachment A

SUPPORTS ECONOMY

Goals	Evaluation Metric	Description	Phase 1 Screening	Phase 2 Performance Measure
Is fiscally feasible	Capital cost	How does the capital cost compare to other projects?	High, Medium, Low	Capital Cost
	O&M costs	Is the project relatively more expensive to maintain and operate?	High, Medium, Low	O&M Costs Cost/Rider
	Funding	How much funding will likely be available?	High, Medium, Low	% funding likely from existing sources
Results in a well-integrated transportation system that supports economic vitality	Tax revenue	Does the project generate new tax revenues?	High, Medium, Low	High, Medium, Low
	Jobs	Will the project support job growth – near term through construction, longer term through O&M activity and economic development?	High, Medium, Low	High, Medium, Low
	Freight	What is the impact on freight rail operators and shippers?	High, Medium, Low	Freight Rail Volume
	Contiguous transportation corridor	What is the level of risk that the corridor will remain contiguous?	High, Medium, Low	Risk Level

SUPPORTS EQUITY

Goals	Evaluation Metric	Description	Phase 1 Screening	Phase 2 Performance Measure
Promote active Transportation	Active Transportation	Does the project include features that support active transportation and promotes health?	High, Medium, Low	-Bicycle capacity on transit/day -Effects on Rail Trail
Support safer transportation for all	Safety	Does the project support public safety?	High, Medium, Low	Collisions by mode
Provide accessible and equitable transportation system that is responsive to the needs of all users	Access	Does the project provide transportation access to disadvantaged populations?	High, Medium, Low	-Location relative to disadvantaged populations -Transit vehicle miles traveled
Offer reliable and efficient transportation choices that serve the most people	Travel Time	Does the project improve transportation travel time?	High, Medium, Low	-Transit travel time -Auto travel time -Impacts at grade crossings -Regional connectivity
	Reliability	Does the project improve transportation reliability?	High, Medium, Low	Travel time reliability

Attachment A

SUPPORTS ENVIRONMENT

Goal	Evaluation Metric	Description	Phase 1 Screening	Phase 2 Performance Measure
Promote a Healthier Environment	Transit Ridership	Does the project have enough capacity to substantially increase transit ridership?	High, Medium, Low	Transit ridership (local, regional, weekday, weekend)
	Emissions reduction	Does the project support the goal of reduced emissions?	High, Medium, Low	-Auto vehicle miles traveled -Greenhouse gas -Criteria pollutants
	Climate Adaptation	Will the project adapt to climate change?	High, Medium, Low	High, Medium, Low
	Biological, Visual, Noise and Vibration	Are there effects of the project on biological resources, visual, noise and vibration?	High, Medium, Low	High, Medium, Low
	Energy usage	Does the project support the goal of reduced energy usage?	High, Medium, Low	High, Medium, Low

OTHER GOALS

Goal	Evaluation Metric	Description	Phase 1 Screening	Phase 2 Performance Measures
Addresses project-specific concerns	Technical Feasibility	Is the project technically feasible?	Yes/No	
	Consistent with Other Planning Efforts	Is the project consistent with other local, state and federal planning efforts?	High, Medium, Low	High, Medium, Low
	Consistent with Regulatory Requirements	Is this project consistent with local, state, and federal regulatory requirements?	High, Medium, Low	High, Medium, Low
	Integration	Does the project integrate into the existing transportation infrastructure?	High, Medium, Low	High, Medium, Low
	ROW	How easily can the project be integrated into the existing ROW?	High, Medium, Low	% of corridor where additional ROW is required

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Attachment A

TRANSIT CORRIDOR ALTERNATIVES ANALYSIS

INITIAL LIST OF ALTERNATIVES

In support of the Transit Corridor Alternatives Analysis: Santa Cruz to Watsonville, the universe of alternatives for the Rail Right of Way (ROW) will be identified for evaluation. This universe will be categorized into core and connector services.

- Core services will utilize the Rail ROW for the majority of its available length and to its fullest extent possible.
- Connector services are those that minimally run along the corridor or offer links/transfers to the core services.

CORE SERVICES

Core services, characterized as high capacity transit options for the Rail Right of Way (ROW), will leverage the characteristics of the dedicated corridor and be a key component of an integrated transportation network in the County. Characteristics of core services include:

- Service Model
 - Local Service
 - Commuter/Express
 - Intercity
- Fuel/Propulsion
 - Diesel
 - Electric – Battery, Fuel cell/hydrogen, Overhead Catenary
 - Compressed Natural Gas (CNG)
 - Hybrid
- Form Factor and Capacity, with the following ranges of passengers:
 - Up to 4 passengers seated
 - 10 to 20 passengers seated
 - 20 to 40 passengers seated
 - 40 to 50 passengers seated
 - 90 to 100 passengers seated/standing
- Guideway
 - Open/Mixed Traffic
 - Exclusive
 - Guided Exclusive
- Driver
 - Human-driven
 - Automated/Connected

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Attachment A

Core service alternatives include:

Local Bus & ROW Bus – Large vehicles designed to carry passengers, usually along a fixed route according to a schedule. Local bus routes make frequent stops, linking neighborhoods with urban centers and providing connections within and between communities.



Commuter Express Bus – Fixed route bus, usually operating for longer distance trips with limited stops during peak commuting periods, operating on local streets and arterials as well as dedicated rights of way.

Arterial & BRT – A high-quality bus-based transit system that delivers fast and efficient service that may include some combination of dedicated lanes, traffic signal priority, off-board fare collection, elevated platforms, and enhanced stations. BRT often uses dedicated busways, guideways, or other exclusive ROWs to operate faster and more efficiently than traditional BRT systems.



Autonomous Road Train – An emerging vehicle technology that combines the capacity and form-factor of a traditional streetcar with rubber-tire operation. Manufacturers are planning for the incorporation of advanced autonomous and connected technology, essentially providing a rail-type service, without the cost associated with rail infrastructure.

Dual Rail and Bus Vehicles – An emerging technology that provides the versatility of a bus and the speed of light rail with vehicles that operate on both roadways and fixed guideways.



Micro-shuttles – Smaller passenger autonomous vehicles (12-15 persons operating at low speed and fixed routes. Manufacturers have been developing fully autonomous versions, with several deployed in the United States and California.



Shuttle (Light Duty, Van, Electric Vehicle) – A small public or private bus that travels back and forth over a particular route, especially a short-route or one that provides connections between transportation systems, employment centers, and other locations.



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Attachment A

Intercity Rail – Train systems that travel between many cities, regions of a county, sometimes cross several counties or states, and are compatible with freight rail.



Commuter Rail – Passenger train operations (includes, Diesel Multiple Unit -DMU) between a central city, its suburbs and/or another central city. It is characterized by multi-trip tickets, specific station-to-station fares, with usually only one or two stations in the central business district, and are compatible with freight rail.



Light Rail/Electric Multiple Unit – Light Rail/EMUs are popular on commuter and suburban rail networks around the world due to their fast acceleration and pollution-free operation. Being quieter than diesel multiple units locomotive hauled trains, EMUs require no separate locomotive, as electric traction motors are incorporated within one or a number of the carriages, and are compatible with freight rail.



Light Rail/Diesel Multiple Unit – A rail transit line that can operate in a variety of settings including dedicated ROW, subway, or mixed on-street traffic. Light rail transit (LRT) usually relies on overhead wires for power and is designed for heavily traveled corridors where the stop needs do not support heavy rail transit, and are typically not compatible with freight rail.

Monorail / Automated People

Mover (APM) – An electric railway that is suspended from or straddles a guided roadway formed by a single beam or rail, and are not compatible with freight rail.



Tram / Trolley / Streetcar – Typically an electric railway with a “light volume” traffic capacity compared to heavier rail. The system may use shared or exclusive ROW, high or low platform loading, and multi-car trains or single cars, and are not compatible with freight rail.



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Attachment A

Personal Rapid Transit (PRT) - Personal Rapid Transit (PRT) are systems of small vehicles that operate on a demand-responsive basis, and work to move travelers directly from origin to destination along a fixed route. Several systems have been built, with the most notable in Morgantown, WV.



Inverted (or Elevated) PRT – Similar in concept to traditional PRTs, but using an inverted rail and smaller cars. This system is generally sold as a solution in urban areas, with space at a premium in which the system can be built over the top of an existing right of way.



Gondola - Also known as aerial tramways, these systems are a type of cable car pioneered for ski resorts, but have been deployed in urbanized areas to avoid the issues related to surface infrastructure. Passenger capacity can range from four passengers up to 100 per car, and the systems will typically have only two cars and two stops.

String Rail - A future concept using rigid overhead rails to transport passenger pods of various sizes. Unlike PRT, these systems would operate similar to traditional transit, and board at every stop. No functioning system has yet to be fully deployed for commercial or public use at this time.



Hyperloop - Started as a concept released by Elon Musk, a Hyperloop is a future transport system that uses evacuated tubes to move multi-passenger vehicles at speeds up to 700 mph. Several companies are currently developing prototypes, and planning has been started to deploy the systems in routes in several key markets within the U.S.



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Attachment A

CONNECTOR SERVICES

Connector services support travel along portions of the Rail ROW and will augment the core services presented above. The extent to which many of these types of connector services will be implemented (e.g., human powered – walk, bicycle, scooter; micromobility – Segway, electric bicycle, electric scooter; and mini-/low capacity urban transport – automobiles, motorcycles, autonomous micro-shuttle, van), will be at the discretion of the commuter, though they are typically operated as first-mile/last-mile connections. Below examples consider connector services that could be implemented as part of an integrated transit system for Santa Cruz County, each previously shown under bus services.

Local Bus & ROW Bus – Large vehicles designed to carry passengers, usually along a fixed route according to a schedule. Local bus routes make frequent stops, linking neighborhoods with urban centers and providing connections within and between communities.



Micro-shuttles – Smaller passenger autonomous vehicles (12-15 persons) that operate at low speed and navigate fixed routes. Manufacturers have been developing fully autonomous versions, with several deployed in the United States and California.



Shuttle (Light Duty, Van, Electric Vehicle) – A public

or private bus that travels back and forth over a particular route, especially a short route or one that provides connections between transportation systems, employment centers, etc.



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THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

WILLAM T. DOVE
DISPATCHER/SCHEDULER

FOR THE COMPLETION OF 10 YEARS OF SERVICE
BETWEEN 2009 AND 2019

GIVEN THIS 13TH DAY OF DECEMBER 2019

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

JAIMÉ GARCÍA
PARATRANSIT OPERATOR

FOR THE COMPLETION OF **15 YEARS OF SERVICE**
BETWEEN 2005 AND 2020

GIVEN THIS 24TH DAY OF JANUARY 2020

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

JAIMÉ HERNÁNDEZ
FM MECHANIC III

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

GIVEN THIS 13TH DAY OF DECEMBER 2019

CHAIR, BOARD OF DIRECTORS

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:

RESOLUTION OF APPRECIATION FOR THE SERVICES OF SCOTT BARNES AS FACILITIES MAINTENANCE WORKER II 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 Scott Barnes to serve in the position of Facilities Maintenance Worker II, and

WHEREAS, served as a member of the Facilities Department of METRO for the time period of October 20, 2011 to December 18, 2019, and

WHEREAS, Scott Barnes provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Scott Barnes served METRO with distinction, and

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

WHEREAS, during the time of Mr. Barnes' 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 Scott Barnes.

NOW, THEREFORE, BE IT RESOLVED, that upon his retirement as Facilities Maintenance Worker II, the Board of Directors of METRO does hereby commend his 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 24th Day of January 2020 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



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 BARROW EMERSON AS PLANNING AND DEVELOPMENT DIRECTOR 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 Barrow Emerson to serve in the position of Planning and Development Director, and

WHEREAS, served as a member of the Grants and Planning Department of METRO for the time period of November 9, 2015 to December 13, 2019, and

WHEREAS, Barrow Emerson provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Barrow Emerson served METRO with distinction, and

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

WHEREAS, during the time of Mr. Emerson'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 Barrow Emerson.

NOW, THEREFORE, BE IT RESOLVED, that upon his retirement as Planning and Development Director, the Board of Directors of METRO does hereby commend his 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 24th Day of January 2020 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



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 LISA MITCHELL AS BUS OPERATOR 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 Lisa Mitchell to serve in the position of Bus Operator, and

WHEREAS, served as a member of the Operations Department of METRO for the time period of July 9, 2009 to December 27, 2019, and

WHEREAS, Lisa Mitchell provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Lisa Mitchell served METRO with distinction, and

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

WHEREAS, during the time of Ms. Mitchell'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 Lisa Mitchell.

NOW, THEREFORE, BE IT RESOLVED, that upon her retirement as Bus Operator, 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 24th Day of January 2020 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



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 TODD MITCHELL AS BUS OPERATOR 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 Todd Mitchell to serve in the position of Bus Operator, and

WHEREAS, served as a member of the Operations Department of METRO for the time period of January 9, 2004 to December 27, 2019, and

WHEREAS, Todd Mitchell provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Todd Mitchell served METRO with distinction, and

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

WHEREAS, during the time of Mr. Mitchell'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 Todd Mitchell.

NOW, THEREFORE, BE IT RESOLVED, that upon his retirement as Bus Operator, the Board of Directors of METRO does hereby commend his 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 24th Day of January 2020 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



Outstanding Service Commendation

Oscar Mendez

BUS OPERATOR

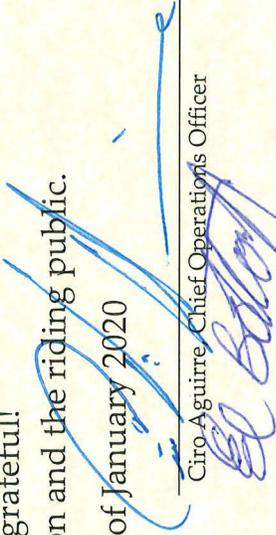
Oscar, on November 22nd 2019, you deescalated a dangerous situation on your coach. While driving the Highway 17 route, a man holding a knife stated he was feeling ill and would cut himself unless he received medical attention. You kept your calm, focusing on the safety of your passengers. You were able to convince the man to give you the knife while you requested police assistance for the situation. METRO commends you for your ability to think and act quickly and wisely under pressure. You kept all of your passengers safe that day. For that we are truly grateful!

You are an asset to the organization and the riding public.

Awarded on this 24th day of January 2020


Alex Clifford, Chief Executive Officer


Anna Marie Gouveia, Operations Mgr.: Fixed Route Division


Ed Bottorff, Chairman of the Board of Directors

Ciro Aguirre, Chief Operations Officer

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VERBAL PRESENTATION ONLY

CEO UPDATE

Alex Clifford

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DATE: January 24, 2020

TO: Board of Directors

FROM: Alex Clifford, CEO/General Manager

SUBJECT: APPROVAL OF CY20 STATE AND FEDERAL LEGISLATIVE AGENDA

I. RECOMMENDED ACTION

That the Board of Directors approve the Santa Cruz Metropolitan Transit District CY20 State and Federal legislative agenda as presented in this report

II. SUMMARY

- At the start of each new legislative cycle, the CEO requests the Board of Directors (Board) to review, comment and approve the proposed State and Federal legislative agendas for the upcoming calendar year.
- The overall goal of the program is to advocate for stable and growing state and federal capital and operating funding and to avoid costly unfunded mandates.
- This year's legislative agenda includes, as top priorities, continued active participation in the Transportation Development Act (TDA) reform effort; engagement with the State on reducing the cost of zero-emission bus operations; and continued outreach to Congress on the Fixing America's Surface Transportation Act (FAST Act) extension or replacement (Current FAST Act runs October 1, 2016 – September 30, 2020).
- If the calendar year 2020 (CY20) Legislative Program is approved, the CEO will work with METRO's state and federal lobbyists, the California Transit Association (CTA), the American Public Transportation Association (APTA), The Bus Coalition, the Community Transportation Association of America (CTAA), California Association for Coordinated Transportation (CalACT) and the State TDA Reform Task Force to focus on successful outcomes in the key areas presented in this report.
- Additionally, up to four Board members designated by the Board Chair will join the CEO in a federal advocacy trip to Washington, D.C. in March or April 2020.

- The Board also accepts and encourages the CEO to continue his active participation and leadership roles in APTA, CTA, The Bus Coalition and CalACT.

III. DISCUSSION/BACKGROUND

CY19 State & Federal Outcomes

State

- AB 1089 (Stone) – Governor Newsom signed into law AB 1089 (Stone), a METRO-sponsored bill. This legislation makes three amendments to METRO's enabling statutes relative to the responsibilities and authorities of the METRO's Board. More specifically, this bill clarifies some of METRO's existing administrative policies, and, conforms the agency's procurement practices to modern standards, ensuring maximum value for METRO's users and the wider taxpaying community in which the agency operates transit services.
- AB 784 (Mullin) – Governor Newsom signed into law AB 784 (Mullin), a CTA-supported bill, which will exempt the purchase of zero-emission buses from the state portion of the sales tax through 2023. This legislation is expected to save METRO \$30,000-\$40,000 per ZEB purchase and will reduce the cost of implementing the California Air Resources Board's Innovative Clean Transit regulation.

Federal

- In mid-December, Congress finalized the FY20 federal appropriations bill ("minibus"), signed by the President before the Continuing Resolution expired. Included in the bill is a second consecutive year of FAST Act "plus ups". That is, Congress authorized more funding in 2020 than the FAST Act requires.

Congress added \$168 million to the FAST Act 5339(a) formula grant program, which will increase the amount to METRO in 2020 by approximately \$91,121 more than the FAST Act minimum. METRO uses this formula funding for various smaller capital purchases, including non-revenue and paratransit vehicles. Congress added \$40 million over the FAST Act minimum to the 5311 program, which will increase the amount to METRO in 2020 by approximately \$11,470. METRO uses 5311 funds for operating - labor. Congress also increased the 5307 Urbanized Area Formula Grants program by \$102,334,893, which will increase the amount to METRO in 2020 by approximately \$149,681. METRO uses the 5307 program funds for operating - labor.

- We continue to have success in renewing the Alternative Fuels Excise Tax Credit. Although two years late, in mid-December 2019, as a component of the 2020 budget, Congress extended the Alternative Fuels Excise Tax Credit by one year, through 2020, and provided authority to fund the prior two years, 2018 and 2019. The retroactive funding authority will provide METRO with approximately \$743K sometime in 2020. METRO uses this funding source for capital projects, including local match for capital grants.
- We worked with Congressman Panetta's office on the development of legislation designed to bridge the gap between the cost of compressed natural gas buses and zero-emissions buses. The result was legislation creating a 10% tax credit for manufacturers of zero-emissions buses (with the assumption that manufacturers would pass the savings on to those purchasing the buses). The provision was included in a sweeping "Green Energy" tax package that was unveiled in December by House Democrats and will hopefully be considered in 2020.

METRO Economic Background

METRO serves the County of Santa Cruz, which has a population of over 262,000. Surveys show that 32% of METRO riders use the service to get to and from work. Santa Cruz County is home to the University of California, Santa Cruz (UCSC) and Cabrillo College. METRO's ridership data also reflects that over 50% of METRO riders are students and faculty of these institutions.

Other notable data and demographics:

- Hwy 17 Express ridership comprises 6% of total METRO ridership
- 57% of METRO riders ride five or more days a week
- 87% of METRO riders rate their overall impression of METRO as good or excellent
 - 30% of METRO riders do not have access to a personal vehicle
- Almost one-third of METRO's riders depend on the service as their primary option for transportation
- 36% of METRO riders earn less than \$24,000 annually

METRO helps implement the California Global Warming Solutions Act of 2006 (AB 32) and its successor (SB 32) by reducing greenhouse gas emissions with deployment of low-emission, high capacity buses. METRO's buses reduce fuel consumption by delivering more trips with fewer vehicle miles of travel than single-occupant vehicles. In CY20 METRO's first zero emission buses will go into service. Over their life, these buses will reduce diesel fuel consumption by thousands of gallons. Additionally, METRO's

routes 69 A, 69W, 71 and 91X provide much needed traffic congestion relief to the gridlocked Highway 1.

METRO is a California Special District, employing about 300 people and providing over 5 million passenger trips per year with an FY20 budget of nearly \$52 million. METRO supports the local economy through the purchase of goods and services for its operations. Labor costs (wages and benefits) represent approximately 82% (FY20) of the operating costs. Since 82.5% of METRO's employees reside in Santa Cruz County, the local multiplier effect of these labor dollars to the region is high as our employees' income is reinvested locally in housing, goods, services and recreation.

Current Funding for Operations & Capital – see Attachment A

Operations and Capital are substantially supported by the ½ cent local sales tax approved by the voters in 1978, and further augmented by METRO's share of Measure D, State and Federal grants and customer fares. The FY20 budget includes: \$51,717,646 for Operations and a \$20,362,532 Capital Program, which contains both new revenue and the carryover of obligated but unspent capital commitments to various projects in process, including bus purchases.

Operating Grants vs. Capital Grants

Think of the operating budget as “running buses” and the capital budget as “buying buses.” State and federal discretionary (competitive) grants do not typically provide revenue for the operating budget, and local grants that might provide operating funds are few and far between. Nearly all state and federal grant opportunities are for capital improvements and augment METRO's ability to buy buses and build/maintain facilities.

Formula Grants

State and federal formula grants come to METRO as a result of legislation, usually require an annual application, and always require follow-up information on how METRO used the money. While this is a cumbersome and time-consuming process for the Grants Department, METRO always follows the directed processes and never risks or jeopardizes its state and federal formula grant allocations. These state and federal formula dollars are typically used for operations; are sometimes flexible for use in both operations and capital; but are most often restricted to capital only.

In FY 2019, METRO received \$21,471,420 in State & Federal Formula Grants

Discretionary (Competitive) Grants

In any given year, there are a number of state and federal discretionary grant programs offered. METRO always submits highly competitive grant applications for programs for which it qualifies unless there is a strategic or local match reason not to do so.

When grants become available for competition, they are always extremely oversubscribed. Typically, the value of the federal grant applications nationwide exceeds by ten times or more the actual grant awards available, and the amount awarded to each successful recipient is typically a fraction of the amount requested.

The Changing Landscape of Grants Availability

The grant funding landscape has changed dramatically over the past several years. Here are just a few examples:

- Up until 2012, the federal transportation authorization included a Bus and Bus Facilities Program, which was a discretionary capital grant program. Until then, METRO had competed successfully for some of this capital funding. With MAP-21 in 2012, the Bus and Bus Facilities discretionary grant program was eliminated and replaced with a small formula program (5339(a)). It was not until the FAST Act reauthorization in 2016 that the Bus and Bus Facilities discretionary grant program was reestablished, albeit at a substantially reduced funding level in comparison to pre-2012 funding levels. In 2017 METRO successfully applied for nine CNG buses from this program and received four.
- In 2006 the California voters created a capital funding source through Proposition 1B. This ten-year capital program, which expired in 2016, funded numerous METRO security, facilities and bus procurements. Fortunately, the Governor signed the Road Repair and Accountability Act (SB1) in April 2017 to partially replace Proposition 1B and to provide additional State Transit Assistance (STA). Again, this legislation favors capital projects for the use of this money, although some of it can be used for operating assistance if METRO meets specific performance criteria.
- The American Recovery and Reinvestment Act of 2009 (ARRA), signed into law by President Barack Obama on February 17, 2009, was an economic stimulus package which provided METRO valuable capital dollars. ARRA was a one-time capital program and did not provide recurring resources.
- In 2012, the US Congress eliminated federal “earmarks,” a process which provided legislative appropriations to specific projects in a congressman’s district. Until then, METRO had frequently secured federal earmarks to fund multiple capital projects.

- The Trump Administration has made increasing transportation funding for rural areas a priority, which has had an impact on the distribution of funds for competitive programs such as BUILD and Bus and Bus Facilities.

Each year federal subsidies for public transit are threatened. The result of this constant threat is often flat or nominal growth in federal transportation funding, in an environment where operational costs typically grow at a rate equal to or greater than the Consumer Price Index (CPI).

With the loss of several substantial capital funding programs since 2012, METRO's capital challenge in the coming years will continue to be one of trying to find the resources with which to replace 34 buses that have reached the end of their useful life and are in need of replacement at an estimated cost of \$26 million to \$35 million, depending on whether METRO purchases CNG or zero emission electric buses.

In order to attempt to catch up and keep up with the capital needs of the Agency, in the coming years, starting in FY18 the METRO Board established a policy of budgeting \$3 million per year to a Bus Replacement Fund in an effort to leverage these local resources for state and federal discretionary grants. Even with this funding commitment, it will remain challenging for METRO to completely eliminate buses in the fleet that are operating beyond their useful life.

CEO Active Participation in State & Federal Transit Advocacy Organizations

- **California Transit Association (CTA)**
 - Executive Board member
 - Legislative Committee member
 - Programs & Conference Committee member
- **American Public Transportation Association (APTA)**
 - APTA Finance Committee
 - Access Committee
 - Bus & Paratransit CEOs Committee
 - Legislative Committee
 - Public Transportation CEOs Coordinating Council
 - Small Operations Committee
- **The Bus Coalition**
 - Board of Directors
- **Community Transportation Association of America (CTAA)**
 - Member

- **California Association for Coordinated Transportation (CalACT)**
 - Board of Directors
 - Legislative Committee
- **State TDA Reform Task Force**
 - Member
- **Zero Emission Bus Resource Alliance (ZEBRA)**

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

The CEO will ensure that his state and federal advocacy efforts on behalf of METRO are consistent with and help support the Board's Strategic Priorities:

- a. Safety First Culture
- b. Financial Stability, Stewardship & Accountability
- c. Service Quality and Delivery
- d. Internal and External Technology
- e. Employee Engagement: Attract, Retain and Develop
- f. State of Good Repair
- g. Strategic Alliances and Community Outreach

V. FINANCIAL CONSIDERATIONS/IMPACT

There are no direct financial considerations to approving the proposed State and Federal legislative program. The overall goal of the program is to secure stable and growing State and Federal capital and operating funding for the Agency and to avoid costly unfunded mandates.

V. CHANGES FROM COMMITTEE

N/A

VI. ALTERNATIVES CONSIDERED

- Take no action. The CEO does not recommend this alternative since he will need Board direction on where to focus his State and Federal legislative efforts in CY 2020.
- Accept the proposed legislative program but with Board adopted edits/changes.

VII. ATTACHMENTS

Attachment A: Current Funding for Operations & Capital Pie Chart

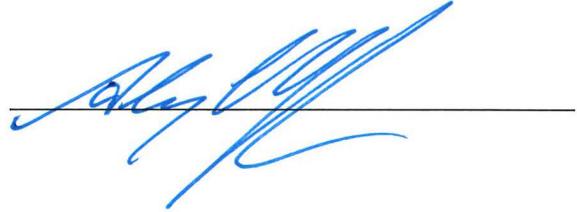
Attachment B: State Legislative Agenda

Attachment C: Federal Legislative Agenda

Prepared by: Alex Clifford, CEO/General Manager

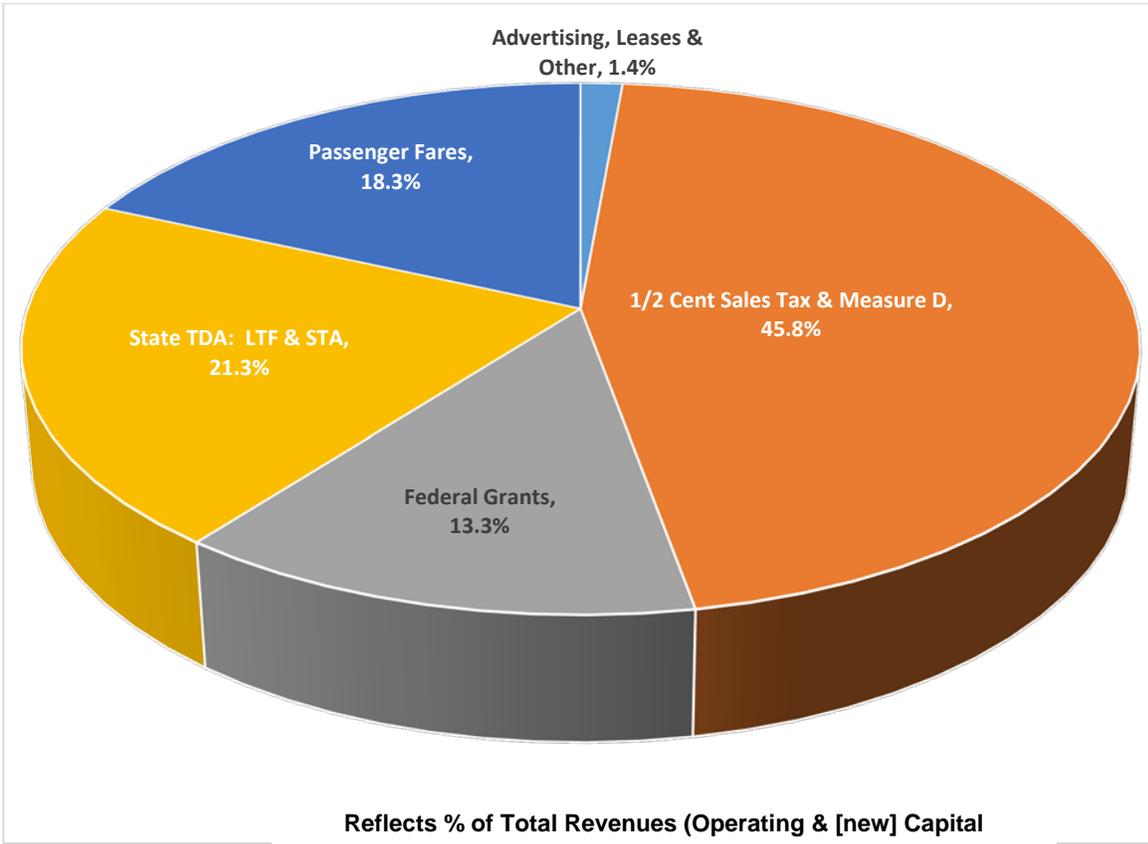
VIII. APPROVALS

Alex Clifford, CEO/General Manager



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Attachment A



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Attachment B

CY20 State Legislative Agenda

- **Existing Funding:** Protect against the elimination or diversion of any State-directed funds that support Santa Cruz County transportation needs.
- **Cap-and-Trade:** Continue to seek maximum flexibility in the use of Cap-and-Trade dollars and work to ensure growth in Cap-and-Trade funding available to transit.
- **Voter-Threshold:** Support efforts to amend the State Constitution to reduce the voter threshold required for a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs.
- **Transit Oriented Development:** Support establishing new funding sources for Transit Oriented Development (TOD) and bus facilities.
- **Bus on Shoulder Expansion:** Support other transit systems as they define and seek an expansion of the existing, very limited bus on shoulder statutory authorization granted to Monterey-Salinas Transit District and Santa Cruz Metropolitan Transit District by AB 946 (Stone) [Chapter 426, Statutes of 2013].
- **Statewide Coordination:** Continue active involvement in the California Transit Association (CTA) and the California Association for Coordinated Transportation (CalACT) and their associated sub-committees, advocating for the METRO Legislative Agenda with these organizations.
- **Transportation Development Act Reform:** In 2019, the CEO was appointed to a statewide Transportation Development Act (TDA) Reform Task Force. On behalf of METRO, the CEO will continue to seek various changes to the current law that will protect or increase the TDA funds received today by METRO. The CEO will continue to seek to reduce the burden of the current outdated performance measures and eliminate the penalties associated with a transit agency missing its farebox recovery ratio.
- **Low Carbon Fuel Standard:** The state's Low Carbon Fuel Standard program allows transit agencies operating electric buses or fixed guideway systems to generate LCFS credits for their use of electricity as a fuel. These credits can be sold to certain parties regulated under the program who must offset deficits created by their production of carbon intense fuels, creating a new revenue stream for transit agencies that could offset the cost of electricity as a fuel.

Unfortunately, the process for selling credits is cumbersome for transit agencies, requiring that they identify potential purchasers themselves or hire a broker to

Attachment B

serve as an intermediary to the credit market. METRO will, therefore, pursue the creation of a pool or other mechanism whereby agencies could clear the sale of their credits together and obtain economies of scale for the industry. The creation of this pool or other mechanism may be pursued with the California Transit Association or between METRO and the California Air Resources Board directly.

- **Resiliency:** The implementation of Pacific Gas & Electric's Public Safety Power Shutoff program and the ongoing threat of natural disasters has increased the likelihood that METRO's bus depots will periodically be without power. This creates new challenges for METRO's transition to zero-emission buses and threatens the role METRO plays in emergency response.

METRO will, therefore, pursue various strategies for mitigating the impacts on its operations of an unreliable grid. These strategies may include: advocating for a carve out or an exemption to the Innovative Clean Transit regulation, which would allow transit agencies to retain a contingency fleet of CNG or diesel buses; advocating for long-term consideration at the California Public Utilities Commission (CPUC), California Energy Commission (CEC) and California Air Resources Board (CARB) for funding that hardens and/or creates redundancies to the grid; and, advocating for legislation or regulation that requires Independently Owned Utilities (IOUs) to identify transit agencies as priority users of the grid, much like what is in place for fire and police departments and hospitals.

- Continue to monitor and participate in statewide discussions related to utility rate changes and the definition of peak/off-peak.
- Advocate and support efforts to increase the amount of Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) dollars available each year.

Attachment C

CY20 Federal Legislative Agenda

- Given that the FAST Act will expire in September 2020, encourage Congress to continue to seek creative solutions to securing sufficient, long-term dependable and recurring revenues to ensure the stability of the federal Highway Trust Fund and address the growing transportation infrastructure needs of the country.
- Advocate for increasing the Small Transit Intensive Cities (STIC) Program to 3% of the Section 5307 urbanized area formula program.
- Advocate for the Alternative Fuels Excise Tax Credit (tax extender) to be made permanent instead of continuing the annual attempts at renewal via the “Tax Extenders” approach.
- Advocate for the Alternative Fuels Excise Tax Credit Program to be modified to include zero emission electric buses.
- Fund a real and meaningful transportation infrastructure State-of-Good-Repair program. The nation is overdue for another Federal Capital Program. Such a program must include bus transit and should be structured with a combination of formula and competitive grants.
- Continue to seek annual FAST Act appropriations that are higher than anticipated in the FAST Act, seeking to substantially increase funding to the FTA 5307, 5311 and 5339 (a), (b) & (c) Programs.
- Advocate for and seek congressional support for an increase the federal gasoline and diesel fuel tax which would increase funding to the Highway Trust Fund and the Mass Transit Account. Federal gas tax has been unchanged since 1993 at 18.4 cents/gallon. Federal diesel fuel tax has been unchanged since 1993 at 24.4 cents/gallon. These Federal gas and diesel taxes provide revenues to the Federal Highway Trust Fund (HTF). 2.86 cents/per gallon from each of these two fuel taxes go to the Mass Transit Account. Federal bus transit funding comes from the Mass Transit Account. The Mass Transit Account, combined with other Federal funding sources, help to fund METRO operations through the FTA-5307 & 5311 grant programs.
- Lift the ban on congressionally-directed spending (earmarks).
- Support continued annual funding for the BUILD program at or above current levels.
-

Attachment C

- Develop and advocate for strong METRO grant submissions to DOT discretionary (competitive) programs such as BUILD, Bus and Bus Facilities, and Low and No Emissions Bus programs.
- Ensure that DOT implementation of MAP-21 and FAST Act rules and regulations do not have a negative impact on METRO operations.
- Reinstate the tax deduction for employers that provide commuter benefits such as transit passes (and parking) that was eliminated in the 2017 federal tax law. While corporate tax rates overall were lowered in the 2017 tax law, the elimination of the deduction for commuter benefits provides a disincentive for employers to provide transit benefits (employees may still receive those benefits in a pre-tax manner if employers choose to offer them).
- Carefully monitor the next Census to encourage the U.S. Census Bureau to maintain separate urbanized area (UZA) designations for the cities of Santa Cruz, Watsonville, and Salinas following the 2020 Census.
- Seek amendments to the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program at DOT to make it more attractive as a tool to assist bus purchases.
- Support establishing new dedicated funding sources for Transit Oriented Development (TOD) and bus facilities and allow planning, engineering, and design to be eligible activities.
- Work with Congress and the FTA to help them understand the significant challenges for small to mid-size transit properties to fund operating and capital programs and to keep up with State of Good Repair.
- Oppose any federal efforts that would preempt local authority over the use of autonomous vehicles in their communities.
- Oppose unfunded federal mandates.
- Start talking with Congress now about identifying stable, dependable and recurring funding sources for the successor or extension of the FAST Act.
- Continue active involvement in the STIC Coalition, The Bus Coalition, CTAA, CalACT, APTA and various associated sub-committees, advocating the METRO Legislative Agenda with these organizations.
- Continue the annual transit funding advocacy trip to Washington, DC in March/April and encourage up to four Board members to participate.

VERBAL PRESENTATION ONLY

MAC SEMI-ANNUAL UPDATE

Veronica Elsea, MAC Chair

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DATE: January 24, 2020

TO: Board of Directors

FROM: Ed Bottorff, Chair

SUBJECT: CONSIDERATION OF (1) NOMINATING DIRECTORS TO SERVE AS BOARD OFFICERS, (2) NOMINATING DIRECTORS TO POSITIONS ON VARIOUS STANDING BOARD COMMITTEES, (3) NOMINATING A DIRECTOR TO FILL ONE POSITION ON THE SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCIC), AND (4) NOMINATING REPRESENTATIVES AND ALTERNATES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION (SCCRTC)

I. RECOMMENDED ACTION

That the Board of Directors Nominate Directors to the following positions:

- 1) Santa Cruz Metropolitan Transit District (METRO) Board Chair and Vice Chair;**
- 2) Vacant Director Positions on various METRO Board Committees;**
- 3) One Director Position on the Santa Cruz Civic Improvement Corporation (SCCIC) Board; and,**
- 4) Representatives and Alternates for the Santa Cruz County Regional Transportation Commission (SCCRTC)**

II. SUMMARY

- Article 6 of the Santa Cruz Metropolitan Transit District (METRO) Bylaws provides that the Board of Directors shall annually nominate individuals to the positions of Chair and Vice Chair.
- In 2019, the Board of Directors nominated individuals to stand for election to the Standing Committee positions referenced in this staff report.
- Article III, Section 3.03 of the Santa Cruz Civic Improvement Corporation (SCCIC) Bylaws provides that the Board of Directors shall appoint METRO Directors to the SCCIC Board.
- In order to maintain representation on the Santa Cruz County Regional Transportation Commission (SCCRTC), it is necessary that the Board of Directors elect individuals to the three positions and three alternate positions that are designated for METRO Board Members.
- Elections for the positions referenced in this Staff Report are scheduled to be held at the beginning of the February 28, 2020 Board of Directors meeting.

III. DISCUSSION/BACKGROUND

The terms of the officers and appointees of the Board of Directors in the positions of Chair, Vice Chair and SCCRTC appointees expire in February 2020. One of the five SCCIC Directors' terms is set to expire in February 2020.

SCCIC is a non-profit public benefit corporation organized under the non-profit benefit corporation law in the State of California to provide financial assistance to METRO by acquiring, constructing and financing various public facilities, land and equipment and the leasing of facilities, land and equipment for use, benefit and enjoyment of the public served by METRO.

Article III, Section 3.03 of the SCCIC Bylaws provides that METRO's Board of Directors shall appoint METRO Directors to the SCCIC Board.

Staff recommends that the METRO Board of Directors appoint METRO Directors to serve on the SCCIC Board. At this time, one appointee is needed for one expiring position. The Director filling the expiring position will hold the office for a term of two years.

The METRO Bylaws provide that the Board of Directors shall identify nominees to be considered for election to the positions herein referenced.

Staff recommends that the Board of Directors provide slates to:

- 1) Elect Directors to the positions of Chair and Vice Chair
- 2) Reconfirm or nominate Directors to positions on the current Standing Committees:
 - a. Capital Projects Committee
 - b. Finance, Budget and Audit Committee
 - c. Personnel/Human Resources Committee
- 3) Fill one position on the SCCIC
- 4) Elect three representatives and three alternates to the SCCRTC.

In accordance with the METRO bylaws, nominations remain open until the positions are filled through election. The election for the referenced positions is scheduled to be held on February 28, 2020.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

The actions taken in this report tie to METRO's Stewardship and Accountability responsibility.

V. FINANCIAL CONSIDERATIONS/IMPACT

Funding support for the positions identified in this Staff Report is contained under Admin in the FY20 and FY21 Final Budget adopted June 28, 2019 and in the FY21 and FY22 yet to be finalized.

VI. CHANGES FROM COMMITTEE

None.

VII. ALTERNATIVES CONSIDERED

None.

VIII. ATTACHMENTS

Attachment A: Current METRO Board Officers and Appointees

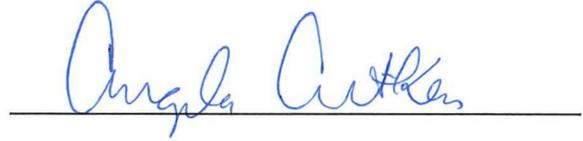
Attachment B: Current SCCIC Board Roster

Attachment C: Board Nominated Slate(s) Worksheet

Prepared by: Gina Pye, Executive Assistant

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



Attachment A
**BOARD CHAIR & VICE CHAIR,
STANDING AND AD HOC
COMMITTEE APPOINTMENTS**



2019 Chair, Vice Chair and Standing Committees

Chair
ED BOTTORFF

Vice Chair
MIKE ROTKIN

Capital Projects Standing Committee
Committee Established 8/26/16
ED BOTTORFF
CYNTHIA MATHEWS
BRUCE McPHERSON

Finance, Budget and Audit Standing Committee
(4-5 Board Members, as a ground rule)
Committee Established 8/26/16
TRINA COFFMAN-GOMEZ
DONNA LIND
DONNA MEYERS
MIKE ROTKIN

Personnel/Human Resources Standing Committee
Committee Established 8/26/16
ED BOTTORFF, Current Chair
MIKE ROTKIN, Current Vice Chair
BRUCE McPHERSON, Immediate Past Chair
JOHN LEOPOLD
LARRY PAGELER

Attachment A

2019 Ad Hoc Committees

CEO Goals and Objectives Ad Hoc Committee

Committee Established 5/19/17

ED BOTTORFF
BRUCE McPHERSON
MIKE ROTKIN

Legislative Ad Hoc Committee

Committee Established 2/23/18

ED BOTTORFF
JOHN LEOPOLD
CYNTHIA MATHEWS
BRUCE McPHERSON
MIKE ROTKIN

MAC Ad Hoc Committee

Committee Established 3/24/17

ED BOTTORFF
TRINA COFFMAN-GOMEZ
BRUCE McPHERSON
DONNA MEYERS

2019 Other Committees

SCCIC Representatives

ED BOTTORFF
TRINA COFFMAN-GOMEZ
AURELIO GONZALEZ
JOHN LEOPOLD
BRUCE McPHERSON

SCCRTC Representatives

ED BOTTORFF
AURELIO GONZALEZ
MIKE ROTKIN

SCCRTC Alternates (in order)

DONNA LIND
DONNA MEYERS
DAN ROTHWELL

VACANT until County appoints new METRO representative

Attachment B



SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCIC)

BOARD OF DIRECTORS 2019 - 2020

	YEAR TERM BEGAN	YEAR TERM ENDS
Ed Bottorff, President	2019	2021
John Leopold, Vice President	2019	2021
Bruce McPherson, Secretary	2019	2021
Trina Coffman-Gomez, Treasurer	2018	2020
Aurelio Gonzalez, Director	2019	2021

Alex Clifford, Chief Executive Officer

Each Director holds office for a term of two (2) years from the date of appointment. The Board of Directors holds an annual meeting for the purpose of organization, selection of Directors and officers, and the transaction of other business. Annual meetings of the Board are held on the fourth Friday of March. The meetings are held in the same venue as the Santa Cruz METRO Board of Directors meeting.

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BOARD OFFICERS AND APPOINTMENTS



Elect Board Chair (2019: Ed Bottorff)

Nominee:

Nominated by:

1. _____

2. _____

3. _____

4. _____

SLATE 1

SLATE 2

SLATE 3

SLATE 4



BOARD OFFICERS AND APPOINTMENTS

Elect Board Vice Chair (2019: Mike Rotkin)

Nominee:

Nominated by:

SLATE 1

1. _____

SLATE 2

2. _____

SLATE 3

3. _____

SLATE 4

4. _____



BOARD OFFICERS AND APPOINTMENTS

Reappoint or Nominate 3: Capital Projects Standing Committee Members

3 Total Members

2019 Members: Ed Bottorff, Cynthia Mathews & Bruce McPherson

Nominee:

1. Ed Bottorff

2. Cynthia Mathews

3. Bruce McPherson

Nominated by:

Currently in place

Currently in place

Currently in place

SLATE 1

Nominee:

1. _____

2. _____

3. _____

Nominated by:

SLATE 2

Nominee:

1. _____

2. _____

3. _____

Nominated by:

SLATE 3

Nominee:

1. _____

2. _____

3. _____

Nominated by:

SLATE 4



BOARD OFFICERS AND APPOINTMENTS

Reappoint or Nominate 4 or 5: Finance, Budget and Audit Standing Committee Members

4-5 Total Members

2019 Members: Trina Coffman-Gomez, Donna Lind, Donna Meyers & Mike Rotkin

Nominee:

1. Trina Coffman-Gomez
2. Donna Lind
3. Donna Meyers
4. Mike Rotkin

Nominated by:

- Currently in place
- Currently in place
- Currently in place
- Currently in place

SLATE 1

Nominee:

1. _____
2. _____
3. _____
4. _____
5. _____

Nominated by:

- _____
- _____
- _____
- _____

SLATE 2

Nominee:

1. _____
2. _____
3. _____
4. _____
5. _____

Nominated by:

- _____
- _____
- _____
- _____

SLATE 3

Nominee:

1. _____
2. _____
3. _____
4. _____
5. _____

Nominated by:

- _____
- _____
- _____
- _____

SLATE 4



BOARD OFFICERS AND APPOINTMENTS

Appoint or Nominate 2: Personnel/Human Resources Standing Committee Members

Current (2020) Board Chair; Current (2020) Board Vice Chair; Immediate Past

(2019) Board Chair, Ed Bottorff and 2 Board Members

5 Total Members

Committee Requires Current Board Chair, Current Board Vice Chair and Immediate Past Board

Chair as members PLUS two Directors

2019 Directors: John Leopold and Larry Pageler

SLATE 1

Nominee:

Nominated by:

1. Current Board Chair, _____(2020)

2. Current Board Vice Chair, _____(2020)

3. Ed Bottorff, Immediate Past Chair (2019)

Automatic

4. John Leopold

Currently in place

5. Larry Pageler

Currently in place

SLATE 2

Nominee:

Nominated by:

1. Current Board Chair, _____(2020)

2. Current Board Vice Chair, _____(2020)

3. Ed Bottorff, Immediate Past Chair (2019)

Automatic

4. _____

5. _____

Nominee:

Nominated by:

1. Current Board Chair, _____(2020)

2. Current Board Vice Chair, _____(2020)

3. Ed Bottorff, Immediate Past Chair (2019)

Automatic

4. _____

5. _____

SLATE 3



BOARD OFFICERS AND APPOINTMENTS

Nominate 1: SCCIC Representative

President, Ed Bottorff; Vice President, John Leopold;
Secretary, Bruce McPherson; and, Treasurer, Trina Coffman-Gomez

5 Total Members

Expiring Director: Trina Coffman-Gomez (term ends Feb 2020)

Nominee:

1. Ed Bottorff, President
2. John Leopold, Vice President
3. Bruce McPherson, Secretary
4. Aurelio Gonzalez, Director
5. Trina Coffman-Gomez, Treasurer

Nominated by:

- Term expires 2021
- Term expires 2021
- Term expires 2021
- Term expires 2021
- Term expires 2020

SLATE 1

Nominee:

1. Ed Bottorff, President
2. John Leopold, Vice President
3. Bruce McPherson, Secretary
4. Aurelio Gonzalez, Director
5. _____, Treasurer

Nominated by:

- Term expires 2021
- Term expires 2021
- Term expires 2021
- Term expires 2021
- Term expires _____

SLATE 2

Nominee:

1. Ed Bottorff, President
2. John Leopold, Vice President
3. Bruce McPherson, Secretary
4. Aurelio Gonzalez, Director
5. _____, Treasurer

Nominated by:

- Term expires 2021
- Term expires 2021
- Term expires 2021
- Term expires 2021
- Term expires _____

SLATE 3



BOARD OFFICERS AND APPOINTMENTS

Reappoint or Nominate 3: SCCRTC Representatives (2019 Reps: Ed Bottorff, Aurelio Gonzalez & Mike Rotkin) 3 Total Representatives

Nominee:

1. Ed Bottorff
2. Aurelio Gonzalez
3. Mike Rotkin

Nominated by:

- Currently in place
- Currently in place
- Currently in place

SLATE 1

Nominee:

1. _____
2. _____
3. _____

Nominated by:

- _____
- _____
- _____

SLATE 2

Nominee:

1. _____
2. _____
3. _____

Nominated by:

- _____
- _____
- _____

SLATE 3

Nominee:

1. _____
2. _____
3. _____

Nominated by:

- _____
- _____
- _____

SLATE 4



BOARD OFFICERS AND APPOINTMENTS

Reappoint or Nominate 3: SCCRTC Alternates (in order) 2019 Alternates: Donna Lind, Donna Meyers & Dan Rothwell 3 Total Representatives

Nominee:

- 1. Donna Lind
- 2. Donna Meyer
- 3. Dan Rothwell

Nominated by:

- Currently in place
- Currently in place
- Currently in place

SLATE 1

Nominee:

- 1. _____
- 2. _____
- 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 2

Nominee:

- 1. _____
- 2. _____
- 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 3

Nominee:

- 1. _____
- 2. _____
- 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 4



DATE: January 24, 2020
TO: Board of Directors
FROM: Freddy Rocha, Facilities Maintenance Manager
SUBJECT: APPROVE THE JUDY K. SOUZA EV CHARGING INFRASTRUCTURE FUNDING UPDATE AND ACTION TO CREATE A LIFE OF PROJECT BUDGET

I. RECOMMENDED ACTION

That the Board of Directors approve the creation of a Life of Project (LOP) budget and the proposed expenditure plan for the Judy K. Souza (JKS) Electric Vehicle (EV) charging infrastructure project in the amount of \$1,271,650

II. SUMMARY

- At its September 25, 2015 meeting, the Santa Cruz Metropolitan Transit District (METRO) Board of Directors (Board) adopted its first Electric Bus Implementation Strategy authorizing METRO to pursue grant funding to deploy electric buses.
- Between 2016 and 2018, METRO received grants sufficient to fund three zero emission over-the-road coaches, which are on hold pending technology advancements, and four zero emission fixed route buses that are scheduled to start arriving on site in April of 2020.
- On August 24, 2018, the Board approved an increase in the “on-call engineering services” with Bowman & Williams, Inc., which included \$112,650 for the EV charging infrastructure design and construction support services.
- On June 28, 2019, the Board authorized the execution of a contract with the Center for Transportation and the Environment (CTE), which included \$59,500 for assistance in the deployment of METRO’s first four Zero Emission Buses (ZEBs).
- On June 28, 2019, the Board approved METRO’s roadmap for the implementation of a ZEB charging infrastructure, which estimated the cost of the infrastructure at \$912,150.
- At its August 23, 2019 meeting, the Board ratified the execution of a contract with Central Electric Company to install electric vehicle charging infrastructure at JKS, not to exceed \$646,496.

- At its November 15, 2019 meeting, the Board approved a new capital projects list that included an additional \$300,000 for the completion of the JKS Yard-Charging infrastructure, taking the new revised estimate for the project to \$1,271.650.
- Funding for this project is from a combination of the 2016 Federal Low-No Grant, 2019 LCTOP Formula Grant, Capital Cash Reserves and one-time FY19 carryover.
- As of January 2, 2020, METRO has invested a total of \$466,667 on the project from the total available funds of \$1,271,650.
- At its January 10, 2020 meeting, the Finance, Budget and Audit Standing Committee reviewed the request and is recommending the full Board of Directors approve the JKS EV charging infrastructure funding update and action to create a LOP budget as presented herein.

III. DISCUSSION/BACKGROUND

METRO's EV charging Infrastructure required approval from both Caltrans and PG&E.

Some of the delay and added costs in the delivery of this project is related to Caltrans not allowing METRO to run electrical conduits under the sidewalk in front of JKS. Instead, METRO had to redesign this part of the project to run the electrical conduits through the bus parking lot, adding \$7,727 in construction cost to the project. Currently all permits have been approved by Caltrans for this project and conduit installation has been completed.

Additionally, PG&E took a considerable amount of time to review the project charging infrastructure design and requested a full vehicular vault along with more bollards be added, resulting in additional construction costs of \$10,103. PG&E will also be installing a pole and transformer for a special fee of \$52,712. PG&E has acknowledged receipt of a signed agreement for the selected option and payment of fees. Once the installation of the electrical pole and transformer is scheduled, PG&E will notify METRO of the date and time.

Late in the process, METRO determined that we needed to update the charging stations from 80KW to 125KW chargers in order to help ensure an expedient charge of the buses at night. The change in charging stations resulted in an additional cost of \$16,890 to increase the size of the conduits.

Proterra's newly released 125KW charger recommended housekeeping pads for the chargers due to the slope of the yard, which added \$2,352 in additional costs. Engineering design was completed.

Finally, Central Electric's contract for \$553,349 needed to increase to \$591,667 as a result of these changes and a tax correction.

At its January 10, 2020 meeting, the Finance, Budget and Audit Standing Committee reviewed the request and is recommending the full Board of Directors approve the JKS EV charging infrastructure funding update and action to create a LOP budget as presented herein.

Table1. JKS Charging Infrastructure Revised Funding Source Plan

Funding Source	Total Allocated	Invested Life to Date (through 12/23/2019)	Remaining Balance
FY19 LCTOP	\$646,496	\$325,954	\$320,542
FY16 FTA Low-No	\$265,654	\$112,502	\$153,152*
Capital Cash Reserves	\$59,500	\$0	\$59,500
FY19 One-Time Carryover Funding	\$300,000	\$28,211	\$271,789
Total	\$1,271,650	\$466,667	\$804,983

* FY16 Low-No Grant, FTA allowed a “Lift and Lower” (ability to lift the funding use restriction and lower the amount granted) for the sole purpose of continuing to construct the depot charging infrastructure for the three Low-No buses. Therefore, the remaining balance of \$152,152 will only be used for infrastructure costs related to the three Low-No buses.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

Completion of the Charging Infrastructure addresses #3, Service Quality and Delivery of the Strategic Business Plan, by the addition of the Watsonville Circulator.

Charging infrastructure addresses #6, State of Good Repair of the Strategic Business Plan, for deployment of our first four electric vehicles.

V. FINANCIAL CONSIDERATIONS/IMPACT

Funding for this project is currently available from various identified sources. Table 1 of this report reflects the JKS Charging Infrastructure Revised Funding Source Plan. The Project Manager is responsible for budgeting the appropriate capital amount in the budget during the life of the project.

VI. ALTERNATIVES CONSIDERED

The Board could choose to not approve this recommendation and instead cancel the charging infrastructure project. This alternative is not recommended since this

project is needed in order to charge the new zero emission buses that are scheduled to arrive early in 2020.

VII. ATTACHMENTS

Attachment A: EV Charging Infrastructure LOP Budget Expenditure Plan

Prepared by: Freddy Rocha, Facilities Maintenance Manager
Wondimu Mengistu, Grants/Legislative Analyst

VIII. APPROVALS

Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



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Attachment A

EV Charging Infrastructure LOP Budget Expenditure Plan

Activities	Base Estimate 6/28/19	Funding Source 6/28/19	New Estimate 11/15/19	Funding Gap	New Funding Source to Fill Funding Gap
Design & Engineering	\$88,500	FY16 Low-No	\$ 112,502	\$ 24,002	FY16 Low-No
Equip Install 4 Charging Stations	\$288,000	FY19 LCTOP	\$ -	\$ (288,000)	Included in the bus price
PG&E Special Fee	\$50,000	FY19 LCTOP	\$ 52,712	\$ 2,712	FY19 LCTOP
Construction Support	\$35,650	FY19 LCTOP	\$ 59,500	\$ 23,850	Cash Reserve
Construction	\$250,000	FY19 LCTOP	\$ 593,784	\$ 343,784	FY19 LCTOP
*Project Contingency	\$200,000	FY16 Low-No	\$ 300,000	\$ 100,000	FY19 One-Time Carryover
Low-No Construction			\$ 153,152	\$ 153,152	FY16 Low-No, only cost related to the 3 Low-No buses
Total	\$912,150		\$ 1,271,650	\$ 359,500	

*Project contingency will fund the implementation of initial charging ports for up to ten buses at the Judy K. Souza Operations Facility (JKS).

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VERBAL PRESENTATION ONLY

PACIFIC STATION UPDATE

Jayne Ackemann, Acting Planning and
Development Director

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VERBAL PRESENTATION ONLY

THANKSGIVING WEEKEND MOBILE TICKETING
IMPROVEMENTS

Jayne Ackemann, Communications, Marketing and
Customer Service Director

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VERBAL PRESENTATION ONLY

RESPONSE TO PUBLIC COMMENTS
PERTAINING TO WIRELESS SYSTEMS ON
BUSES

Isaac Holly, IT and ITS Director

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