

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA  
DECEMBER 8, 2006 (Second Friday of Each Month)  
\*SCMTD ENCINAL CONFERENCE ROOM\*  
\*370 ENCINAL STREET, SUITE 100\*  
SANTA CRUZ, CALIFORNIA  
9:00 a.m. – 11:00 a.m.

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

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

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

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION
  - a. Louise Barnes Re: Service Complaint
  - b. Carolyn Kubaki Re: Photo ID Complaint
  - c. Bonnie Morr, UTU Re: Labor Agreement Article 35.03
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

## CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 13 & 27, NOVEMBER 10 & 17, 2006 AND SPECIAL MINUTES OF OCTOBER 27, 2006  
Minutes: **NOVEMBER MINUTES WILL BE INCLUDED IN THE DECEMBER 15, 2006 BOARD PACKET**
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF NOVEMBER 2006  
Report: Attached
- 5-3. ACCEPT AND FILE NOVEMBER 2006 RIDERSHIP REPORT  
Report: Attached  
**PAGES 1 & 4 OF THE RIDERSHIP REPORT WILL BE INCLUDED IN THE JANUARY 2007 BOARD PACKET**
- 5-4. CONSIDERATION OF TORT CLAIMS:  
DENY THE CLAIM OF JAMES SCHNEEBERGER, CLAIM #06-0038;  
DENY THE CLAIM OF KEN BAUER, CLAIM #06-0039

- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR DECEMBER 20, 2006 AND MINUTES OF OCTOBER 18, 2006  
Agenda: Attached
- 5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2006 AND APPROVAL OF BUDGET TRANSFERS  
Staff Report: **WILL BE INCLUDED IN THE DECEMBER 15, 2006 BOARD PACKET**
- 5-7. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR SEPTEMBER 2006  
Report: **WILL BE INCLUDED IN THE DECEMBER 15, 2006 BOARD PACKET**
- 5-8. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF SEPTEMBER 2006  
Staff Report: Attached
- 5-9. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF OCTOBER 2006  
Staff Report: **WILL BE INCLUDED IN THE DECEMBER 15, 2006 BOARD PACKET**
- 5-10. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE OCTOBER 2006 MEETING(S)  
Staff report: Attached
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT  
Staff Report: Attached
- 5-12. ACCEPT AND FILE NOTIFICATION OF ACTION TAKEN IN CLOSED SESSION REGARDING CLAIM OF USAA INSURANCE (SUBROGATING FOR MARY GOOVARS)  
Notice: Attached
- 5-13. CONSIDERATION OF ADOPTION OF THE REVISED EQUAL EMPLOYMENT OPPORTUNITY (EEO) PLAN  
Staff Report: Attached
- 5-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH MARIE F. SANG FOR LEGAL SERVICES IN THE AREA OF WORKERS COMPENSATION  
Staff Report: Attached

- 5-15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH CAROLYN CHANEY AND ASSOCIATES FOR FEDERAL LEGISLATIVE SERVICES  
Staff Report: Attached
- 5-16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH EVERGREEN OIL FOR HAZARDOUS WASTE REMOVAL SERVICES  
Staff Report: Attached
- 5-17. CONSIDERATION OF PROCEDURES IN PLACE AT METRO TO HANDLE CUSTOMER COMPLAINTS  
Staff Report: Attached
- 5-18. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A 3-YEAR LEASE FOR THE WATSONVILLE TRANSIT CENTER KIOSK SPACE #5 WITH JOSE VILLA DBA LA MANCHA  
Staff Report: Attached

#### **REGULAR AGENDA**

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS  
Presented by: Chair Rotkin  
Staff Report: Attached  
**THIS PRESENTATION WILL TAKE PLACE AT THE DECEMBER 15, 2006 BOARD MEETING**
7. **PUBLIC HEARING:** CONSIDERATION OF MODIFICATIONS TO THE CONFLICT OF INTEREST CODE OF THE SANTA CRUZ METRO TRANSIT DISTRICT  
Presented By: Margaret Gallagher, District Counsel  
Staff Report: Attached  
**PUBLIC HEARING WILL TAKE PLACE AT 9:00 A.M. AT THE DECEMBER 15, 2006 BOARD MEETING**
8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE OPTION TO PURCHASE EIGHT (8) 40-FOOT COMPRESSED NATURAL GAS BUSES FROM THE CITY OF CULVER CITY WITH NEW FLYER OF AMERICA  
Presented By: Mark Dorfman, Assistant General Manager  
Staff Report: Attached  
**ACTION REQUESTED AT THE DECEMBER 8, 2006 BOARD MEETING**
9. CONSIDERATION OF ACCEPTANCE OF FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR FOR YEAR ENDING JUNE 30, 2006  
Presented By: Elisabeth Ross, Finance Manager  
Staff Report: Attached

10. CONSIDERATION OF APPROVAL OF **RESOLUTION** REVISING FY 06-07 BUDGET  
Presented By: Elisabeth Ross, Finance Manager  
Staff Report: **WILL BE INCLUDED IN THE DECEMBER 15, 2006 BOARD PACKET**
11. CONSIDERATION OF APPROVAL OF 2007 STATE LEGISLATIVE PROGRAM  
Presented By: Leslie R. White, General Manager  
Staff Report: Attached
12. CONSIDERATION OF APPROVAL OF 2007 FEDERAL LEGISLATIVE PROGRAM  
Presented By: Leslie R. White, General Manager  
Staff Report: Attached
13. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
14. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

## **SECTION II: CLOSED SESSION**

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

## **SECTION III: RECONVENE TO OPEN SESSION**

15. REPORT OF CLOSED SESSION

**ADJOURN**

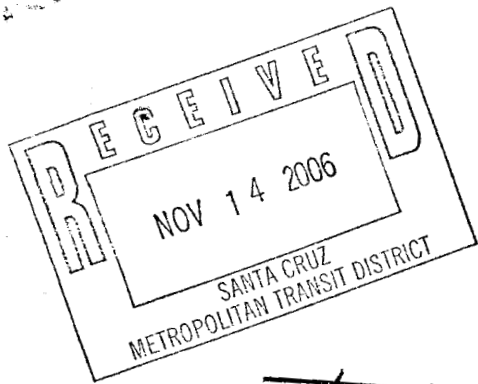
**NOTICE TO PUBLIC**

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

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

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

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



Metro Board - waiting for an over  
due Bus or one that does not show up  
in a no Brainer - where Bus people  
be late to time - to wait for them. that  
should be on time - Capitola bus the worst  
service of all - one Bus 54 - every 2  
hrs (actually 2 1/2 hrs) as a dis service  
to its passengers - and some of your drivers  
are a carry lot and should be fired  
from a P R job that they are not

2 driving to work its 2 hr wait for 53 -  
and 1 hr for 55 - I walk a lot just  
so I don't have to wait for a Bus. In a  
Senior one should not be walking at  
all. The Buses 10-15 min. Late - 55 is  
always late - 71 or 82 are to S C - 5  
always late 10-15 or 20 min. at least  
some of these Buses don't even show up - to  
apology from drivers - New drivers need more  
training and larger - Barnes

# BR: mixed reviews

Editor — In response to the Nov. 7 article, "Transportation planners cheer bus rapid transit," let me say that I have taken the AC Transit 72-R rapid bus along San Pablo Avenue in Berkeley. As a senior citizen, I find the interior unwelcoming and threatening. There are not enough places to hold on and the bus is likely to start moving before one is seated, particularly if the front seats are filled. Like other newer AC Transit buses, the seats are hard and uncomfortable, not very pleasant for a longer ride.

There are greater and greater cutbacks in routes and frequency of buses. Until recently, there were two bus lines that I could use to get home from the North Berkeley BART station. Now there is none. Instead of opening up, public transportation seems to be cutting back.

ALAN R. MEISEL  
Berkeley

*To Metro Board*

Editor — I've heard far too many people who live in San Francisco's Richmond District say they drive to downtown because taking the bus takes too long. A speedy Bus Rapid Transit line on Geary Boulevard could attract those drivers so they leave their cars at home.

More people using the bus means more



BARRIE MAGUIRE / NewsArt.com

room in the remaining car lanes for those who must drive. Running buses in the center lanes of the street creates a wider, safer median for pedestrians, and allows the many barren stretches of Geary to be beautified. Because buses can complete their runs more quickly, they can make more trips, which will reduce riders' aggravation with overcrowding.

For Muni, more customers means more fare-box revenue, which reduces the pressure for fare increases. Sounds to me like a win for everyone.

MICHAEL ALEXANDER  
San Francisco

L. Barnes  
750 Bay Ave SAN JOSE CA 951

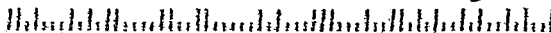
Capitol  
Calif. 95010

148  
15 NOV 2006 PM 3 T



Complaint Santa Cruz Metro  
Dept. 370 Encanal St  
attn. Board & Directors Santa Cruz - Calif.  
95060

83060/2173



2-a.2

Nov. 14, 2006

Board of Directors  
Santa Cruz Metropolitan Transit District  
370 Encinal Street, Suite 100  
Santa Cruz, CA 95060

Dear Board of Directors:

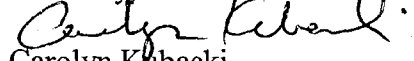
I am writing with a great concern regarding your services to individuals in Watsonville specifically the process for obtaining a METRO photo ID. In the 10 years that I have been teaching students with severe limitations at WHS, community instruction with transit training is a key component in a student's program. To obtain a bus ID to facilitate transit training, we must plan for the 1<sup>st</sup> Tues. of the month from 10:00-2:00. If staff or students are absent, we have had to wait until the following month.

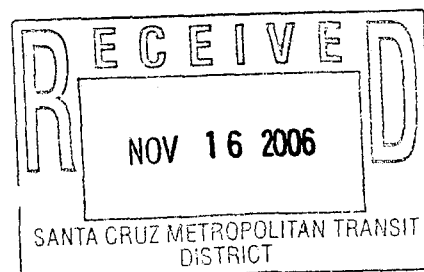
I was pleased when this "window" of opportunity was increased from only 2 hours. And that a transit employee is available every Tues. However, last week on Nov. 7 (the 1<sup>st</sup> Tues. of the month), when 4 of my students and accompanying staff walked from WHS to the transit center, there was no one there. When I called the Santa Cruz customer service number, I was told that there was no one available to send (to Watsonville) but that someone would be there "next week." (Nov. 14)

Today, I called the Customer Service number before sending the same 4 students and staff to the transit center in Watsonville. I was told that there was an employee there for the Photo IDs. There was a transit employee there for the purpose of issuing photo IDs with a broken camera! I called the Santa Cruz customer service number again and was told, to my alarm, that the person had been **sent to Watsonville with a broken camera!**

I want very much for my students at WHS to have the transit training opportunities they deserve and are entitled to. I am disappointed that the Santa Cruz Metropolitan Transit District does not seem to have the same commitment to them or their community.

Sincerely,

  
Carolyn Klubacki  
Teacher, WHS  
Students with Moderate/Severe Limitations



2-b.1





# Watsonville High School

250 East Beach Street  
Watsonville, CA 95076  
(831) 728-6390 FAX (831) 761-6013

SAN JOSE CA 951

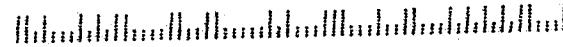
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NOV 15 2006

Board of Directors  
Santa Cruz Metro. Transit District  
370 Encinal St., Suite 100  
Santa Cruz, CA 95060

95060+2173



2-b.2

903 Pacific Ave Suite 200  
Santa Cruz, CA 95060  
831.429.6707

Base Representatives  
Metro 831.423.0319  
Lifeline 831.688-8940 x230

# United Transportation Union

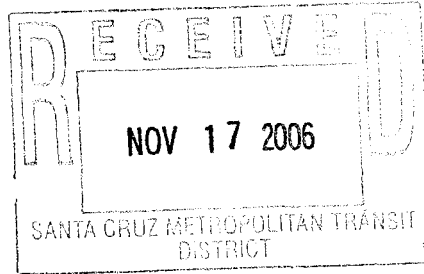
Local 23

The Voice of Rational Transportation In Santa Cruz County, California



November 13, 2006

Leslie White, General Manager  
370 Encinal Street, Suite #100  
Santa Cruz, Ca. 95060



RE: **Article 35 OPERATING POLICY**

**Article 35.03 - Maintenance of On-Time Performance – The District and the Union recognize that efficient route planning and reasonable working conditions require the provision of adequate running time and recovery periods for purpose of maintaining a high level of on—time performance.**

Dear Leslie White,

In reference to the above aforementioned Article and subsection, and in accordance with Article 17 Grievances and Claims, of the Memorandum Of Understanding, The United Transportation Union, Local 23 hereby files a grievance.

Due to the lack of commitment from the Transit District to work together with the Union in order to find the best resolution to on-time performance for fixed route service, the Union has no choice but to file this grievance. The Union has tried to meet with the Transit District to address the issues of providing the best possible on time service to the public, however the District continues to ignore the Union and create service with out any recovery time or adequate running times.

The District has a responsibility to the public and the Operators who work for them, to supply better service. The District has a responsibility to work with the Union to have the best recovery time so that service can run on time. At this time the Union is requesting adequate running times and recovery times to be reestablished for the purpose of maintaining a high level off on time performance.

Respectfully,

Bonnie L. Morr, Chairperson  
United Transportation Union,  
Local 23

Cc C. Aguirre, M. Dorfman, Board of Directors

95:6 HV LI AON 90

2-c.1

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

October 13, 2006

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, October 13, 2006 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA.

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

## SECTION 1: OPEN SESSION

### 1. ROLL CALL:

#### DIRECTORS PRESENT

Jan Beautz (arrived after roll call)  
Dene Bustichi  
Michelle Hinkle  
Mike Keogh  
Kirby Nicol  
Emily Reilly  
Mike Rotkin  
Dale Skillicorn  
Mark Stone (arrived after roll call)  
Marcela Tavantzis

#### DIRECTORS ABSENT

Pat Spence  
Ex-Officio Wes Scott

#### STAFF PRESENT

Ciro Agguire, Operations Manager  
Frank Cheng, MetroBase Project Manager  
Mark Dorfman, Assistant General Manager  
Mary Ferrick, Base Superintendent  
Terry Gale, IT Manager  
Margaret Gallagher, District Counsel

Steve Paulson, Paratransit Administrator  
Elisabeth Ross, Finance Manager  
Robyn Slater, Human Resources Manager  
Tom Stickel, Maintenance Manager  
Les White, General Manager

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

George Dondero, SCCRTC  
Sandra Lipperd, UTU  
Ian McFadden, Transit Planner  
Bonnie Morr, UTU

Will Regan, VMU  
Sylvia Rogers, Payroll Coordinator  
Judy Souza, Mgmt Retiree  
Bob Yount, MAC

### 2. ORAL AND WRITTEN COMMUNICATION

5-1.1

Written:

- |    |                               |   |
|----|-------------------------------|---|
| a. | R. Paul Marcelin-Sampson, MRU | Re: Proposed Monterey Peninsula Service Realignment |
| b. | Bonnie Morr, UTU              | Re: ParaCruz Labor Agreement                        |

Oral:

George Dondero, Santa Cruz County Regional Transportation Commission (SCCRTC), congratulated METRO on the California Transportation Commission's (CTC) allocation of \$13 million in State Transit Improvement Program (STIP) funding to METRO yesterday and also that the SCCRTC's Budget & Administration/Personnel Committee has agreed to make a recommendation to allocate \$285,000 in surplus Transportation Development Act (TDA) funds to METRO.

**3. LABOR ORGANIZATION COMMUNICATIONS**

Bonnie Morr expressed her frustration to the Board with the manner that METRO's Human Resources' is handling a Family Medical Leave Act (FMLA) situation for senior employee Coco Conklin. Ms. Morr said that employees depend on the Human Resources Department to facilitate this type of process, not hinder it and create obstacles.

**DIRECTOR BEAUTZ ARRIVED**

**4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

None.

**CONSENT AGENDA**

**5-1. APPROVE REGULAR BOARD MEETING MINUTES SEPTEMBER 8 & 22, 2006**

Will be included in the October 27, 2006 Board Packet.  
No questions or comments.

**5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF SEPTEMBER 2006**

No questions or comments.

**5-3. ACCEPT AND FILE SEPTEMBER 2006 RIDERSHIP REPORT**

Page 1 of the Ridership Report will be included in the October 27, 2006 Board Packet.  
No questions or comments.

**5-4. CONSIDERATION OF TORT CLAIMS: DENY THE CLAIM OF CANDIDO VELASCO, CLAIM #06-0029**

No questions or comments.

5-1.2

**5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR OCTOBER 18, 2006. (August Minutes not approved by MAC – no September meeting due to lack of quorum)**

No questions or comments.

**5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JULY 2006 AND APPROVAL OF BUDGET TRANSFERS**

Will be included in the October 27, 2006 Board Packet.  
No questions or comments.

**5-7. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR JULY 2006**

Will be included in the October 27, 2006 Board Packet.  
No questions or comments.

**5-8. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF JULY 2006**

No questions or comments.

**5-9. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF AUGUST 2006**

No questions or comments.

**5-10. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE SEPTEMBER 2006 MEETING(S)**

Will be included in the November 2006 Board Packet.  
No questions or comments.

**5-11. ACCEPT AND FILE METROBASE STATUS REPORT**

Les White reported that METRO continues to work with Caltrans on obtaining the encroachment permit required to reconnect the new storms drain at 1122 River Street to replace the existing storm drain, which was corroded away. Frank Cheng added that this issue is in the final stages and METRO has just received the final review comments from Caltrans.

**5-12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH ALLIANT INSURANCE SERVICES FOR LONG TERM DISABILITY INSURANCE**

No questions or comments.

5-1.3

**5-13. ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF JULY, AUGUST & SEPTEMBER 2006**

**Discussion:**

Vice Chair Tavantzis stated that she appreciates the improvement from the 1<sup>st</sup> quarter but feels there is still room for more because past survey reports have been a lot better.

Bonnie Morr stated that solar flares, weather, radio transmissions, etc. can cause announcements to be missed intermittently.

Margaret Gallagher explained that METRO has a program in place that documents and addresses problems with the system, thanks to the cooperation of all parties, beginning with the bus operators reporting any issues they encounter. Terry Gale added that the IT department maintains a database to track system issues and determine if there are consistent behaviors with certain busses or locations.

**5-14. CONSIDERATION OF APPROVAL OF BOARD OF DIRECTORS REGULAR MEETING SCHEDULE FOR 2007**

No questions or comments.

**REGULAR AGENDA**

**6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

This presentation will take place at the October 27, 2006 Board meeting.

**DIRECTOR STONE ARRIVED**

**7. CONSIDERATION OF APPROVAL OF A RESOLUTION DECLARING OCTOBER 19, 2006 AS METRO EMPLOYEE RECOGNITION DAY**

**Summary:**

Les White reported that this Resolution would designate October 19<sup>th</sup> as "METRO Employee Recognition Day" to commemorate the 30<sup>th</sup> anniversary of direct service operation by METRO employees. A perpetual plaque honoring 30-year employees will be presented at the celebration and updated each year as employees reach their 30-year employment anniversary.

Margaret Gallagher invited everyone to attend the celebration event to be held on October 19<sup>th</sup> at 2:00 p.m. at Pacific Station (METRO Center).

Ian McFadden gave a slide presentation of historical METRO photos. Several long-time METRO employees, including recent retiree Judy Souza, were present and provided commentary on the older photos.

**5-1.4**

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR STONE**

**Adopt Resolution designating October 19, 2006 as “METRO Employee Recognition Day” to acknowledge the 30<sup>th</sup> anniversary of direct service operation by METRO employees**

**Motion passed by unanimous affirmative voice vote in lieu of a roll call vote with Director Spence being absent.**

**8. CONSIDERATION FOR THE HUMAN RESOURCES DEPARTMENT TO AUTHORIZE THE USE OF AN EMPLOYEE’S 457 ACCOUNT, WHEN REQUESTED, FOR THE PURCHASE OF “AIR TIME”**

**Summary:**

Robyn Slater reported that the Board had previously prohibited the use of 457 funds to purchase “air time” until the IRS changed it’s regulation regarding this issue. In July 2006 the IRS amended it’s earlier ruling, and now allows active employees to use their individual 457 account to purchase “air time”.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY**

**Authorize the Human Resources department to process requests for the use of individual 457 accounts to purchase “air time” service credits**

**Motion passed unanimously with Director Spence being absent.**

**9. CONSIDERATION OF APPOINTMENT OF DIRECTORS TO THE SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCIC)**

**Summary:**

Chair Rotkin briefly explained that the SCCIC is a financial organization set up to finance bonds. Les White stated that if Measure 1B passes, METRO would use this mechanism to go out to bid for the construction of the MetroBase Operations Building as soon as possible.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR STONE**

**Appoint Jan Beautz, Michelle Hinkle, Emily Reilly, Mike Rotkin and Pat Spence to the Santa Cruz Civic Improvement Corporation (SCCIC) Board of Directors, each for a two-year term**

**Motion passed unanimously with Director Spence being absent.**

**ADJOURN**

There being no further business, Vice Chair Tavantzis adjourned the meeting at 10:20 a.m.

**5-1.5**

Respectfully submitted,



CINDI THOMAS  
Administrative Services Coordinator

DRAFT



# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

October 27, 2006

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, October 27, 2006 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Rotkin called the meeting to order at 9:04 a.m.

## SECTION 1: OPEN SESSION

### 1. ROLL CALL:

#### DIRECTORS PRESENT

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

#### DIRECTORS ABSENT

None

#### STAFF PRESENT

Ciro Aguirre, Operations Manager  
Mark Dorfman, Assistant General Manager  
Mary Ferrick, Base Superintendent  
Steve Paulson, Paratransit Administrator

Elisabeth Ross, Finance Manager  
Robyn Slater, Human Resources Manager  
Les White, General Manager

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

John Mellon, VMU  
Ivan Rusch, Transit User  
Mike Thomassi, "King of Marijuana"

Amy Weiss, Spanish Interpreter  
Bob Yount, MAC

5-1.7

**2. ORAL AND WRITTEN COMMUNICATION**

Written:

- |           |  |            |   |
|-----------|--|------------|---|
| a.        | R. Paul Marcelin-Sampson, MRU                | Re:        | Proposed Monterey Peninsula Service Realignment |
| b.        | Bonnie Morr, UTU                             | Re:        | ParaCruz Labor Agreement                        |
| <u>c.</u> | <u>A. John Daugherty, Chair, E&amp;D TAC</u> | <u>Re:</u> | <u>ParaCruz Customer Guide</u>                  |
| <u>d.</u> | <u>Rosa Dinatale</u>                         | <u>Re:</u> | <u>Service Request Petition</u>                 |

Oral:

Director Spence inquired about the font size of the ParaCruz Customer Guide. Steve Paulson replied that it is 14 point font, which is the smallest font considered “large print” size.

Ivan Rusch, Transit User, stated that he was happy to see a 3-bike rack on a Route 71 bus.

Mike Thomassi, “King of Marijuana”, stated that he believes METRO has the best bus service in America and asked the Board to give all the employees everything they need to do their jobs and have a good life.

**3. LABOR ORGANIZATION COMMUNICATIONS**

Bonnie Morr, UTU, asked when employees would be notified that the Board had approved the purchase of “air time” with 457 funds at their last meeting. Robyn Slater replied that notices would be posted at all sites.

Sandra Lipperd, UTU, reported that METRO had posted her drivers license number, which was included in a tort claim, on its website. Ms. Lipperd feels this was totally inappropriate and is concerned about identity theft and asked that METRO’s procedures be looked at to make sure checks and balances are in place to prevent this in the future.

**Direction:** Director Stone requested a report regarding METRO’s procedures in place to protect employees’ identifying information.

**4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

**SECTION I:**

**OPEN SESSION:**  
**ADD TO ITEM #2**

**ORAL AND WRITTEN COMMUNICATION**  
**(Insert new Written Communication)**

**CONSENT AGENDA:**  
**ADD TO ITEM #5-1**

**APPROVE REGULAR BOARD MEETING MINUTES OF SEPTEMBER 8 & 22, 2006**  
**(Insert Minutes)**

**ADD TO ITEM #5-3**

**ACCEPT AND FILE AUGUST 2006 RIDERSHIP REPORT**  
**(Insert Page 1)**

**5-1.8**

- ADD TO ITEM #5-4** CONSIDERATION OF TORT CLAIMS  
**(Insert new Claims #06-0028 and #06-0031)**
- ADD TO ITEM #5-5** ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC)  
AGENDA FOR OCTOBER 18, 2006 **AND MINUTES OF AUGUST 16, 2006**  
**(Insert Minutes)**
- INSERT ITEM #5-6** ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR  
JULY 2006 AND APPROVAL OF BUDGET TRANSFERS  
**(Insert Staff Report)**
- INSERT ITEM #5-7** ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR JULY  
2006  
**(Insert Report)**

**REGULAR AGENDA:**

- DELETE ITEM #7** CONSIDERATION OF APPROVAL OF A  
**RESOLUTION** DECLARING OCTOBER 19, 2006 AS METRO  
EMPLOYEE RECOGNITION DAY  
**(Deleted: Action taken at the October 13, 2006 Board Meeting)**
- DELETE ITEM #8** CONSIDERATION FOR THE HUMAN RESOURCES DEPARTMENT  
TO AUTHORIZE THE USE OF AN EMPLOYEE'S 457 ACCOUNT,  
WHEN REQUESTED, FOR THE PURCHASE OF "AIR TIME"  
**(Deleted: Action taken at the October 13, 2006 Board Meeting)**
- DELETE ITEM #9** CONSIDERATION OF APPOINTMENT OF DIRECTORS TO THE  
SANTA CRUZ CIVIC IMPROVEMENT CORPORATION  
**(Deleted: Action taken at the October 13, 2006 Board Meeting)**
- ADD ITEM #10** **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER  
TO PROVIDE SHUTTLE SERVICE FOR A COUNTY PUBLIC  
HEALTH DRILL/EXERCISE ON DECEMBER 9, 2006**  
**(Insert Staff Report)**
- ADD ITEM #11** **CONSIDERATION OF THE APPOINTMENT OF A MEMBER OF THE  
BOARD OF DIRECTORS TO THE SANTA CRUZ COUNTY  
REGIONAL TRANSPORTATION COMMISSION'S  
TRANSPORTATION FUNDING TASK FORCE AS A  
REPLACEMENT FOR DIRECTOR PAT SPENCE**  
**(Insert Staff Report)**
- ADD ITEM #12** **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER  
TO EXECUTE A CONTRACT FOR THE CONSTRUCTION OF THE  
METROBASE MAINTENANCE BUILDING**  
**(Insert Staff Report)**
- ADD ITEM #13** **CONSIDERATION OF APPROVING THE UPDATED EQUAL  
EMPLOYEE OPPORTUNITY PLAN (EEO)**  
**(Insert Staff Report)**

5-1.9

- ADD ITEM #14**                    **CONSIDERATION OF RESOLUTION AUTHORIZING AN AMENDED CLAIM TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR FY 2007 STATE TRANSIT ASSISTANCE FUNDS (STA) AND TRANSPORTATION DEVELOPMENT ACT (TDA) FUNDS**  
(Insert Staff Report)
- ADD ITEM #15**                    **ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR NOVEMBER 17, 2006 – WATSONVILLE CITY COUNCIL CHAMBERS, 250 MAIN STREET, WATSONVILLE**  
(Oral Announcement – no documentation)

**CONSENT AGENDA**

- 5-1. **APPROVE REGULAR BOARD MEETING MINUTES SEPTEMBER 8 & 22, 2006**
- 5-2. **ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF SEPTEMBER 2006**
- 5-3. **ACCEPT AND FILE SEPTEMBER 2006 RIDERSHIP REPORT**
- 5-4. **CONSIDERATION OF TORT CLAIMS: DENY THE CLAIM OF CANDIDO VELASCO, CLAIM #06-0029; DENY THE CLAIM OF JOHN RAMSAY, CLAIM #06-0028; DENY THE CLAIM OF ZANAIDA SUMANO, CLAIM #06-0031**
- 5-5. **ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR OCTOBER 18, 2006 AND MINUTES OF AUGUST 16, 2006**
- 5-6. **ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JULY 2006 AND APPROVAL OF BUDGET TRANSFERS**
- 5-7. **ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR JULY 2006**
- 5-8. **ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF JULY 2006**
- 5-9. **ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF AUGUST 2006**
- 5-10. **DELETED: WILL BE INCLUDED IN THE NOVEMBER 2006 BOARD PACKET**  
(ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE AUGUST 2006 MEETING(S))
- 5-11. **ACCEPT AND FILE METROBASE STATUS REPORT**
- 5-12. **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH ALLIANT INSURANCE SERVICES FOR LONG TERM DISABILITY INSURANCE**
- 5-13. **ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF JULY, AUGUST & SEPTEMBER 2006**
- 5-14. **CONSIDERATION OF APPROVAL OF BOARD OF DIRECTORS REGULAR MEETING SCHEDULE FOR 2007**

**ACTION:    MOTION:    DIRECTOR REILLY                    SECOND:    DIRECTOR SKILLICORN**

**Approve the Consent Agenda**

**Motion passed unanimously with all Directors present.**

**5-1.10**

**REGULAR AGENDA**

**6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

The following employee was awarded a longevity certificate for his years of service:

**TWENTY FIVE YEARS**  
Bruce I. Grobman, Bus Operator

**10. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO PROVIDE SHUTTLE SERVICE FOR A COUNTY PUBLIC HEALTH DRILL/EXERCISE ON DECEMBER 9, 2006 CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO PROVIDE SHUTTLE SERVICE FOR A COUNTY PUBLIC HEALTH DRILL/EXERCISE ON DECEMBER 9, 2006**

Mark Dorfman requested that this item be deleted because the County has selected another location for the drill and will no longer need shuttle service.

**11. CONSIDERATION OF THE APPOINTMENT OF A MEMBER OF THE BOARD OF DIRECTORS TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S TRANSPORTATION FUNDING TASK FORCE AS A REPLACEMENT FOR DIRECTOR PAT SPENCE**

**Summary:**

Chair Rotkin reported that Director Spence had submitted a letter of resignation from the TTF because of her concern about not being able to attend all of the meetings due to the locations not being completely accessible. Les White reported that he had communicated personally with George Dondero who had indicated to him that the SCCRTC staff were working diligently to find accessible meeting locations, but made no guarantees.

**Discussion:**

Chair Rotkin asked for volunteers to serve on the TTF and received no response. Director Beautz nominated Director Nicol, who accepted. Chair Rotkin stated that no second was required for the nomination.

**ACTION: MOTION: DIRECTOR BEAUTZ**

**Appoint Director Nicol to serve on the Santa Cruz County Regional Transportation Commission's Transportation Funding Task Force to replace Director Spence**

**Motion passed unanimously with all Directors present.**

**5-1.11**

**12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR THE CONSTRUCTION OF THE METROBASE MAINTENANCE BUILDING**

**Summary:**

Les White reported that this new Vehicle Maintenance Building is intended to replace the current facilities at 138 Golf Club Drive and the leased facilities at 111 Dubois. Mr. White explained that the 138 Golf Club Drive facility will operate during construction at that site. The contract calls for building half of the new facility, installing a temporary wall, moving the Golf Club maintenance operations into the new facility, demolishing the current Golf Club facility, then completing the other half of the new facility, removing the temporary wall, and finally moving the Dubois maintenance operations into the new facility.

Staff recommends that the Board award the 32-month construction contract to West Bay Builders, Inc. The engineer's estimate was \$15,550,000 and the contractor's bid was \$15,195,000 and the difference will be used towards change orders against the contract.

**Discussion:**

Bonnie Morr, UTU, asked that UTU be notified of how this project will impact METRO employees. Ms. Morr asked if there was a labor agreement with this company. Les White replied, no, but there is a Labor Harmony clause, and the executive order from the Bush administration prohibited METRO from formally entering into a Project Labor Agreement.

**ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR ROTKIN**

**Authorize the General Manager to execute a contract for the construction of the MetroBase Vehicle Maintenance Building with West Bay Builders, Inc. for an amount not to exceed \$15,195,000.00. Approve the following construction contract change order procedures that will apply to this construction contract:**

- 1) For any change order request from the contractor the exceeds \$50,000, District Staff will review and present such request to the District's Board of Directors for approval;**
- 2) For any change order request from the contractor that is \$50,000 or less, approval of the change order will require review and approval from the following three personnel: District's Construction Manager (Harris & Associates), District's Project Manager (Frank Cheng) and either the District's General Manager or Assistant General Manager; and**
- 3) District Staff shall report every month to the Board of Directors on all change orders processed for this contract.**

**Motion passed unanimously with all Directors present.**

**5-1.12**

**13. CONSIDERATION OF APPROVING THE UPDATED EQUAL EMPLOYEE OPPORTUNITY PLAN (EEO)**

**Summary:**

Robyn Slater reported that the FTA last approved METRO's EEO updated plan in 2003 and is now requiring METRO to submit an updated plan. METRO's plan has been updated based on workforce data through December 31, 2005. Ms. Slater added that METRO has significantly increased the number of recruitments over the last few years.

**ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR TAVANTZIS**

**Adopt the Equal Opportunity (EEO) Plan for the Santa Cruz Metropolitan Transit District**

**Motion passed unanimously with all Directors present.**

**14. CONSIDERATION OF RESOLUTION AUTHORIZING AN AMENDED CLAIM TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR FY 2007 STATE TRANSIT ASSISTANCE FUNDS (STA) AND TRANSPORTATION DEVELOPMENT ACT (TDA) FUNDS**

**Summary:**

Mark Dorfman reported that the adoption of the attached Resolutions will authorize METRO to submit an amended claim to the SCCRTC for the increased amounts of STA and TDA funds.

**ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR ROTKIN**

**Adopt two Resolutions authorizing Staff to submit an amended claim to the Santa Cruz County Regional Transportation Commission for FY2007 State Transit Assistance (STA) funds and Transportation Development Act (TDA) funds**

**Motion passed by unanimous affirmative voice vote in lieu of a roll call vote with all Directors present.**

**15. ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR NOVEMBER 17, 2006 – WATSONVILLE CITY COUNCIL CHAMBERS, 250 MAIN STREET, WATSONVILLE**

Chair Rotkin announced that the November 17, 2006 Board meeting would be held in Watsonville and noted that it was scheduled one week earlier than normal due to the Thanksgiving Holiday.

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

Les White reported that the Board would have a conference with its Labor Negotiators regarding SEIU, Local 415 and that UTU Labor Negotiations would be deleted from today's Closed Session Agenda.

**5-7.13**

**17. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION**

**SECTION II: CLOSED SESSION**

Chair Rotkin adjourned to Special Open Session at 9:46 a.m., followed by Closed Session and reconvened to Open Session at 10:41 a.m.

**SECTION III: RECONVENE TO OPEN SESSION**

**18. REPORT OF CLOSED SESSION**

Chair Rotkin reported that the Board took no reportable action in Closed Session, but that there was a correction to make on Item #12 of today's Regular Agenda. Les White explained that when the Apprenticeship Program was removed from the contract, the Labor Harmony clause was unintentionally removed as well. The Labor Harmony language will be included in the contract award letter to West Bay Builders, Inc, with the expectation that the contract award is contingent upon their acceptance of the Labor Harmony language.

**ACTION: MOTION: DIRECTOR STONE SECOND: DIRECTOR REILLY**

**Reconsider Item #12 on today's Regular Open Session Agenda**

**Motion passed unanimously with all Directors present.**

**ACTION: MOTION: DIRECTOR STONE SECOND: DIRECTOR REILLY**

**Add that the contract award to West Bay Builders is contingent upon their acceptance of the Labor Harmony language to be included in the contract award letter**

**Motion passed unanimously with all Directors present.**

**ADJOURN**

There being no further business, Chair Rotkin adjourned the meeting at 10:46 a.m.

Respectfully submitted,



CINDI THOMAS  
Administrative Services Coordinator

**5-1.14**



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**SPECIAL Open Session Minutes- Board of Directors**

**October 27, 2006**

A SPECIAL Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, October 27, 2006 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Rotkin called the meeting to order at 9:46 a.m.

**SECTION 1: OPEN SESSION**

**1. ROLL CALL:**

**DIRECTORS PRESENT**

Jan Beautz  
Dene Bustichi  
Michelle Hinkle  
Kirby Nicol  
Mike Keogh  
Emily Reilly  
Mike Rotkin  
Dale Skillicorn  
Pat Spence  
Mark Stone  
Marcela Tavantzis  
Ex Officio Wes Scott

**DIRECTORS ABSENT**

**STAFF PRESENT**

Ciro Aguirre, Operations Manager  
Mark Dorfman, Assistant General Manager  
Mary Ferrick, Base Superintendent  
Steve Paulson, Paratransit Administrator

Elisabeth Ross, Finance Manager  
Robyn Slater, Human Resources Manager  
Les White, General Manager

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

John Mellon, VMU  
Mike Thomassi, "King of Marijuana"

Amy Weiss, Spanish Interpreter  
Bob Yount, MAC

**5-1.15**

2. **CONSIDERATION OF REQUEST TO OPERATE THE HOMELESS SHELTER SHUTTLE**

**Summary:**

Mark Dorfman reported that in the past, METRO has operated the Armory Shuttle providing service to the Homeless Center in transporting individuals to the Armory. When it was established, the tickets that were paid for by the Homeless Shelter covered the cost of operating the shuttle.

METRO ran into difficulty about two years ago because the route was published in Headways, but the Homeless Shelter ran out of funding and could not pay for the service, although METRO had to continue running the shuttle and lost money on the operation. As a result, the method of operating the shuttle service was changed allowing for the service to be stopped if funds are cut.

Currently, the cost to operate the service is anticipated to be approximately \$15,000, which is higher than the Homeless Shelter can fund.

Staff is recommending that the Board authorize Staff to operate the Armory Shuttle this year if the Homeless Center can fully fund the costs associated with the operation, and authorize Staff to make any agreements necessary with the Center to effectuate that operation.

**Discussion:**

Director Reilly asked if there was any funding resources that could help the Homeless Shelter cover the costs to operate the shuttle. Mr. Dorfman explained that the first step was to determine the Board's position, with that answer, the Homeless Shelter could then go back to the County, as well as their donating local agencies to request funding.

Mr. Dorfman replied affirmatively when Director Beautz asked if going to the County meant going to the Cities as well. Director Rotkin added that it is a county-wide program that the Cities and County need to look at funding because it is very important and without it, people end up sleeping in their cars or on lawns.

Director Nicol suggested that METRO operate the service this year and request that the Homeless Center cover the expenses, and if they don't then the program would be dropped next year.

Chair Rotkin replied that the question now is the Board's position of only operating the service if it is fully funded. Mr. Dorfman added that if there is not enough funding, then METRO would negotiate the service provided according to the amount of funding available. Les White added that the current Headways includes the disclaimer that the route may not run if it is not funded.

**Direction:** Director Stone requested a report back to the Board regarding the funding status in a timely manner to avoid having to take emergency action on this issue.

5-1.16

Vice Chair Tavantzis reported that the City of Watsonville would not be participating in the funding of this shuttle because the Watsonville homeless shelter is within walking distance of the Watsonville Transit Center.

Mike Thomassi, "King of Marijuana", urged the Board to take care of poor people.

**ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR SKILLICORN**

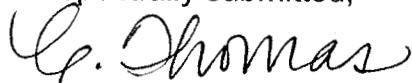
**Authorize Staff to operate the Armory Shuttle this year for the Homeless Center provided that the Homeless Center can fully fund the costs associated with its operation. Staff to report back to the Board regarding the status of the funding in a timely manner to avoid having to take emergency action on this issue**

**Motion passed unanimously with all Directors present.**

**ADJOURN**

There being no further business, Chair Rotkin adjourned the meeting at 9:59 a.m.

Respectfully submitted,



CINDI THOMAS  
Administrative Services Coordinator

**5-1.17**

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

DATE: 11/01/06 THRU 11/30/06

CHECK NUMBER	CHECK DATE	CHECK VENDOR AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
20108	11/10/06	140.83 001018	CABRILLO SAND & GRAVEL		10030	REPAIRS/MAINTENANCE	140.83	
20109	11/10/06	3,574.88 001036	STANDARD INSURANCE COMPANY		10031	NOV LIFE/AD&D INS	3,574.88	
20110	11/10/06	76.02 001038	TWINVISION NA INC.		9978	REV VEH PARTS	76.02	
20111	11/10/06	549.75 001052	MID VALLEY SUPPLY		10032	CLEANING SUPPLIES	549.75	
20112	11/10/06	125.00 001062	ALLTERRA ENVIRONMENTAL INC.		10033	SEPT 06 PROF SVCS	125.00	
20113	11/10/06	5,849.34 001063	NEW FLYER INDUSTRIES LIMITED		9979	REV VEH PARTS (40)	-40.37	
					9980	REV VEH PARTS (70)	-70.11	
					9981	REV VEH PARTS 405	404.69	
					9982	REV VEH PARTS 151	150.75	
					9983	REV VEH PARTS 9	8.64	
					9984	REV VEH PARTS 1088	1,088.07	
					9985	REV VEH PARTS 41	40.76	
					9986	REV VEH PARTS 1494	1,494.47	
					9987	REV VEH PARTS 2772	2,772.44	
20114	11/10/06	338.82 001112	BRINKS AWARDS & SIGNS	7	10034	PLATE/PLAQUE/ADM	338.82	
20115	11/10/06	1,027.78 001263	ABBOTT STREET RADIATOR, INC.		10029	OUT RPR REV VEH	1,027.78	
20116	11/10/06	369.22 001315	WASTE MANAGEMENT		10036	OCT RESEARCH PARK	170.56	
					10037	OCT HERMON/KINGS	44.10	
					10038	OCT KINGS VILLAGE	154.56	
20117	11/10/06	137.98 001711	MOHAWK MFG. & SUPPLY CO.		9988	REV VEH PARTS/SUPP	137.98	
20118	11/10/06	730.00 001857	SWRCB FEES		10035	STORM WATER PERMIT	730.00	
20119	11/10/06	9,128.00 001976	SPORTWORKS NORTHWEST, INC.		9989	8 BIKE RACKS 9128	9,128.00	
20120	11/10/06	53.00 001986	WAGER CO., INC. ROBERT		9990	SMALL TOOL 53	53.00	
20121	11/10/06	3,839.73 001A	AT&T/MCI		10039	OCT PHONES/PT	56.08	
					10040	OCT PHONES/IT	1,484.49	
					10041	OCT PHONES/PT	497.85	
					10042	OCT PHONES	1,801.31	
20122	11/10/06	94.65 002063	COSTCO		9991	PHOTO PROC/OPS	29.08	
					9992	PHOTO PROC /OPS	36.86	
					10043	LOCAL MEETING EXP	28.71	
20123	11/10/06	730.00 002069	A TOOL SHED, INC.		10044	10/3 EQUIP RENTAL	15.00	
					10045	10/18-10/19 RENTAL	715.00	
20124	11/10/06	2,800.90 002117	IULIANO	7	9993	06/07 PROP TAX #1	374.38	
					9994	06/07 PROP TAX #1	2,426.52	
20125	11/10/06	2,500.00 002267	SHAW & YODER, INC.		10046	SEPT LEGISLATIVE SVC	2,500.00	
20126	11/10/06	1,650.00 002287	CALIFORNIA SERVICE EMPLOYEES		10047	NOV MEDICAL	1,650.00	
20127	11/10/06	27,363.60 002295	FIRST ALARM		9995	SEPT SECURITY	27,123.60	
					10048	AUG-SEPT DISPATCH/PT	240.00	
20128	11/10/06	1,150.58 002459	SCOTTS VALLEY WATER DISTRICT		10049	08/7-10/6 KINGS VLG	1,150.58	
20129	11/10/06	2,436.66 002805	TELEPATH CORPORATION		9996	NOV MAINT/RPRS	2,436.66	
20130	11/10/06	21,399.37 002829	VALLEY POWER SYSTEMS, INC.		9997	REV VEH PARTS	93.51	
					9998	REV VEH PARTS	649.50	
					9999	REV VEH PARTS	69.63	
					10000	REV VEH PARTS	947.76	
					10001	REV VEH PARTS	1,626.05	
					10002	REV VEH PARTS	227.77	
					10003	REV VEH PARTS	69.05	
					10004	REMANUFACTURED ENG	17,716.10	
20131	11/10/06	42,045.81 002860	HOBLOIT MOTORS		10005	3 FORD FOCUS SEDANS	42,045.81	
20132	11/10/06	787.50 002884	DR. PETER C. CASSINI		10050	RECORDS REVIEW/RISK	787.50	

5-2.1

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

DATE: 11/01/06 THRU 11/30/06

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
20133	11/10/06	4,740.66	009 PACIFIC GAS & ELECTRIC		10051	09/29-10/31 ENCINAL	2,870.58	
					10052	09/29-10/27 VERNON	62.06	
					10053	9/29-10/27 RIVER	1,808.02	
20134	11/10/06	774.91	039 KINKO'S INC.		10054	SEPT PRINTING/CS	712.28	
					10055	OCT PRINTING/HRD	62.63	
20135	11/10/06	98.94	061 REGISTER PAJARONIAN		10056	ADVERTISING/HRD	98.94	
20136	11/10/06	91.10	061A REGISTER PAJARONIAN		10006	CLASS ADV/FLT	91.10	
20137	11/10/06	6,702.81	079 SANTA CRUZ MUNICIPAL UTILITIES		10057	9/28-10/26 PACIFIC	2,347.42	
					10058	9/28-10/26 PACIFIC	100.24	
					10059	10/16-10/24 RIVER ST	29.83	
					10060	09/26-10/24 GOLF CLB	864.56	
					10061	9/26-10/24 ENCINAL	109.93	
					10062	9/26-10/24 DUBOIS ST	347.41	
					10063	9/26-10/24 ENCINAL	774.46	
					10064	9/26-10/24	2,128.96	
20138	11/10/06	632.90	117 GILLIG CORPORATION		10008	REV VEH PARTS	8.44	
					10009	REV VEH PARTS	624.46	
20139	11/10/06	391.69	148 ZEP MANUFACTURING COMPANY		10010	CLEANING SUPP	391.69	
20140	11/10/06	1,372.50	158 DLD TRUCK STRAPS, INC.		10011	REV VEH PARTS	1,372.50	
20141	11/10/06	1,142.80	215 IKON OFFICE SOLUTIONS		10065	COPIER OVERAGE/PT	1,142.80	
20142	11/10/06	755.89	225 MISSION PRINTERS	7	10066	PRINT BUS PASSES	755.89	
20143	11/10/06	453.92	282 GRAINGER		10012	CLEANING SUPP	169.52	
					10067	REPAIRS/MAINTENANCE	284.40	
20144	11/10/06	1,016.14	291 STANLEY ACCESS TECHNOLOGIES		10068	DOOR SVC	1,016.14	
20145	11/10/06	435.00	309 GOOD TIMES		10069	1/2 PG JOB FAIR AD	435.00	
20146	11/10/06	481.44	372 FEDERAL EXPRESS		10013	OCT MAILING /FLT	103.44	
					10014	OCT MAILING/FLT	47.22	
					10070	SEPT/OCT MAIL/ADM	330.78	
20147	11/10/06	20.79	418 COUNTY OF SANTA CRUZ		10015	CNG 7/06	20.79	
20148	11/10/06	53.22	434B VERIZON CALIFORNIA		10016	MT.BIEWLASKI	53.22	
20149	11/10/06	101.16	448 UNISOURCE		10017	OFFICE SUPPLIES	101.16	
20150	11/10/06	333.00	481 PIED PIPER EXTERMINATORS, INC.		10071	OCT PEST CONTROL	333.00	
20151	11/10/06	550.00	490 FAST RESPONSE ON-SITE		10018	PROF/TECH SERVICES	550.00	
20152	11/10/06	224.34	493 IMAGING PRODUCTS INTERNATIONAL		10019	PHOTO SUPPLY/OPS	224.34	
20153	11/10/06	57.83	504 CUMMINS WEST, INC.		10020	REV VEH PARTS	57.83	
20154	11/10/06	307.33	511 LUMINATOR		10021	REV VEH PARTS 307	307.33	
20155	11/10/06	1,182.50	575 JAQUA OF CALIFORNIA		10072	CONCRETE BENCH LEGS	1,182.50	
20156	11/10/06	3,060.00	582 TOYOTA OF SANTA CRUZ		10022	OTH VEH WARRANTY	3,060.00	
20157	11/10/06	1,371.50	592 R & S ERECTION OF		10073	RPR PAIR CABLE DRUMS	1,371.50	
20158	11/10/06	1,476.00	623 ROSSBRO ENGINEERING LTD.		10023	REV VEH PARTS 1476	1,476.00	
20159	11/10/06	90.67	647 GFI GENFARE		10024	REV VEH PARTS	90.67	
20160	11/10/06	1,473.15	739 CENTURY CHEVROLET		10074	OUT REP REV VEH/PT	1,473.15	
20161	11/10/06	309.55	788 SCMTD PETTY CASH - FINANCE		10075	PETTY CASH/FINANCE	309.55	
20162	11/10/06	36,804.72	800 DELTA DENTAL PLAN		10076	NOV DENTAL	36,804.72	
20163	11/10/06	4,796.37	851 I.M.P.A.C. GOVERNMENT SERVICES		10077	4055019201231020	4,796.37	
20164	11/10/06	5,234.45	852 LAW OFFICES OF MARIE F. SANG	7	10078	WORKERS COMP CLAIMS	46.50	
					10079	WORKERS COMP CLAIMS	5,187.95	
20165	11/10/06	1,376.90	871 YARDER MANUFACTURING COMPANY		10025	REV VEH PARTS 1377	1,376.90	
20166	11/10/06	1,110.00	878 KELLY SERVICES, INC.		10080	TEMP/FIN W/E 10/08	960.00	
					10081	10/9 CONVERSION FEE	150.00	

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

DATE: 11/01/06 THRU 11/30/06

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
20167	11/10/06	113.66	882	PRINT SHOP SANTA CRUZ		10082	PRINTING/METRO	113.66	
20168	11/10/06	1,575.93	909	CLASSIC GRAPHICS		10026	OUT RPR REV VEH	1,575.93	
20169	11/10/06	15,211.27	941	ASSURANT EMPLOYEE BENEFITS		10083	NOV LTD INS	15,211.27	
20170	11/10/06	10.83	946	ACME AND SONS		10027	FENCE RENT/DUBOIS	10.83	
20171	11/10/06	100.00	B003	BEAUTZ, JAN	7	10088	OCT BOARD MTG	100.00	
20172	11/10/06	50.00	B006	HINKLE, MICHELLE	7	10090	OCT BOARD MTG	50.00	
20173	11/10/06	100.00	B007	KEOGH, MICHAEL	7	10091	OCT BOARD MTG	100.00	
20174	11/10/06	100.00	B011	REILLY, EMILY	7	10093	OCT BOARD MTG	100.00	
20175	11/10/06	100.00	B012	SPENCE, PAT	7	10095	OCT BOARD MTG	100.00	
20176	11/10/06	100.00	B014	CITY OF WATSONVILLE		10097	OCT BOARD MTG	100.00	
20177	11/10/06	100.00	B015	ROTKIN, MIKE	7	10094	OCT BOARD MTG	100.00	
20178	11/10/06	100.00	B017	STONE, MARK	7	10096	OCT BOARD MTG	100.00	
20179	11/10/06	100.00	B018	BUSTICHI, DENE	7	10089	OCT BOARD MTG	100.00	
20180	11/10/06	100.00	B020	NICOL, KIRBY		10092	OCT BOARD MTG	100.00	
20181	11/10/06	247.50	E269	RYLANDER, REED		10084	SUPP LIFE INS	247.50	
20182	11/10/06	17.00	E373	DORFMAN, MARK		10085	TRAVEL/PARKING EXP	17.00	
20183	11/10/06	340.64	M100	GARCIA, SANTIAGO		10028	MED PYMT SUPP	340.64	
20184	11/10/06	11,045.79	R445	USAA INSURANCE		10086	SETTLEMENT/RISK	11,045.79	
20185	11/10/06	21.00	R462	ROBISON, MARY		10087	PARACRUZ PREPAID	21.00	
20186M	11/15/06	10.00	784	FRANCHISE TAX BOARD		10190	CAL EXPT ORG FEE	10.00	MANUAL
20187M	11/15/06	975.00	002880	CA EXEMPT FILING FEE					
				CITY OF SANTA CRUZ		10289	TREE REMOVAL PERMIT	975.00	MANUAL
				TREE REMOVAL PERMIT					
20188	11/17/06	406.11	001	SBC		10140	NOV REPEATERS/OPS	406.11	
20189	11/17/06	270.01	001044	PACKET FUSION, INC.		10141	MAC SVC CALL	270.01	
20190	11/17/06	413.96	001057	AMERICAN CLEANWAY, INC.		10142	REPAIRS/MAINTENANCE	413.96	
20191	11/17/06	1,678.01	001063	NEW FLYER INDUSTRIES LIMITED		10099	REV VEH PARTS 564	564.28	
						10100	REV VEH PARTS 149	148.77	
						10101	REV VEH PARTS 502	502.52	
						10102	REV VEH PARTS 462	462.44	
20192	11/17/06	11,464.36	001075	SOQUEL III ASSOCIATES	7	9000686	RESEARCH PARK RENT	11,464.36	
20193	11/17/06	7,590.00	001076	BROUGHTON LAND, LLC		9000687	110 VERNON ST RENT	7,590.00	
20194	11/17/06	196.00	001093	KROLL LABORATORY SPECIALISTS		10143	9/27-10/20 DRG TESTS	196.00	
20195	11/17/06	1,407.05	001119	MACERICH PARTNERSHIP LP	7	9000688	CAPITOLA MALL RENT	1,407.05	
20196	11/17/06	107,835.02	001316	DEVCO OIL		10103	10/22-10/31 FUEL-FLT	45,031.11	
						10104	11/1-11/13 FUEL-FLT	62,803.91	
20197	11/17/06	1,432.59	001346	CITY OF SANTA CRUZ		10144	STRM FLD/WATER	1,432.59	
20198	11/17/06	286.44	001856	BAY COMMUNICATIONS	7	10145	OUT REPAIR PHONES	286.44	
20199	11/17/06	150.95	002063	COSTCO		10105	PHOTO PROC-OPS	28.91	
						10146	OFFICE SUPPLIES/FIN	67.21	
						10147	OFFICE SUPPLIES/PT	54.83	
20200	11/17/06	26,500.00	002116	HINSHAW, EDWARD & BARBARA	7	9000689	370 ENCINAL RENT	26,500.00	
20201	11/17/06	14,214.64	002117	IULIANO	7	9000690	111 DUBOIS RENT	11,214.64	
						9000691	115 DUBOIS RENT	3,000.00	
20202	11/17/06	1,280.28	002189	BUS & EQUIPMENT		10148	REV VEH PARTS/PT	1,280.28	
20203	11/17/06	150.00	002295	FIRST ALARM		10149	OCT DISPATCH SERVICE	150.00	
20204	11/17/06	189.00	002309	JEA & ASSOCIATES	7				VOIDED
	11/29/06	-189.00				10107	OFFICE SUPPLIES	0.00	
20205	11/17/06	5,000.00	002346	CHANEY, CAROLYN & ASSOC., INC.		10150	NOV LEGISLATIVE SVCS	5,000.00	
20206	11/17/06	1,100.00	002385	OPTIMUM BUSINESS SERVICES, INC	0	10106	MAINT AGREEMENT FLT	1,100.00	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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20207	11/17/06	511.06	002504	TIFCO INDUSTRIES		10108	PARTS & SUPPLIES	325.67	
						10109	REV VEH PARTS/SUPP	185.39	
20208	11/17/06	1,373.69	002542	WILDPACKETS, INC.		10191	COMPUTER SUPPLIES	1,373.69	
20209	11/17/06	49,675.49	002569	COMERICA BANK		10151	WORK COMP FUND	49,675.49	
20210	11/17/06	1,919.46	002721	NEXTEL COMMUNICATIONS		10152	10/4-11/3 PHONES/PT	1,919.46	
20211	11/17/06	1,214.13	002802	BATTERY SYSTEMS		10110	REV VEH PARTS	1,214.13	
20212	11/17/06	1,755.00	002823	PAT PIRAS CONSULTING	7	10153	PROF SVCS THRU 10/31	1,755.00	
20213	11/17/06	9,061.19	002829	VALLEY POWER SYSTEMS, INC.		10111	REV VEH PARTS	2,245.46	
						10112	REBUILD TRANSMISSION	6,815.73	
20214	11/17/06	1,551.36	002877	CREST TALMADGE SALES INC.		10154	CLEANING SUPPLIES	1,551.36	
20215	11/17/06	337.19	002879	DEAN LEWIS ASSOCIATES, INC.		10113	OTH MOB SUPPLIES	337.19	
20216	11/17/06	654.60	002881	ADVANCED ELECTRONICS SOLUTIONS		10114	OUT RPR REV VEH	654.60	
20217	11/17/06	16,342.27	009	PACIFIC GAS & ELECTRIC		10115	CNG-FLT 10/1-10/31	8,906.51	
						10155	09/29-10/30 FLEET	5,380.06	
						10156	10/04-11/02 PACIFIC	2,055.70	
20218	11/17/06	80.00	014	CABRILLO COLLEGE		10157	FINGERPRINTING	80.00	
20219	11/17/06	9,973.44	018	SALINAS VALLEY FORD SALES		10116	REV VEH PARTS	3,356.25	
						10117	REV VEH PARTS	1,142.03	
						10118	REV VEH PARTS	1,697.81	
						10119	REV VEH PARTS	3,777.35	
20220	11/17/06	3,022.47	041	MISSION UNIFORM		10120	UNIF/LAUNDRY-FLT	2,502.53	
						10158	OUT UNIF/LAUNDRY/PT	82.84	
						10159	OCT UNIF/LAUNDRY/FAC	437.10	
20221	11/17/06	18.24	042	ORCHARD SUPPLY HARDWARE		10160	REPAIRS/MAINTENANCE	18.24	
20222	11/17/06	3,712.34	043	PALACE ART & OFFICE SUPPLY		10161	OFFICE SUPPLIES	3,712.34	
20223	11/17/06	682.34	075	COAST PAPER & SUPPLY INC.		10121	CLEANING SUPPLIES	95.48	
						10162	CLEANING SUPPLIES	449.21	
						10163	CLEANING SUPPLIES	137.65	
20224	11/17/06	1,414.00	080	STATE BOARD OF EQUALIZATION		10164	OCT USE TAX PREPAY	1,414.00	
20225	11/17/06	18,835.05	085	DIXON & SON TIRE, INC.		10122	OCT TIRES & TUBES/FL	17,015.96	
						10165	OCT TIRES/TUBES/PT	1,819.09	
20226	11/17/06	27.06	104	STATE STEEL COMPANY		10123	PARTS & SUPPLIES	27.06	
20227	11/17/06	382.05	107	SAN LORENZO LUMBER		10124	PARTS/CLEANING SUPP	208.57	
						10166	REPAIRS/MAINTENANCE	173.48	
20228	11/17/06	2,617.84	110	JESSICA GROCERY STORE, INC.	9000692	10167	CUSTODIAL SERVICES	2,617.84	
20229	11/17/06	47.61	123	BAY PHOTO LAB		10167	PHOTO PROCESS/PT	47.61	
20230	11/17/06	10.01	130	CITY OF WATSONVILLE UTILITIES		10168	10/1-11/1 RODRIGUEZ	10.01	
20231	11/17/06	1,675.74	135	SANTA CRUZ AUTO PARTS, INC.		10125	REV VEH PTS/SUPP	1,399.68	
						10169	REV VEH PARTS/PT	276.06	
20232	11/17/06	319.29	147	ZEE MEDICAL SERVICE CO.					VOIDED
	11/29/06	-319.29							
20233	11/17/06	2,491.52	161	OCEAN CHEVROLET		10170	SAFETY SUPPLIES	0.00	
						10126	REV VEH PARTS/FLT	319.12	
						10171	REV VEH PARTS/ PT	2,172.40	
20234	11/17/06	1,343.63	166	HOSE SHOP, THE		10127	PARTS/SUPP-FLT	547.79	
						10128	REV VEH PTS/SUPP-FLT	566.88	
						10172	REPAIRS/MAINTENANCE	228.96	
20235	11/17/06	1,482.48	170	TOWNSEND'S AUTO PARTS		10129	CLEAN SUPP/PARTS	1,482.48	
20236	11/17/06	501.67	172	CENTRAL WELDER'S SUPPLY, INC.		10130	PARTS & SUPPLIES	185.77	
						10173	NITROGEN FOR LNG/MB	315.90	
20237	11/17/06	779.40	215A	IKON FINANCIAL SERVICES		10131	COPIER LEASE-OPS	779.40	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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20238	11/17/06	3,039.60	221		10132	REV VEH PARTS 3040	3,039.60	
20239	11/17/06	395.31	249		10133	TOWING #2302	395.31	
20240	11/17/06	73.69	294		10134	SUPP/PTS/TOOL REPLAC	73.69	
20241	11/17/06	68.20	298		10174	SCORING SERVICES	68.20	
20242	11/17/06	184.00	367		10175	TV COVERGE 10/27 MTG	184.00	
20243	11/17/06	174.25	405	7	10176	OUT RPR/EXHAUST FAN	174.25	
20244	11/17/06	120.16	436		10177	CA PRACTICE UPDATE	120.16	
20245	11/17/06	2,570.94	480		10135	REV VEH PARTS	2,570.94	
20246	11/17/06	242.70	504		10136	REV VEH PARTS	242.70	
20247	11/17/06	41.04	510A		10178	12/1-12/31 RENTAL/PT	41.04	
20248	11/17/06	162.51	579		10137	SAFETY SUPPLIES 163	162.51	
20249	11/17/06	265.00	632		10179	MEMBERSHIP RENEW/FIN	265.00	
20250	11/17/06	70.00	682	7	10180	OCT INTERPRETER	70.00	
20251	11/17/06	220.00	745		10181	HEALTH PERMITS	220.00	
20252	11/17/06	76.52	848		10182	COMPUTER SUPPLIES/IT	76.52	
20253	11/17/06	30.00	880		10183	PROF/TECH SVC/RLSK	30.00	
20254	11/17/06	49.00	886		10138	OFFICE SUPPLIES	49.00	
20255	11/17/06	1,710.93	909		10139	OUT RPR REV VEH	1,710.93	
20256	11/17/06	914.94	943		10184	OCT JANITORIAL SVC	914.94	
20257	11/17/06	225.00	957		10185	STEEL PLATE RENTAL	225.00	
20258	11/17/06	317.14	959		10186	4/10-10/26 DRG TESTS	317.14	
20259	11/17/06	17,119.80	977		10187	OCT 06 PT SVCS	17,119.80	
20260	11/17/06	100.00	B016	7	10188	NOV BOARD MTG	100.00	
20261	11/17/06	276.22	M003		9000693	MED PYMT SUPP	276.22	
20262	11/17/06	281.87	M005		9000694	MED PYMT SUPP	281.87	
20263	11/17/06	319.37	M007		9000695	MED PYMT SUPP	319.37	
20264	11/17/06	319.37	M010		9000696	MED PYMT SUPP	319.37	
20265	11/17/06	237.26	M016		9000697	MED PYMT SUPP	237.26	
20266	11/17/06	82.11	M022		9000698	MED PYMT SUPP	82.11	
20267	11/17/06	42.58	M030		9000699	MED PYMT SUPP	42.58	
20268	11/17/06	42.58	M033		9000700	MED PYMT SUPP	42.58	
20269	11/17/06	21.29	M036		9000701	MED PYMT SUPP	21.29	
20270	11/17/06	21.29	M039		9000702	MED PYMT SUPP	21.29	
20271	11/17/06	21.29	M040		9000703	MED PYMT SUPP	21.29	
20272	11/17/06	42.58	M041		9000704	MED PYMT SUPP	42.58	
20273	11/17/06	42.58	M042		9000705	MED PYMT SUPP	42.58	
20274	11/17/06	94.71	M043		9000706	MED PYMT SUPP	94.71	
20275	11/17/06	21.29	M050		9000707	MED PYMT SUPP	21.29	
20276	11/17/06	72.86	M051		9000708	MED PYMT SUPP	72.86	
20277	11/17/06	42.58	M054		9000709	MED PYMT SUPP	42.58	
20278	11/17/06	295.99	M057		9000710	MED PYMT SUPP	295.99	
20279	11/17/06	295.99	M058		9000711	MED PYMT SUPP	295.99	
20280	11/17/06	322.93	M061		9000712	MED PYMT SUPP	322.93	
20281	11/17/06	262.30	M064		9000713	MED PYMT SUPP	262.30	
20282	11/17/06	36.17	M068		9000714	MED PYMT SUPP	36.17	
20283	11/17/06	41.06	M069		9000715	MED PYMT SUPP	41.06	
20284	11/17/06	41.06	M070		9000716	MED PYMT SUPP	41.06	
20285	11/17/06	215.56	M072		9000717	MED PYMT SUPP	215.56	
20286	11/17/06	215.56	M073		9000718	ME PYMT SUPP	215.56	
20287	11/17/06	215.56	M074		9000719	MED PYMT SUPP	215.56	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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20288	11/17/06	215.56	M075	HOWARD, CAROL		9000720	MED PYMT SUPP	215.56	
20289	11/17/06	215.56	M076	VONWAL, YVETTE		9000721	MED PYMT SUPP	215.56	
20290	11/17/06	94.71	M077	BRADFORD, THOMAS		9000722	MED PYMT SUPP	94.71	
20291	11/17/06	72.86	M078	BRIDINGER, DENISE		9000723	MED PYMT SUPP	72.86	
20292	11/17/06	36.43	M080	CARR, DALE		9000724	MED PYMT SUPP	36.43	
20293	11/17/06	55.40	M081	HALL, JAMES		9000725	MED PYMT SUPP	55.40	
20294	11/17/06	21.29	M082	HINDIN, LENORE		9000726	MED PYMT SUPP	21.29	
20295	11/17/06	42.58	M085	ROSSI, DENISE		9000727	MED PYMT SUPP	42.58	
20296	11/17/06	21.29	M086	TOLINE, DONALD		9000728	MED PYMT SUPP	21.29	
20297	11/17/06	21.29	M088	YAGI, RANDY		9000729	MED PYMT SUPP	21.29	
20298	11/17/06	20.15	M090	CLARKE, PATRICIA		9000730	MED PYMT SUPP	20.15	
20299	11/17/06	41.06	M092	CRAWFORD, TERRI		9000731	MED PYMT SUPP	41.06	
20300	11/17/06	41.06	M095	DIXON, GEORGE		9000732	MED PYMT SUPP	41.06	
20301	11/17/06	41.06	M096	DRAKE, JUDITH		9000733	MED PYMT SUPP	41.06	
20302	11/17/06	41.06	M098	FAUCI, SUSAN		9000734	MED PYMT SUPP	41.06	
20303	11/17/06	41.06	M099	FIKE, LOUIS		9000735	MED PYMT SUPP	41.06	
20304	11/17/06	42.58	M100	GARCIA, SANTIAGO		9000736	MED PYMT SUPP	42.58	
20305	11/17/06	41.06	M101	GOES, ALAN		9000737	MED PYMT SUPP	41.06	
20306	11/17/06	20.15	M103	JEMISON, MAURICE		9000738	MED PYMT SUPP	20.15	
20307	11/17/06	41.06	M104	JUSSEL, PETE		9000739	MED PYMT SUPP	41.06	
20308	11/17/06	20.15	M105	KOHAMA, MARY		9000740	MED PYMT SUPP	20.15	
20309	11/17/06	20.15	M106	LYALL, JOHN		9000741	MED PYMT SUPP	20.15	
20310	11/17/06	41.06	M108	MILLER, FOREST		9000742	MED PYMT SUPP	41.06	
20311	11/17/06	20.15	M111	SANCHEZ, FELIX		9000743	MED PYMT SUPP	20.15	
20312	11/17/06	41.06	M112	SILVA, EDUARDO		9000744	MED PYMT SUPP	41.06	
20313	11/17/06	41.06	M115	WILLIAMS, CHRIS		9000745	MED PYMT SUPP	41.06	
20314	11/17/06	2,573.31	R465	STATE FARM INSURANCE		10189	SETTLEMENT/RISK	2,573.31	
20315M	11/17/06	118.05	R466	GILBERT, MARTIN		10288	SETTLEMENT/RISK	118.05	MANUAL
				REIMBURSEMENT					
TOTAL		589,446.97		COAST COMMERCIAL BANK			TOTAL CHECKS	208	589,446.97

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**Page 1 of the November Ridership  
Report will be included in the  
January 2007 Board Packet.**

BUS OPERATOR LIFT TEST \*PULL-OUT\*

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

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF NOVEMBER 2006

BUS #	DATE	DAY	REASON
2203CG	30-Nov	Thursday	Lift will not go flush with floor (tripping hazard)
2213CN	9-Nov	Thursday	Kneel is not working properly, will tilt but not lower
2213CN	22-Nov	Wednesday	Most of the time bus does not kneel flat
2223CN	13-Nov	Monday	When it kneels "up" or "down" it doesn't have a warning sound
2301OR	23-Nov	Thursday	No power to w/c or to kneel
8078F	22-Nov	Wednesday	Rapid air loss w/kneel engaged
9808LF	2-Nov	Thursday	Kneeling buzzer doesn't work
9816LF	13-Nov	Monday	Kneel doesn't have an audible sound
9827LF	28-Nov	Wednesday	Ramp Deploy switch must be held down for about 30 seconds before ramp begins to move -low on hydraulic fluid?
9831G	6-Nov	Monday	Kneel doesn't work
9839G	16-Nov	Thursday	Lift didn't went up above the person way on the lift ramp
9840G	17-Nov	Friday	Lift got stuck & S-28 got it working

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

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

5-3.3

**Page 4 of the November Ridership  
Report will be included in the  
January 2007 Board Packet.**

**5-3.4**

# GOVERNMENT TORT CLAIM

## RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Schneeberger, James  
Date of Incident: 11/02/06

Received: 11/16/06 Claim #: 06-0038  
Occurrence Report No.: SC 11-06-03

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

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

By Margaret Gallagher  
Margaret Gallagher  
DISTRICT COUNSEL

Date: 11-20-06

---

I, Cindi Thomas, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of December 15, 2006.

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

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

MG/lg  
Attachment(s)

5-4.1

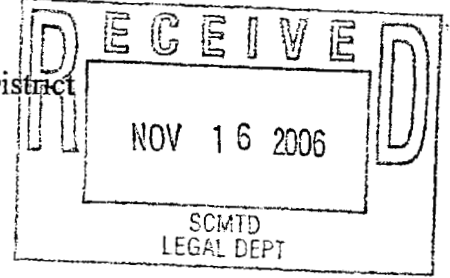
**CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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

Claim # 060038

TO: BOARD OF DIRECTORS, Santa Cruz Metropolitan Transit District

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



1. Claimant's Name: JAMES H. SCHNEEBERGER

Claimant's Address/Post Office Box: \_\_\_\_\_

Claimant's Phone Number: \_\_\_\_\_

2. Address to which notices are to be sent: \_\_\_\_\_

3. Occurrence: DAMAGE TO PERSONAL PROPERTY (76 TOYOTA)

Date: 11-2-06 Time: 4:00 AM Place: GOLF ST, SANTA CRUZ

Circumstances of occurrence or transaction giving rise to claim:

BUS BACKED INTO VEHICLE.

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: DRIVER DOOR, REAR VIEW MIRROR, LEFT FRONT ~~QUARTER~~ QUARTER PANEL, FRONT BUMPER, GRILL.

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

6. Amount claimed now .....	\$ <u>1592.83</u>
Estimated amount of future loss, if known .....	\$ _____
TOTAL .....	\$ <u>1592.83</u>

7. Basis of above computations: \_\_\_\_\_

James H. Schneberger  
CLAIMANT'S SIGNATURE (or Company  
Representative or Parent of Minor Claimant)

11/15/06  
DATE

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

# GOVERNMENT TORT CLAIM

## RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Bauer, Ken  
Date of Incident: 10/11/06

Received: 11/27/06 Claim #: 06-0039  
Occurrence Report No.: SC 10-06-04

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

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

By Margaret Gallagher  
Margaret Gallagher  
DISTRICT COUNSEL

Date: 11-30-06

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I, Cindi Thomas, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of December 15, 2006.

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

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

MG/lg  
Attachment(s)



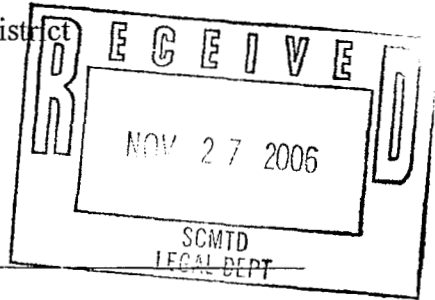
CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

Claim # SC10-06-04

TO: BOARD OF DIRECTORS, Santa Cruz Metropolitan Transit District

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



1. Claimant's Name: KEN BAUER

Claimant's Address/Post Office Box:

Claimant's Phone Number:

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

3. Occurrence: SC Metro Bus

Date: 10/11/2006 Time: ~ 10 AM Place: Walnut & Cedar Aves SC

Circumstances of occurrence or transaction giving rise to claim: Vehicle was parked & disabled on Cedar Ave. SC Bus stopped & honked. My car extended into crosswalk, turn was difficult. I explained car was disabled & returned and sat in car. SC Bus attempted turn anyway and hit the rear bumper, left side, with the side of the bus. Bus did not stop.

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: Damage to rear bumper. No injury.

5. Name or names of public employees or employees causing injury, damage, or loss, if known: Not known.

6. Amount claimed now .....	\$ <u>973.46</u>
Estimated amount of future loss, if known .....	\$ _____
TOTAL .....	\$ <u>973.46</u>

7. Basis of above computations: Lesser of two estimates attached.

K. Bauer  
CLAIMANT'S SIGNATURE (or Company Representative or Parent of Minor Claimant)

11/20/2006  
DATE

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

5-4.4



**Agenda**  
**METRO Advisory Committee**

6:00 pm  
December 20, 2006  
920 Pacific Avenue  
Santa Cruz, California

1. Roll Call
2. Agenda Additions/Deletions
3. Oral/Written Communication
4. Consideration of Minutes of November 15, 2006
5. Ridership Report for October 2006
6. ParaCruz Operations Status Report for August 2006
7. Discussion of Disabled Riders Being Unable to Board Buses When Lifts are Broken
8. Discussion of Possible Ways to Address Construction Delays with CalTrans
9. Discussion of Ways for MAC and/or MAC Members to Support Metro's Requests for Proposition 1B and 1C Funds
10. Consideration of Need for Security Guards/Surveillance at the Watsonville Transit Center and Whether There is Available Funding
11. Discussion of MAC Agenda Packet Distribution
12. Discussion of MAC Member Attendance Notification
13. Consideration of 2007 MAC Meeting Schedule
14. Communications to METRO General Manager
15. Communications to METRO Board of Directors
16. Items for Next Meeting Agenda
17. Adjournment

Next Meeting: Wednesday, January 17<sup>th</sup>, 2007 @ 6:00 pm  
Santa Cruz Metro Conference Room

5-5.1

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**Minutes - METRO Advisory Committee (MAC)**

**October 18, 2006**

A Regular Meeting of the METRO Advisory Committee (MAC) met on Wednesday, October 18, 2006 at the METRO Center Conference Room, 920 Pacific Avenue, Santa Cruz, CA.

Vice Chair Norm Hagen called the meeting to order at 6:05 p.m.

**1. ROLL CALL:**

**MEMBERS PRESENT**

Dan Alper  
Norm Hagen, Vice Chair  
Naomi Gunther  
Paul Marcelin-Sampson  
Mara Murphy  
Stuart Rosenstein (arrived after roll call)  
Dave Williams

**VISITORS PRESENT**

Drew Salzbom, UCSC Student

**MEMBERS ABSENT**

Dennis Papadopulo  
Lesley Wright  
Robert Yount, Chair

**STAFF PRESENT**

Ciro Aguirre, Operations Manager  
Donna Canales, Customer Service Coord.  
Vicki Hernandez, Customer Service  
Mark Dorfman, Assistant General Manager  
Mary Ferrick, Base Superintendent  
Ian McFadden, Transit Planner  
Steve Paulson, Paratransit Administrator  
Les White, General Manager

**2. AGENDA ADDITIONS/DELETIONS**

None.

**3. ORAL/WRITTEN COMMUNICATION**

Oral: Vice Chair Norm Hagen thanked all the SCMTD staff that helped out on the Watsonville Transit Center security issue. Mr. Hagen spoke briefly on a meeting with Watsonville Asst. City Manager Marcela Tavantzis and Chief of Police Terry Medina pertaining to the security issue at the Transit Center. Mr. Hagen stated that according to Chief Medina, the Watsonville Police Department currently drives by the Watsonville Transit Center on an hourly basis and that Chief Medina would be in favor of an officer exiting his/her vehicle and doing a walkthrough of the Center and checking in with the staff of Jessica's Grocery Store.

**5-5.2**

**4. CONSIDERATION OF MINUTES OF AUGUST 16, 2006 (No September Meeting, Lack of Quorum)**

**ACTION: MOTION: PAUL MARCELIN-SAMPSON SECOND: DAN ALPER**

**ACCEPT AND FILE MINUTES OF THE AUGUST MEETING AS PRESENTED.**

**Motion passed unanimously with Dennis Papadopulo, Lesley Wright and Robert Yount being absent.**

**5. RIDERSHIP REPORTS FOR JULY AND AUGUST 2006**

Vice Chair Norm Hagen conveyed his approval of the increased ridership in South County as reflected in the Ridership Reports.

**6. PARACRUZ OPERATIONS STATUS REPORT FOR MAY AND JUNE, 2006**

Vice Chair Norm Hagen commented on the approval of the Senior Commission on ParaCruz operations as it relates to shared rides.

Paul Marcelin-Sampson pointed out the data in the Status Report that shows during the Fiscal Year shared rides had gone from under 60% up to two-thirds of the ridership. Mr. Marcelin-Sampson continued to explain the report concerning the "Scheduled" rides verses the "Performed" rides and how a decision has been made to change the Reservation Window from 14 days in advance to 3 days in order to reduce the number of unused scheduled rides.

Les White described the formation of the ADA and how it relates to paratransit and gave a brief description of the variables involved and the viewpoints of different organizations and how that effects transportation. Mr. White concluded by stating that tensions between senior citizens and people with disabilities will always exist and that any change in the ADA must come at the federal level.

**7. DISCUSSION OF RIDERSHIP REPORT IMPROVEMENTS**

Paul Marcelin-Sampson stated that the current format of the Ridership Report requires additional information in order to make conclusions on what the numbers represent. Vice Chair Norm Hagen stated that he realized that creating multiple reports to reflect all aspects of ridership would be time consuming and costly. Mr. Hagen inquired as to whether or not the data could be easily regrouped in order to create specific reports without incurring large amounts of time and money.

Paul Marcelin-Sampson describe how many of the numbers on the report can be misinterpreted and gave some examples. Mr. Marcelin-Sampson then presented the Committee with a Ridership Report from the Monterey-Salinas Transit (MST), which is attached to the file copy of these minutes, for consideration in redesigning the SCMTD's Ridership Report. Mark Dorfman stated he could ask the SCMTD Planning Department to adjust the current Ridership Report to reflect some of the information similar to that of the MST's report, although doing so would delay the release of the report an additional

month. Mr. Dorfman also suggested making up some rough draft reports based on the Committee's suggestions and present them to the Committee for review. The conversation then turned to adding or adjusting service routes.

Les White explained how the Ridership Report is used to evaluate productivity and performance of routes. Mr. White explained that in addition to the Ridership Report the Labor Contract is crucial in decision-making on route additions/deletions and adjustments. Mr. White then gave some examples of how decisions are made and some of the many factors used in decision-making.

Ian McFadden described how surveys and point checks are used to gather information.

**ACTION: MOTION: DAVE WILLIAMS SECOND: MARA MURPHY**

**MAC RECOMMENDS THAT PAUL MARCELIN-SAMPSON PROVIDE HIS SUGGESTIONS FOR CHANGES TO MONTHLY RIDERSHIP REPORT FORMAT FOR MAC TO REVIEW.**

**Motion passed unanimously with Dennis Papadopulo, Lesley Wright and Robert Yount being absent.**

**ITEMS 8 AND 12 WERE COMBINED FOR DISCUSSION AT THIS TIME**

**8. DISCUSSION OF AIRPORT TRANSIT BROCHURE**

**12. DISCUSSION OF CUSTOMER SERVICE**

Stuart Rosenstein stated his interest in a centralized source of information for transit services to and from the Bay Area airports including a phone number where the information would be accessible. Mr. Rosenstein inquired if the SCMTD Customer Service receives many inquiries about service to the airports and if so how they are addressed. Donna Canales, Customer Service Coordinator for SCMTD, described the types of inquiries the Customer Service Department receives. Ms. Canales explained that there are generally multiple options to travel to and from the airports involving other transit systems although it is difficult and sometimes unpredictable to offer SCMTD customers scheduling information from another transit system. Ms. Canales stated that current procedure for San Francisco, Oakland and San Jose airport transportation inquiries is to offer the customer the associated phone numbers and/or any current information available.

Les White referred to the Agenda Packet information from the [www.iridethebus.org](http://www.iridethebus.org) website regarding transit to and from the airports. Mr. White stated that the outlined information is very systematic and very excellent and would be a great asset to a traveler in viewable form but could not be condensed down into phone instructions very well.

Dan Alper inquired about the existence of the free 511 phone line<sup>1</sup> in the Santa Cruz area. Les White stated that the Santa Cruz County Regional Transportation Commission

<sup>1</sup> 511 is a free phone and Web service that consolidates Bay Area transportation information into a one-stop resource.

(SCCRTC) made a conscious decision and voted not to participate in the 511 system when invited to join it about 3 years ago. Paul Marcelin-Sampson explained how the 511 system is accessible from the Santa Cruz area and where to find the phone numbers.

Dan Alper inquired about readdressing the SCCRTC on participating in the 511 system. Mark Dorfman stated that the SCMTD will have funds available in July of 2007 to incorporate a web based information center and explained how the system would also have Interactive Voice Response (IVR) Speech Recognition and explained many of the uses that would be possible.

Les White suggested that MAC could recommend that the Board of Directors request that the SCCRTC reconsider the 511 program as part of the SCMTD's web based project.

Paul Marcelin-Sampson suggested using additional tools such as MapQuest, iridethebus.org and 511.org when addressing the customer's inquiries over the phone. Naomi Gunther mentioned an instance when she called Customer Service asking about bus stop information and was unable to receive the information requested. Donna Canales described some of the tools currently used by Customer Service including local area maps and the Facilities Book. Ian McFadden suggested supplying Customer Service with the Stop Announcement list.

**ACTION: MOTION: DAN ALPER SECOND: PAUL MARCELIN-SAMPSON**

**MAC RECOMMENDS THAT THE BOARD OF DIRECTORS REQUEST THAT THE SCCRTC RECONSIDER INTEGRATING THE 511 PROGRAM AS PART OF THE SCMTD'S WEB BASED PROJECT OR AS AN ALTERNATIVE CREATE A 24 HOUR PHONELINE.**

**Motion passed with Norm Hagen abstaining and Dennis Papadopulo, Lesley Wright and Robert Yount being absent.**

The Committee thanked Donna Canales and Vicki Hernandez for attending and excused them from the remainder of the meeting.

**DAN ALPER LEFT AT THIS TIME**

**9. DISCUSSION OF METRO SMOKING/NON-SMOKING POLICY IN AND AROUND TRANSIT CENTERS INCLUDING CONSIDERATION OF PUBLIC OPINION**

Deferred to next MAC Meeting

**10. CONSIDERATION OF NEED FOR SECURITY GUARDS/SURVEILLANCE AT THE WATSONVILLE TRANSIT CENTER AND WHETHER THERE IS AVAILABLE FUNDING**

Deferred to next MAC Meeting

**11. CONSIDERATION OF REQUIREMENTS REGARDING PRIORITY SEATING ON THE BUSES**

Deferred to next MAC Meeting

**13. DISCUSSION OF SERVICE TO UCSC**

Paul Marcelin-Sampson introduced Drew Salzborn as a guest from UCSC. Mr. Salzborn stated he was attending the meeting as an observer and that Larry Pageler, Co-Director of Planning and Analysis of Transportation and Parking Services (TAPS) at UCSC has delayed any decisions related to student recommendations for express service.

Stuart Rosenstein inquired if this is a situation that MAC could assist with. Mark Dorfman explained that under the current contract between SCMTD and UCSC the University can request any services desired but the request must come from the University directly. Les White advised that the topic is between the University Administration and the Student Body and should not be addressed directly by SCMTD or MAC.

Naomi Gunther stated she had heard complaints on the Route 20 service to the University and would like to know more about route scheduling for the campus. Ian McFadden gave a brief description on campus service and the introduction of supplemental services. Mr. McFadden explained that the primary concerns with campus express service are class time changes and the students using the express service as a convenient method of getting downtown creating overcrowding. Mr. McFadden stated that both of these situations decrease the effectiveness of the service. Drew Salzborn stated that the students also use the service to travel around the campus thus defeating the service's intention. Paul Marcelin-Sampson suggested using the Talking Bus feature to make announcements at the bus stops stating the purpose of the specific route. Stuart Rosenstein suggested using the campus media to inform the students about bus service for the University.

**14. COMMUNICATIONS TO METRO GENERAL MANAGER**

None.

**15. COMMUNICATIONS TO METRO BOARD OF DIRECTORS**

None.

**16. ITEMS FOR NEXT MEETING AGENDA**

- Ridership Report
- ParaCruz Operations Status Report
- Discussion of Ridership Report Improvements
- Discussion of METRO Smoking/Non-Smoking Policy In and Around Transit Centers Including Consideration of Public Opinion
- Consideration of Need for Security Guards at the Watsonville Transit Center and Whether There is Available Funding (Attached Report on Crime from Watsonville Police Department)
- Consideration of Requirements Regarding Priority Seating on the Buses
- Presentation of Scheduling Procedure by SCMTD Operations Department

**ADJOURN**

There being no further business, Vice Chair Norm Hagen thanked everyone for participating, and he adjourned the meeting at 7:55 p.m.

Respectfully submitted,



Dale Hamilton  
ADMINISTRATIVE ASSISTANT



# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006  
**TO:** Board of Directors  
**FROM:** Steve Paulson, Paratransit Administrator  
**SUBJECT: METRO PARACRUZ OPERATIONS STATUS REPORT**

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

- METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.
- METRO assumed direct operation of paratransit services November 1, 2004.
- Regulations regarding lunch and rest breaks became effective August 1, 2005.
- Operating Statistics and customer feedback information reported are for the month of September 2006.
- On time performance and operating efficiency are impacted by widespread roadwork.

## III. DISCUSSION

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

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

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

During the month of September, twelve (12) service complaints and two (2) compliments were received. Four (4) of the complaints was found to be "not valid". Four (4) of the valid complaints

5-8.1

was related to vehicles running late. One (1) complaint was a driver failed to escort customer door-to-door. One (1) complaint was caused by an employee of the Contractor blocking a neighbor's driveway while boarding a customer. One (1) complaint was related to a rough ride as a result of poor road conditions.

**Comparative Operating Statistics This Fiscal Year, Last Fiscal Year through September**

	<b>Sept 05</b>	<b>Sept 06</b>	<b>Fiscal 06 YTD</b>	<b>Fiscal 07 YTD</b>
Requested	8,361	8,047	23,663	23,105
Performed	7,220	7,241	20,655	21,034
Cancel	18.65%	17.47%	19.05%	17.82%
No Shows	4.45%	3.04%	4.45%	2.79%
Total miles	55,890	50,255	163,708	148,468
Av trip miles	5.95	5.25	5.83	5.21
Within ready window	90.93%	89.77%	91.56%	90.39%
Excessively late/missed trips	23	30	44	67
Call center volume	6465	5981	19,347	18,170
Call average seconds to answer	29	25	31	23
Hold times less than 2 minutes	90%	95%	89%	95%
Distinct riders	842	808	1,201	1,135
Most frequent rider	57	51	152	143
Shared rides	63.5%	67.0%	59.2%	66.7%
Passengers per rev hour	1.59	1.70	1.54	1.64
Rides by supplemental providers	8.23%	11.95%	7.21%	7.74%
SCT cost per ride	\$22.95	\$23.89	\$22.69	\$22.48
ParaCruz driver cost per ride (estimated)	\$23.31	\$24.99	\$23.92	\$24.70
Rides < 10 miles	79.87%	82.14%	81.29%	81.67%
Rides > 10	20.14%	17.86%	18.71%	18.32%

**IV. FINANCIAL CONSIDERATIONS**

NONE

**V. ATTACHMENTS**

NONE

**5-8.2**

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006

**TO:** Board of Directors

**FROM:** Mark J. Dorfman, Assistant General Manager

**SUBJECT: ACCEPT AND FILE VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS**

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

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

## III. DISCUSSION

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

## IV. FINANCIAL CONSIDERATIONS

There is no cost impact from this action.

## V. ATTACHMENTS

**Attachment A:** Minutes of the October 5, 2006 Regular SCCRTC Meeting

5-10.1

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

Minutes

Thursday,  
October 5, 2006  
9:00 a.m.

Board of Supervisors Chambers  
701 Ocean Street  
Santa Cruz CA 95060

1. Roll Call

Members Present: Cliff Barrett (Alt.)      Emily Reilly  
Jan Beautz      Antonio Rivas  
Gustavo Gonzalez (Alt.)      Dale Skillicorn (Alt.)  
Mike Keogh      Pat Spence  
Dennis Norton      Mark Stone  
Ellen Pirie      Mardi Wormhoudt  
Rich Krumholz (ex-officio)

Staff Present: George Dondero      Karena Pushnik  
Luis Mendez      Tegan Speiser  
Grace Blakeslee      Cory Caletti  
Kim Shultz      Gini Pineda

2. Oral Communications - None

3. Additions or Deletions to Consent and Regular Agendas

Executive Director George Dondero noted replacement pages for Item 10, add-on pages for Items 11 and 24, replacement pages and add-on pages for Item 29 and a handout from Caltrans for Item 25.

Commission Alternate Gonzalez asked to remove Item 8 from the Consent Agenda. Chair Pirie designated it as Regular Agenda Item 29.1.

Executive Director Dondero asked that Item 11 be pulled from the Consent Agenda and it was designated as Item 29.2.

Commissioner Spence asked to pull Item 10 which was designated as Item 29.3.

**CONSENT AGENDA (Wormhoudt/Beautz)**

4. Approved Draft Minutes of the September 7, 2006 Regular SCCRTC Meeting (Commission Alternate Skillicorn abstained)
5. Approved Draft Minutes of the September 21, 2006 Transportation Policy Workshop Meeting (Commission Alternate Skillicorn abstained)

## POLICY

No Consent Items

## PROJECTS and PLANNING

No Consent Items

## COMMISSION BUDGET AND EXPENDITURES

6. Accepted FY 05-06 Internal Annual Financial Reports (enclosed separately for Commissioners only)
7. Approved Staff Recommendations Regarding Out-of-State Travel Authorization for Conferences and Meetings with Federal Legislative Staff

## ADMINISTRATION

8. Approve Commission Meeting Schedule for Next Calendar Year - Moved to the regular Agenda as Item 29.1
9. Approved Staff Recommendation Regarding New Implementation Date for RTC Autonomy
10. Approve Staff Recommendations Regarding RTC Autonomy - Organizational Chart, Salary Schedule and Job Descriptions (Resolution) Moved to the Regular Agenda as Item 29.3
11. Approve Staff Recommendation Regarding Adoption of Section 125 Pre-tax Plan Document (Resolution)- Moved to regular Agenda as Item 29.2

## COMMITTEE MINUTES

12. Accepted Final Minutes of the August 14, 2006 Bicycle Committee Meeting

5-10.92

## INFORMATION/OTHER

13. Accepted Monthly Meeting Schedule
14. Accepted SCCRTC Staff Comment Letters on Draft Environmental Documents and Plans Prepared by Other Agencies - None
15. Accepted Correspondence Log
16. Accepted Letters from SCCRTC Committees and Staff to Other Agencies
  - a. Thank You Letter from the Bicycle Committee to Caltrans for a New Stencil for Cyclists Turning Left from Scotts Valley Drive on to Glenwood Drive
17. Accepted Miscellaneous Written Comments from the Public on SCCRTC Projects and Transportation Issues
18. Accepted Handouts from Staff and Commissioners at Previous Regional Transportation Commission Meetings
19. Accepted Information Items
  - a. Fall 2007 Bike to Work Day Announcement
  - b. Caltrans Announcement of Bicycle Transportation Account (BTA) Application Deadline for Fiscal Year 07/08

## SERVING AS THE SERVICE AUTHORITY FOR FREEWAY EMERGENCIES (SAFE)

20. Accepted Information Item Regarding Release of Request for Proposals for the Freeway Service Patrol (FSP) Towing Service on Highway 17
21. Approved Staff Recommendation Regarding SAFE Funds Loan to the Freeway Service Patrol Program (Resolution 20-07)
22. Accepted 2005 "Safe on 17" Program Annual Report

## REGULAR AGENDA

23. Commissioner Reports

Commissioner Pirie announced that she would not be able to attend the next meeting.

5-10.a3

## 24. Director's Report

Executive Director George Dondero noted that today is Bike to Work Day.

Mr. Dondero said that AMBAG requested letters of support for two grant applications. One is to produce a goods movement study which would help to update the traffic model. The other is to hire interns to work on transit related projects. The intern positions would be shared with other agencies including the SCCRTC. The RTC provided letters of recommendation for these two projects last year and staff plans to provide them again this year.

Commissioner Norton arrived.

Mr. Dondero reported on the Transportation Funding Task Force (TFTF) Funding Workshop 101 which was held on September 21 and the Highway 1 HOV Lanes Open House Meetings held in Aptos, Watsonville and Santa Cruz. He also said that Governor Schwarzenegger signed a bill that would implement a phase out of the discontinued Congestion Mitigation and Air Quality (CMAQ) funds, providing some partial funding for projects affected by the cessation of CMAQ funds. He added that the date for SCCRTC autonomy had been delayed two weeks and that interviews for a state legislative assistant and a pre-proposal conference for prospective Freeway Service Patrol towing services were scheduled for the near future.

**Bill Comfort** said that he enjoyed the PowerPoint presentation at the TFTF workshop and asked if it will be available on the website. Staff confirmed that it will be available.

## 25. Caltrans Report

Rich Krumholz, Caltrans District 5, introduced Aileen Loe as the new Deputy Director for the District.

Mr. Krumholz referred to a handout that dealt with responses to questions raised at the last meeting.

Regarding the Highway 1/17 Merge Lanes project, Mr. Krumholz said that Fernside Street will be closed for two days to save a tree. He said that crews are focused on getting work done on Carbonera Creek which needs to be done

5-10.a4

by mid October as required by the Fish and Game Permit.

In reply to a question from Commissioner Norton, Mr. Krumholz said that storm water devices to safeguard creek water would be used to deal with erosion in the Carbonera Creek area.

26. Highway 1 Auxiliary Lanes Project - Preliminary Engineering and Environmental Documentation: Cooperative Agreement with Caltrans

Senior Planner Kim Shultz explained that a Cooperative Agreement is required whenever a local agency initiates work on a state or federal facility and that the agreement determines the responsibilities of each party.

Responding to a question from Commissioner Rivas, Mr. Shultz confirmed that the Commission will pay for 100% of the production of the document but not for Caltrans oversight.

Commissioner Wormhoudt moved and Commissioner Rivas seconded to approve the staff recommendations that the Regional Transportation Commission approve a resolution authorizing the Executive Director to sign a Cooperative Agreement with the State for the Project Approval/Environmental Documentation (PA/ED) phase of the Highway 1 Soquel/Morrissey Auxiliary Lanes Project.

The motion (Resolution 21-07) passed unanimously.

27. Transportation Related Propositions on November 7, 2006 Ballot

Executive Director George Dondero explained the staff recommendations supporting Propositions 1A, 1B, 1C and 87, noting that Proposition 1B, the transportation bond, did not indicate how the bond service would be paid. He added that although staff recommends supporting Proposition 87, which is intended to provide funding for alternative energy, there could be a loss of fuel taxes of up to \$10 million annually. Mr. Dondero said that staff recommended opposition to Proposition 90 because it would significantly increase projects costs and is overreaching.

Commissioner Keogh said he cannot support the staff recommendations because using bonds is the short road to

5-10.a5



bankruptcy. He said that Propositions 87 and 90 are excellent examples of poorly drawn propositions.

Commissioner Wormhoudt suggested splitting the recommendations and moved to approve the first three staff recommendations that the Regional Transportation Commission take the following positions on three Propositions that are on the November 7, 2006 statewide General Election Ballot:

1. Support Proposition 1A - Dedicates the sales tax on gasoline to transportation;
2. Support Proposition 1B - \$19.9 Billion Transportation Bond;
3. Support Proposition 1C - \$2.9 billion Housing Bond, includes funds for Transit Oriented Development (TOD);

Commissioner Keogh seconded and the motion carried unanimously.

Commissioner Wormhoudt moved and Commissioner Rivas seconded to approve the last two staff recommendations that the Regional Transportation Commission take the following positions on two Propositions that are on the November 7, 2006 statewide General Election Ballot:

4. Support Proposition 87 - Tax on oil producers; and
5. Oppose Proposition 90 - Limits government's ability to acquire private property.

The motion passed with Commissioner Keogh voting "no".

28. Approve Staff Recommendations Regarding CalCOG's 2007 Priority Actions

Executive Director George Dondero said that there was an error on page 28-3, Item 8, and that it should read: "Ensure that federal transportation planning funds are available to regional agencies throughout the year and are not suspended due to the state budget."

Mr. Dondero said that staff does not support CalCOG priorities 2 and 6 which tie the blueprint process to funding.

Commissioner Pirie asked for an explanation of transit spillover funds. Senior Planner Rachel Moriconi explained that in the event that the price of gas increases faster

5-10.26

than the price of other goods and services, the tax revenues generated by the disparity are supposed to "spillover" to transit purposes. Ms. Moriconi said that this has only happened two or three times because the revenues go to the General Fund first and are not always allocated to transit.

Commissioner Wormhoudt moved and Commissioner Reilly seconded to approve the staff recommendations that the Regional Transportation Commission;

1. Review and suggest revisions as appropriate on the draft Priority Actions for 2007 proposed for the California Association of Councils of Governments (CalCOG); and
2. Support the draft Priority Actions for 2007, with the exception of Priority Actions #2 and #6.

The motion passed unanimously.

29. Accessibility of the RTC's Public Meeting Locations

Senior Planner Karena Pushnik said that because of concerns raised by Commissioner Spence regarding accessibility issues with meeting locations and her subsequent resignation as the Metro's representative to the Transportation Funding Task Force due to this lack of accessible venues, staff was asked to address this issue on the November agenda. Ms. Pushnik said that every effort is made to hold meetings in places that are accessible to people with disabilities, but that other factors, such as size, proximity to public transportation and parking pose problems for meeting locations, narrowing the choices.

Commissioner Norton said that he thought that the Jade Street Community Center was an excellent location but that it was considered to be too far from bus service. Commissioners discussed what the requirements should be for accessibility to transit service.

Commissioner Spence said it is important to know the criteria in order to determine if a building complies with American with Disabilities Act (ADA) requirements. She noted the difference between "accessible" and "usable".

Senior Planner Pushnik suggested a matrix of facilities to help in making choices for meeting locations.

5-10.27

Commissioners agreed that there seemed to be a need to determine which buildings were accessible and to notify property owners if they were not in compliance.

Commissioner Wormhoudt said she would like a document showing the status of various buildings. Commissioners discussed the best way to produce a document, agreeing that RTC staff should participate but may not be the most appropriate agency to be the repository of the list.

Commissioner Spence said that the Commission on Disabilities should be involved since they advise the Board of Supervisors and that the report needs to be done by someone with training and knowledge of the code. She asked for more information about meeting facilities at Cabrillo.

Commissioner Norton noted that the ADA changes its code requirements every six years, but that an inventory of accessible meeting places is a good idea. He added that it is the responsibility of local jurisdictions to enforce code compliance.

Commissioner Beautz said that it will be difficult to find meeting space that meets every criterion and suggested that redefining requirements could provide more location possibilities. She said that it was probably not necessary for a location to have the capacity to seat 150 people and that re-thinking the proximity to bus service could add accessible locations, such as the Jade Street Center.

Commissioner Wormhoudt moved to approve the staff recommendations that the Regional Transportation Commission (RTC) accept this information item regarding accessibility of Regional Transportation Commission's public meeting locations, with the added direction to notify property owners whose facilities are not fully accessible.

Commissioner Beautz seconded and the motion passed unanimously.

29.1 Approve Commission Meeting Schedule for Next Calendar Year - Formerly item 8

Commission Alternate Gustavo Gonzalez suggested a second Commission meeting in Watsonville so that there would be more visibility in the south county area. He added that there is less traffic going southbound in the morning.

5-10.a8

Commissioner Rivas supported the idea, saying that Watsonville is becoming more populated.

Commission Alternate Gonzalez moved and Commissioner Rivas seconded to approve the staff recommendation to: Approve the Commission Meeting Schedule for Next Calendar Year with the addition that a second meeting be held in Watsonville.

After discussion, the motion passed unanimously.

29.2 Approve Staff Recommendation Regarding Adoption of Section 125 Pre-tax Plan Document - Formerly Item 11

Senior Planner Tegan Speiser explained that because the SCCRTC was beginning autonomy before the end of the year, it was necessary to have a premium only agreement with AFLAC so that there would be no lapse in employees' ability to pay health care premiums with pre-tax dollars. She said that the other two elements of the Section 125 Pre-Tax Plan Document, the flexible spending plan for un-reimbursed medical expenses and the flexible spending plan for dependent care, could not begin until January, since a short plan year for these two components is not available. Ms. Speiser asked the Commission to adopt the Section 125 Plan and authorize the Executive Director to amend the plan as needed.

In response to a question asked by Commissioner Keogh, Ms. Speiser said that the medical, dental and vision benefits are identical to the County's plan, but that AFLAC is offering other optional products that employees could elect to buy.

Commissioner Wormhoudt moved and Commissioner Rivas seconded to approve the staff recommendations that the Santa Cruz County Regional Transportation Commission:

Approve a resolution adopting a Plan Document to govern the RTC's Section 125 Plans allowing employees to pay for medical and dependent care expenses with pre-tax dollars and to authorize the Executive Director to amend the plan as needed.

The motion (Resolution 22-07) passed unanimously.

5-10.a9

29.3 Approve Staff Recommendations Regarding RTC Autonomy -  
Organizational Chart, Salary Schedule and Job Descriptions  
- Formerly Item 10

Commissioner Spence commented on the job descriptions of the executive Director, Deputy Director, Fiscal Officer and Administrative Services Officer and asked that the responsibility for the budget be given to one specific person.

In response to further questions from Commissioner Spence, Senior Planner Tegan Speiser said that she would clarify language that the Commission will be contracting for services with the Auditor Controller's office.

Commissioners had other suggestions for changes in language within the job descriptions document and questions regarding the structure of the organizational chart and about specific duties assigned to specific jobs.

Commissioner Pirie asked if the staff recommendations could be postponed until the changes were made, but Senior Planner Speiser requested that at least the recommendations for the organizational chart and the salary schedule be adopted today, with revisions to the job descriptions to follow, in order to get into the County system and continue along the critical path to complete the autonomy process.

Commissioner Beautz cited several problems with the organizational chart including the appearance that the Fiscal Officer and the Administrative Services Officer were all Deputy Directors. Commissioner Stone commented that since the organization is so small, it would not be good to have too much of a vertical structure.

Commissioner Stone moved to approve the staff recommendations that the Regional Transportation Commission adopt a revised resolution approving an Organizational Chart and Salary Schedule for the RTC as an autonomous public agency with an effective date of November 4, 2006. He added that the Commission would adopt the job descriptions at its next meeting.

Commissioner Rivas seconded.

5-10.210

After further discussion about the number of planners, their levels and responsibility for the budget, the motion (Resolution 23-07) passed unanimously.

**CLOSED SESSION - Removed from Agenda**

29. Conference with Labor Negotiators Pursuant to Government Code 54957.6

Commission Negotiators: Ellen Aldridge and George Dondero

Bargaining Units: Mid-Management Unit and General Representation Unit

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

Agency Negotiator: Kirk Trost, Miller, Owen & Trost

Negotiation Parties: SCCRTC, Union Pacific

Under Negotiation: Price and Terms

**OPEN SESSION**

31. Next Meetings/Adjournment

The meeting adjourned at 10:37 a.m.

Commissioner Norton announced that this was his last regular meeting.

The next **Transportation Policy Workshop**, which was scheduled for Thursday, October 19, 2006 at 9:00 a.m. at the SCCRTC Offices, 1523 Pacific Avenue, Santa Cruz, CA. **was cancelled.**

The next SCCRTC meeting is scheduled for Thursday, November 2, 2006 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street, 5<sup>th</sup> Floor, Santa Cruz, CA.

Respectfully submitted,

---

Gini Pineda, Staff

5-10. a 11

ATTENDEES

Jennifer Calate  
John Presleigh  
Aileen Loe  
Les White  
Bill Comfort  
Donna Ziel  
Manuel Osorio

Caltrans  
Santa Cruz County DPW  
Caltrans  
SCMTD  
  
Alternate for Mark Stone  
Cabrillo College

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5-10.a12

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006  
**TO:** Board of Directors  
**FROM:** Frank L. Cheng, Project Manager  
**SUBJECT: CONSIDERATION OF METROBASE STATUS REPORT**

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

- Service Building work
  - On November 10, 2006, Caltrans approved the Encroachment Permit work on Highway 9.
  - Arntz proceeding with storm drain connection.
  - Service Building Construction working on building structure.
- Maintenance Building
  - Pre-construction Meeting scheduled for December 6, 2006.
  - On October 27, 2006, METRO awarded IFB 06-01 to West Bay Builders for \$15,195,000 contingent upon Labor Harmony provision in award letter.
  - On November 20, 2006, METRO received signed copies of IFB 06-01 from West Bay Builders.
  - Notice to Proceed is November 27, 2006.

## III. DISCUSSION

Service & Fueling Building work is continuing on 1122 River Street. Concrete work for foundation floor and flooring for facility has been completed. Current work include walls, and roof for the building.

On March 13, 2006, State of California Department of Transportation(Caltrans) issued Potholing permit, one of two permits applied for by METRO/Arntz Builders. The second permit is an encroachment permit for work on Highway 9 to connect to water storm drain and other utilities. On November 10, 2006, Caltrans approved the Encroachment Permit.

On October 27, 2006, METRO brought to the Board of Directors meeting a bid of \$15,195,000 from West Bay Builders. West Bay Builders will be the general contractor for MetroBase IFB 06-01 Maintenance Building. On November 20, 2006, METRO received signed copies of IFB 06-01 from West Bay Builders. Notice to Proceed is November 27, 2006.

New updates for the MetroBase Project can be viewed at <http://www.scmttd.com/metrobase>

5-11.1



Information on the project, contact information, and MetroBase Hotline number (831) 621-9568 can be viewed on the website.

New updates on the MetroBase Project:

- Received Caltrans Encroachment Permit.
- Scheduled Pre-Construction meeting for IFB 06-01 Maintenance Building on December 6, 2006.
- Notice to Proceed on IFB 06-01 is November 27, 2006.

Previous information regarding the MetroBase Project:

A. Service & Fueling Building (IFB 05-12)

- Received Caltrans Encroachment Permit.
- Service Building Construction working on building structure.
- Department of Fish&Game approved work on outfall construction completed.
- Concrete work for floor foundation area complete.
- Concrete work for LNG pad and containment area completed.
- Change Order #2 and #3 approved.
- Concrete Driven Piles completed end of May 2006.
- Arntz Builders trailer and containers installed adjacent to 1122 River Street
- Public Outreach Newsletter sent to areas possibly affected by construction.
- Notice to Proceed issue effective January 9, 2006 with 365 calendar day construction period.
- Weekly Construction Meetings

B. Maintenance Building (IFB 06-01)

- IFB 06-01 Maintenance Building awarded to West Bay Builders for \$15,195,000 contingent upon Labor Harmony provision in award letter.
- Invitation For Bid 06-01 available at Watsonville BluePrint. Pre-Bid Conference scheduled for September 6, 2006 at 110 Vernon Street, Suite B, Santa Cruz, CA. IFB 06-01 Bid due on October 17, 2006 at 2:00 pm.
- Construction schedule set to 32 months
- RNL contract modified for added Maintenance Building scope
- RNL began working on the Maintenance Building portion of the MetroBase project.
- Harris & Associates contract modified for added Maintenance Building scope.

5-11.2

**IV. FINANCIAL CONSIDERATIONS**

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

**V. ATTACHMENTS**

**None**

**5-11.3**

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

## NOTICE OF ACTION TAKEN IN CLOSED SESSION MEMORANDUM

DATE: December 8, 2006

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: Notification Of Action Taken In Closed Session Regarding The Following Claim On The Date Indicated:

1. Settlement with USAA Insurance (Subrogating for Goovars, Mary) on November 13, 2006

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1. Settlement with USAA Insurance (Subrogating for Goovars, Mary)

On April 28, 2006 in closed session you authorized a property damage settlement in the above-entitled matter, for an accident that occurred on March 21, 2006 in Watsonville, California. The following Directors authorized the settlement: Jan Beautz, Dene Bustichi, Michelle Hinkle, Mike Keogh, Kirby Nicol, Emily Reilly, Mike Rotkin, Dale Skillicorn, Pat Spence, and Marcela Tavantzis. Director Mark Stone was absent. Pursuant to this direction, a fully executed release for the settlement in the amount of Eleven Thousand Forty Five and 79/100 Dollars (\$11,045.79) was received from the claimant and a District warrant was issued to USAA in accordance with this direction.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006  
**TO:** Board of Directors  
**FROM:** Robyn D. Slater, Human Resources Manager  
**SUBJECT: CONSIDERATION OF ADOPTION OF THE REVISED EQUAL EMPLOYMENT OPPORTUNITY PLAN**

## I. RECOMMENDED ACTION

**Consider adoption of the Equal Opportunity Plan (EEO plan) for the Santa Cruz Metropolitan Transit District with modifications as suggested at the October 27, 2006 Board meeting.**

## II. SUMMARY OF ISSUES

- The Federal Transit Administration (FTA) requires METRO to submit an updated EEO plan every three years for review and approval as part of federal funding requirements.
- The plan was brought before the Board at the October 27, 2006 board meeting and conditionally approved pending modifications as discussed at the Board meeting.

## III. DISCUSSION

Upon review the following errors were noted and modified in the 2006 Equal Employment Opportunity Plan:

Chart 2 on page 9 of the plan – Area Work Force totals were revised in all categories.  
Appendix E – Current Sexual Harassment Policy was inserted.  
Appendix G – The Job Category, “Official and Clerical” was changed to “Administrative Support Workers”.

## IV. FINANCIAL CONSIDERATIONS

None

## V. ATTACHMENTS

**Attachment A:** Equal Employment Opportunity Plan 2006 -2008

5-13.1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

EQUAL EMPLOYMENT OPPORTUNITY

PLAN



2006 -2008

5-13.21

## BOARD OF DIRECTORS

MIKE ROTKIN, CHAIR  
MARCELA TAVANTZIS, VICE CHAIR  
JAN BEAUTZ  
DENE BUSTICHI  
MICHELLE HINKLE  
MIKE KEOGH  
KIRBY NICOL  
EMILY REILLY  
DALE SKILLICORN  
PAT SPENCE  
MARK STONE  
WES SCOTT

Leslie White, Secretary/General Manager  
Robyn D. Slater, Human Resources Manager

5-13-a2

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### APPENDICES

- Appendix A Discrimination Complaint Procedure
- Appendix B Reasonable Accommodation Procedure
- Appendix C Policy Regarding Persons with Disabilities
- Appendix D Life Threatening Illness Policy
- Appendix E Sexual Harassment Policy (includes complaint procedure)
- Appendix F Race/Ethnic Identification
- Appendix G Description of EEOC Job Categories
- Appendix H Definitions

5-13.23

## I. EQUAL EMPLOYMENT OPPORTUNITY POLICY

The Santa Cruz Metropolitan Transit District (District) Board of Directors hereby reaffirms the Equal Employment Opportunity Policy and practices of planning, implementing and administering its employment policies, procedures and programs without regard to race, color, ancestry, national origin, religious creed, sex, medical condition or disability, age, marital status, veteran status, or sexual orientation. This policy applies to all employees and applicants for employment and to all aspects of employment including recruitment, appointment, training, promotion, transfer, termination, layoff, recall, compensation and discipline.

The District's goal is to achieve a workforce that is represented in all occupational areas and at all employment levels by minorities and females in numbers consistent with the percentage of these groups represented in the area workforce. Through the establishment and implementation of this policy, it is the intent of the District Board of Directors to actively support and comply with the following laws and regulations: the Equal Pay Act of 1963; Title VII of the Civil Rights Act of 1964, as amended; Civil Rights Act of 1991; the Urban Mass Transportation Act of 1964, as amended; the Age Discrimination in Employment Act of 1967; Section 504 of the Rehabilitation Act of 1973; the Vietnam Era Veterans Readjustment Assistance Act of 1974; Americans with Disabilities Act of 1990; and the California Fair Employment and Housing Act.

The District recognizes that a prohibition of discriminatory employment practices alone will neither achieve this goal nor insure equal employment opportunity, but that the District must take affirmative action in order to overcome the effects of discrimination. Such affirmative action steps are designed to remove and prevent artificial barriers to employment and the benefits of employment and to correct the effects of any past practices that may have created such barriers.



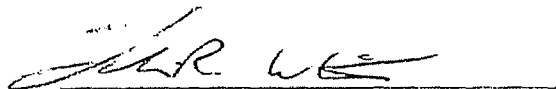
## EEO POLICY STATEMENT FROM THE GENERAL MANAGER

As Secretary/General Manager of the Santa Cruz Metropolitan Transit District, I am committed to equal employment opportunity for all persons, regardless of race, color, ancestry, national origin, religious creed, sex, medical condition or disability, age, marital status, veteran status, sexual orientation and gender identification. I fully support the District's Equal Employment Opportunity Program, including the establishment of goals and timetables, in order to overcome the effects of past discrimination on minorities and females. The successful achievement of equal opportunity goals will provide benefits to the District through increased utilization, and development of previously underutilized human resources.

The responsibility for the implementation of the Equal Employment Opportunity Plan is assigned to the Human Resources Manager who serves as the District's Equal Employment Opportunity Officer. However, all District management share in the responsibility for achieving the District's employment goals and will have the specific task to assure equal employment opportunity compliance. The performance by management and supervisory personnel will be evaluated on the success of the Equal Employment Opportunity Program the same way as their performance on other District goals.

An employee or applicant for employment who perceives that his/her civil rights have been violated may file a complaint with the General Manager or the Equal Employment Opportunity Officer.

August 2006



Leslie R. White  
Secretary/General Manager

### III. DISSEMINATION OF THE EEO POLICY

The EEO (Equal Employment Opportunity) Policy and Plan shall be publicized and disseminated to District employees, applicants seeking employment and the general public as follows:

#### Internal Dissemination

- ◆ The EEO Policy and Statement from the General Manager shall be posted on at least one bulletin board at each District facility where employees work; included in the District's administrative procedures manual; distributed to each new employee; and maintained in the Human Resources Department for distribution to employees as requested.
- ◆ Copies of the EEO Plan shall be distributed to members of the Board of Directors; District management personnel; and departments to be available for review by District employees.
- ◆ Informational and training sessions shall be offered in order for District management and supervisory personnel to participate in equal employment opportunity compliance training.

#### External Dissemination

- ◆ Posters explaining State and Federal non-discrimination laws will be displayed at District work facilities.
- ◆ The EEO Plan will be maintained in the Human Resources Department for review by applicants and the general public.
- ◆ District employment opportunity flyers and application forms will state that the District is an equal opportunity employer.
- ◆ Human Resources Department staff will inform outreach referral sources of the District's EEO Policy and request that these sources actively refer qualified applicants from protected classes.

#### IV. OBJECTIVES OF THE EQUAL EMPLOYMENT OPPORTUNITY PLAN

- A. To ensure equal employment opportunity in District employment, including recruitment, appointment, compensation, training, promotion, transfer, termination, layoff, recall and discipline.
- B. To recruit, appoint and promote qualified minorities and females in order to achieve a workforce representative of minorities and females in the area workforce.
- C. To achieve specific goals and timetables to correct underutilization of minorities and females.
- D. To ensure that the District does not discriminate against individuals based on race, color, ancestry, or national origin, religious creed, sex, medical condition (including life threatening illnesses) or disability, age, marital status, veteran status, or sexual orientation.
- E. To investigate and respond to complaints of discrimination and harassment and take corrective action when necessary.
- F. To ensure dissemination of the EEO Policy both internally and externally.
- G. To develop effective monitoring and reporting systems to assess program compliance and ensure that District employment procedures do not discriminate against protected classes.

## V. EQUAL EMPLOYMENT OPPORTUNITY RESPONSIBILITIES

In order to implement all aspects of the EEO Plan, responsibilities shall be as follows:

### Board of Directors

- To adopt the District's EEO Policy Statement and Plan.
- To publicly support the Equal Employment Opportunity Plan.
- To approve revisions and modifications to the Plan.
- To monitor Equal Employment Opportunity progress to ensure commitment by District management.

### General Manager

- To allocate adequate financial and staff resources to implement an effective Plan.
- To evaluate managers' performance in meeting departmental EEO goals.

### Equal Employment Opportunity Officer

- To update the Equal Employment Opportunity Plan every three years and submit the updated Plan to the Board of Directors.
- To submit the District's Equal Employment Opportunity Plan to FTA for approval every three years.
- To develop, recommend and implement the Equal Employment Opportunity Plan and internal and external communication procedures.
- To collect and analyze employment data and identify problem areas.
- To design, implement and monitor reporting systems to measure program effectiveness and to determine where further action is needed.
- To contact minority, disabled, and women's organizations, community groups and educational institutions to refer qualified minority, disabled, and female applicants for employment.
- To ensure that current legal information affecting Equal Employment Opportunity is communicated to appropriate District personnel.
- To ensure that employment practices are job related and free of adverse impact and adverse treatment.

- To investigate complaints of discrimination and harassment and recommend corrective action when necessary.
- To identify and recommend Equal Employment Opportunity training to supervisory and management personnel.
- To develop and recommend procedures and practices that ensure equal employment opportunity and affirmative action in all aspects of employment activities.
- To meet with and obtain input from an Equal Employment Opportunity Committee composed of employee representatives.

#### Managers and Supervisory Personnel

- To support and comply with the Equal Employment Opportunity Plan.
- To work with the Equal Employment Opportunity Officer to identify problem areas and review department goals.
- To monitor appointments together with Equal Employment Opportunity goals.
- To maintain a discrimination free work environment and to take immediate action to investigate and correct inappropriate behavior of subordinates.

#### Equal Employment Opportunity Committee

- To assist the Equal Employment Opportunity Officer in promoting an understanding and acceptance of the Plan.
- To express the concerns of District employees in terms of Equal Employment Opportunity and assist in resolving such concerns.
- To assist in Equal Employment Opportunity program activities.

#### All Employees

- To support and comply with the Equal Employment Opportunity Policy and Plan.

## VI. REVIEW OF 2003 - 2005 STATISTICS

### RECRUITMENTS

Chart 1 presents the applicant data for recruitments from January 1, 2003 through December 31, 2005. Of the 819 applications received, females comprised 34.2% (280) and minorities comprised 48.1% (394). A total of 308 persons were placed on eligible lists for all positions recruited, 36.4% (112) were female and 43.2% (133) were minorities. Of the 140 appointments made, 41.4% (72) were female and 51.4% (72) were minorities. These percentages show an increase in the percentage of females and minorities hired since the last report was filed. The recruitment pool for females in the new category of Operatives has increased dramatically which will affect the District's future recruitment efforts.

Chart 1 has been adapted to reflect the new EEO 1 job categories and is discussed below:

- **Officials and Managers:** 95 applications were received, 21 persons were placed on eligible lists, and 4 individuals were hired. Females constituted 28.4% and minorities constituted 24.4% of the total applications received. Of the individuals hired 75% were female, 75% were minorities and 50% were over forty.
- **Professionals:** 62 applications were received, 29 persons were placed on eligible lists, and 4 individuals were hired. Females comprised 19.4% and minorities comprised 30.6% of the applications received. Of the individuals hired, females constituted 25% and 25% of the hires were over forty.
- **Administrative Support Workers:** 193 applications were received, 88 persons were placed on the eligible list and 26 individuals were hired. Females comprised 67.9% and minorities comprised 40.9% of the applications received. Of the individuals hired, females constituted 88.5%, 42.3% were minority and 53.8% were over forty.
- **Craft Workers:** 48 applications were received, 17 persons were placed on the eligible list and 8 individuals were hired. Females constituted 4.2% and minorities constituted 52.1% of the total applications received. Of the individuals that were hired 62.5% were minority and 62.5% were over forty.
- **Operatives:** 315 applications were received, 133 persons were placed in the eligible list and 89 individuals were hired. Females constituted 26.3% and minorities constituted 55.6% of the applications received. Of the individuals hired 32.6% were females, 50.6% were minorities and 55.1% were over forty.
- **Laborers and Helpers:** 75 applications were received, 12 individuals were placed on the eligible lists, and 1 individuals were hired. Females constituted 12% and minorities constituted 72% of the total applications received. Of the individuals hired, 58.3% were minorities, and 25% were over 40.
- **Service Workers:** 31 applications were received, 8 individuals were placed on the eligible list, and 7 individuals were hired. Females constituted 51.6% and minorities constituted 48.4% of the total applications received. Of the individuals hired, 28.6% were female and 85.7% were minorities and 28.6% were over 40.

**CHART 1  
RECRUITMENT STATISTICS  
January 1, 2003 to December 31, 2005**

<u>EEOC JOB CATEGORY</u>	<u>RECRUITMENT NUMBERS</u>	<u>FEMALE</u>		<u>MINORITY</u>		<u>DISABLED</u>		<u>40 PLUS</u>	
		<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
<b>Officials and Managers</b>									
Applications Received	95	27	28.4%	27	28.4%	2	2.1%	69	72.6%
Applicants Placed on Eligible List	21	8	38.1%	6	28.6%	0	0.0%	15	71.4%
Applicants Hired	4	3	75.0%	3	75.0%	0	0.0%	2	50.0%
<b>Professionals</b>									
Applications Received	62	12	19.4%	19	30.6%	1	1.6%	35	56.5%
Applicants Placed on Eligible List	29	9	31.0%	9	31.0%	0	0.0%	25	86.2%
Applicants Hired	4	1	25.0%	0	0.0%	0	0.0%	1	25.0%
<b>Administrative Support Workers</b>									
Applications Received	193	131	67.9%	79	40.9%	1	0.5%	96	49.7%
Applicants Placed on Eligible List	88	60	68.2%	33	37.5%	0	0.0%	49	55.7%
Applicants Hired	26	23	88.5%	11	42.3%	0	0.0%	14	53.8%
<b>Craft Workers</b>									
Applications Received	48	2	4.2%	25	52.1%	0	0.0%	27	56.3%
Applicants Placed on Eligible List	17	1	5.9%	5	29.4%	0	0.0%	9	52.9%
Applicants Hired	8	0	0.0%	5	62.5%	0	0.0%	5	62.5%
<b>Operatives</b>									
Applications Received	315	83	26.3%	175	55.6%	0	0.0%	183	58.1%
Applicants Placed on Eligible List	133	31	23.3%	67	50.4%	0	0.0%	67	50.4%
Applicants Hired	89	29	32.6%	45	50.6%	0	0.0%	49	55.1%
<b>Laborers and Helpers</b>									
Applications Received	75	9	12.0%	54	72.0%	0	0.0%	27	36.0%
Applicants Placed on Eligible List	12	0	0.0%	7	58.3%	0	0.0%	3	25.0%
Applicants Hired	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
<b>Service Workers</b>									
Applications Received	31	16	51.6%	15	48.4%	0	0.0%	4	12.9%
Applicants Placed on Eligible List	8	3	37.5%	6	75.0%	0	0.0%	1	12.5%
Applicants Hired	7	2	28.6%	6	85.7%	0	0.0%	2	28.6%
<b>TOTAL</b>									
Applications Received	819	280	34.2%	394	48.1%	4	0.5%	441	53.8%
Applicants Placed on Eligible List	308	112	36.4%	133	43.2%	0	0.0%	169	54.9%
Applicants Hired	140	58	41.4%	72	51.4%	0	0.0%	73	52.1%

5-13-a11

## APPOINTMENTS

The following figures illustrate changes in the percentage of District appointments from 1996 to 2005. These figures represent the number of persons from new appointments, internal promotions, re-employment from layoff, return from furlough, provisional appointments, and demotions.

### CHART 2

#### APPOINTMENT PERCENTAGES

ETHNICITY OR GENDER	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	DISTRICT WORK FORCE	AREA WORK FORCE
WHITE	56.3%	72.2%	55.2%	58.5%	66.7%	59.6%	74.3%	57.1%	42.5%	55.3%	53.8	69.7%
HISPANIC	28.1%	11.1%	24.1%	29.2%	23.5%	38.3%	22.9%	35.7%	39.7%	40.4%	34.3	23.0%
BLACK	6.3%	16.7%	13.8%	10.8%	2.0%	0.0%	2.9%	0.0%	6.8%	4.3%	6.9%	0.9%
ASIAN/ PACIFIC ISLANDER	0.0%	0.0%	6.9%	1.5%	5.9%	0.0%	0.0%	7.1%	6.8%	0.0%	3.1%	3.2%
AMERICAN INDIAN/ ALASKAN	9.4%	0.0%	0.0%	0.0%	2.0%	2.1%	0.0%	0.0%	4.1%	0.0%	1.9%	0.2%
TOTAL MINORITIES	43.8%	27.8%	44.8%	41.5%	33.3%	40.4%	25.7%	25.7%	42.9%	57.5%	46.2%	30.3%
TOTAL FEMALE	37.5%	44.4%	20.7%	30.8%	35.3%	21.3%	40.0%	40.0%	7.1%	53.4%	33.3%	45.3%

5-13.212



## SEPARATIONS/ TERMINATIONS FOR CAUSE

Chart 3 provides the number of total separations and terminations for cause from January 1, 2003 through December 31, 2005 by ethnicity and gender. The percentages for each category are compared with the District workforce percentages. It appears that the percentage of Black and Asian/Pacific Islanders that separated or were terminated for cause are high in comparison to the total workforce. However, this is due to the low number of total employees in that category. Overall the District still has a higher number of employees in these categories than the area availability percentage.

**CHART 3**  
**2003 - 2005 SEPARATIONS**

Ethnicity/Gender	Separations #	Separations %	Terminations #	Terminations %	Workforce %
White	50	58.8%	4	44.4%	53.8%
Hispanic	23	27.1%	3	33.3%	34.3%
Black	4	4.7%	2	22.2%	6.9%
Asian/Pacific Is	6	7.1%	0	0%	3.1%
Amer. In/Alaskan	2	2.4%	0	0%	1.9%
<b>Total Minorities</b>	<b>35</b>	<b>41.2%</b>	<b>5</b>	<b>55.6%</b>	<b>46.2%</b>
<b>Total Females</b>	<b>28</b>	<b>32.9%</b>	<b>2</b>	<b>22.2%</b>	<b>33.3%</b>
<b>Total</b>	<b>85</b>		<b>9</b>		

**CHART 3-B**  
**January 1, 2003 to December 31, 2005 PROMOTIONS**

<u>POSITION</u>	<u>EMPLOYEES PROMOTED</u>
Accounting Specialist	1 WHT (F)
Admin Services Coord	1 WHT (F)
Bus Operator	1 HIS (M)
Fac Maint Supervisor	1 WHT (M)
FM Lead Mechanic	1 API (M)
FM Lead Mechanic	1 HIS (M)
FM Lead Mechanic	2 WHT (M)
FM Mechanic II	1 HIS (M)
FM Mechanic II	2 WHT (M)
Human Res Manager	1 WHT (F)
Maintenance Manager	1 WHT (M)
Safety & Training Coord	1 WHT (M)
Sr. Acctng Technician	1 AIA (F)
Sup of Rev Coll	1 WHT (F)
Sys Administrator	1 WHT (M)
Transit Supervisor	1 BLK (M)
Transit Supervisor	1 HIS (M)
Transit Supervisor	2 WHT (F)
Transit Supervisor	3 WHT (M)
Veh Serv Wkr II	3 HIS (M)

Ethnicity/Gender	Promotions #	Promotions %	District Workforce
White	17	63%	53.8%
Hispanic	7	25.9%	34.3%
Black	1	3.7%	6.9%
Asian/Pacific Is	1	3.7%	3.1%
Amer. In/Alaskan	1	3.7%	1.9%
<b>Total Minorities</b>	<b>10</b>	<b>37%</b>	<b>46.2%</b>
<b>Total Females</b>	<b>7</b>	<b>25.9%</b>	<b>33.3%</b>
<b>Total</b>	<b>27</b>		

5-13.214

## VII. WORKFORCE UTILIZATION ANALYSIS

Workforce utilization analyses have been prepared in Charts 4 and 5 to determine where underutilization of protected classes exists in the District.

The current census data provides the percentages of availability of minorities and females within each EEOC job category in the labor force. The data provides a "utilization analysis" which consists of an analysis of the major EEOC job categories being underutilized when compared to their availability in the Santa Cruz County labor force.

The California Department of Fair Employment and Housing has required that an employer may not use the general labor force availability data for minorities and females. Instead we must use the County's availability percentages as broken down by ethnicity and females for each EEOC job category to establish the appointment goals listed in Chart 8.

Chart 4 shows the number and percent of protected class employees, as of December 31, 2005, in the District's workforce system-wide and by department, classified by EEOC job category. Chart 5 shows the distribution of employees by job classification in each EEOC job category by gender and ethnicity and lists the salary range for each job classification.

### **District-Wide Analysis**

#### Underutilization

In reviewing the System Wide Chart 4 females have the most significant underutilization in the areas of: Professionals, Bus Operators, Laborers and Helpers and Service workers. In reviewing the Chart from the last EEOC report the reason females show such a large discrepancy is not due to the change in the District's workforce, but the increase in the availability of females in the categories mentioned. The percentage of female bus operators from the 1990 census was 18.1%; in the 2000 census that percentage had risen to 51.5%. In the area of Professionals the chart shows a 27.3% underutilization and for Service Workers a 39.5% underutilization, however, there are only 9 employees in the Professional category and 11 in the Service Worker category. In these areas a small change will significantly impact the percentage of underutilizations.

#### Total Minorities

Minorities represent 41.0% of the District's workforce, as compared to 30.3% of the area workforce. Females represent 33.3% of the District's workforce, as compared to 45.3% of the area workforce.

### District-Wide Workforce Changes

A summary of District-wide workforce changes over the past ten years appears below:

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>% Change 1996- 2005</u>
<b>Females</b>	31.3	31.6	34.1	31.7	30.4	29.6	29.4	Not available		33.3	+2.0
<b>Hispanics</b>	21.2	20.2	19.7	22.0	23.7	25.7	28.7		"	33.6	+12.4
<b>Asian/Pacific Islanders</b>	3.8	3.9	4.5	4.0	4.9	4.7	3.6		"	3.1	- 0.8
<b>Blacks</b>	6.3	6.7	7.9	7.8	6.4	5.9	6.7		"	17.0	+11.3
<b>American Indian/ Alaskan Natives</b>	2.8	2.8	2.1	1.9	1.8	2.1	2.0		"	2.0	- 0.8
<b>Total Minorities</b>	30.3	31.7	31.6	34.1	33.6	34.2	35.7		"	47.7	+ 17.7

As indicated in the above table, the District has experienced a 17.7% increase in its representation of minority employees since 1996. There has also been a significant increase in the percentage of Hispanic and Black employees. Attention will continue to be given to the recruitment of qualified female and minority applicants.

5-13. a16

CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 SYSTEM WIDE REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

EEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ ALASKAN NATIVE				
	TOTAL EMP	WORK FORCE AVAIL	UNDER		TOTAL EMP	WORK FORCE AVAIL	UNDER		TOTAL EMP	WORK FORCE AVAIL	UNDER		TOTAL EMP	WORK FORCE AVAIL	UNDER		TOTAL EMP	WORK FORCE AVAIL	UNDER		
			% UTILIZATION	#			% UTILIZATION	#			% UTILIZATION	#			% UTILIZATION	#			% UTILIZATION	#	
1) OFFICIALS & MANAGERS	12	5	38.6	0	0.0	0	5.7	1	5.7	0	6.3	1	6.3	1	3.6	0	0.0	0	0.4	0	0.4
2) PROFESSIONALS	9	2	49.5	2	27.3	0	7.9	1	7.9	0	0.7	0	0.7	0	4.2	0	4.2	0	0.4	0	0.4
3) TECHNICIANS	2	2	52.1	0	0.0	0	16.0	0	16.0	0	1.7	0	1.7	0	4.6	0	4.6	0	0.2	0	0.2
5) ADMINISTRATIVE SUPPORT	44	38	76.5	0	0.0	12	18.7	0	0.0	2	1.3	0	0.0	1	3.0	0	0.0	1	0.5	0	0.0
6) CRAFT WORKER	28	0	4.8	1	4.8	8	22.2	0	0.0	1	0.6	0	0.0	2	1.3	0	0.0	0	0.5	0	0.5
7) OPERATIVES (NON BUS-OP)	43	19	30.6	0	0.0	21	48.8	0	0.0	2	1.0	0	0.0	2	3.1	0	0.0	1	0.3	0	0.0
BUS OPERATORS	156	37	51.5	43	27.8	53	26.5	0	0.0	14	1.5	0	0.0	3	1.5	0	0.0	4	0.0	0	0.0
8) LABORERS AND HELPERS	13	1	24.0	2	16.3	10	67.8	0	0.0	1	0.5	0	0.0	0	1.5	0	1.5	0	0.6	0	0.6
9) SERVICE WORKERS	11	2	57.7	4	39.5	5	31.1	0	0.0	2	1.2	0	0.0	1	4.0	0	0.0	0	0.5	0	0.5
TOTALS	318	106		52		109		2		22		1		10		0		6		0	

5-13-a17

CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 ADMINISTRATION REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

EEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ ALASKAN NATIVE			
	TOTAL EMP	WORK FORCE	UNDER		TOTAL EMP	WORK FORCE	UNDER		TOTAL EMP	WORK FORCE	UNDER		TOTAL EMP	WORK FORCE	UNDER		TOTAL EMP	WORK FORCE	UNDER	
			% AVAIL	% UTILIZATION			% AVAIL	% UTILIZATION			% AVAIL	% UTILIZATION			% AVAIL	% UTILIZATION			% AVAIL	% UTILIZATION
1) OFFICIALS & MANAGERS	3	0	38.6	1 38.6	0	0	5.7	0 5.7	0	0	6.3	0 6.3	1	0	3.6	0 0.0	0	0	0.4	0 0.4
2) PROFESSIONALS	1	0	49.5	0 49.5	0	0	7.9	0 7.9	0	0	0.7	0 0.7	0	0	4.2	0 4.2	0	0	0.4	0 0.4
3) TECHNICIANS	1	1	52.1	0 0.0	0	0	16.0	0 16.0	0	0	1.7	0 1.7	0	0	4.6	0 4.6	0	0	0.2	0 0.2
5) ADMINISTRATIVE SUPPORT	3	2	76.5	0 0.0	0	0	18.7	1 18.7	0	0	1.3	0 1.3	0	0	3.0	0 3.0	0	0	0.5	0 0.5
6) CRAFT WORKER	0	0	4.8	0 0.0	0	0	22.2	0 0.0	0	0	0.6	0 0.0	0	0	1.3	0 0.0	0	0	0.5	0 0.0
7) OPERATIVES (NON BUS-OP)	0	0	30.6	0 0.0	0	0	48.8	0 0.0	0	0	1.0	0 0.0	0	0	3.1	0 0.0	0	0	0.3	0 0.0
BUS OPERATORS	0	0	51.5	0 0.0	0	0	26.5	0 0.0	0	0	1.5	0 0.0	0	0	1.5	0 0.0	0	0	0.0	0 0.0
8) LABORERS AND HELPERS	0	0	24.0	0 0.0	0	0	67.8	0 0.0	0	0	0.5	0 0.0	0	0	1.5	0 0.0	0	0	0.6	0 0.0
9) SERVICE WORKERS	0	0	57.7	0 0.0	0	0	31.1	0 0.0	0	0	1.2	0 0.0	0	0	4.0	0 0.0	0	0	0.5	0 0.0
TOTALS	8	3		1	0		1	0		0		1	0		0		0	0		

5-13.9.18

CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 FINANCE REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

EEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ALASKAN NATIVE				
	TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		
	EMP	FORCE AVAIL	% UTILIZATION	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	
1) OFFICIALS & MANAGERS	2	2	38.6	0	0.0	0	5.7	0	5.7	0	6.3	0	6.3	0	3.6	0	3.6	0	0.4	0	0.4
2) PROFESSIONALS	0	0	49.5	0	0.0	0	7.9	0	0.0	0	0.7	0	0.0	0	4.2	0	0.0	0	0.4	0	0.0
3) TECHNICIANS	0	0	52.1	0	0.0	0	16.0	0	0.0	0	1.7	0	0.0	0	4.6	0	0.0	0	0.2	0	0.0
5) ADMINISTRATIVE SUPPORT	4	4	76.5	0	0.0	0	18.7	1	18.7	0	1.3	0	1.3	0	3.0	0	3.0	0	0.5	0	0.0
6) CRAFT WORKER	0	0	4.8	0	0.0	0	22.2	0	0.0	0	0.6	0	0.0	0	1.3	0	0.0	0	0.5	0	0.0
7) OPERATIVES (NON BUS-OP)	0	0	30.6	0	0.0	0	48.8	0	0.0	0	1.0	0	0.0	0	3.1	0	0.0	0	0.3	0	0.0
BUS OPERATORS	0	0	51.5	0	0.0	0	26.5	0	0.0	0	1.5	0	0.0	0	1.5	0	0.0	0	0.0	0	0.0
8) LABORERS AND HELPERS	0	0	24.0	0	0.0	0	67.8	0	0.0	0	0.5	0	0.0	0	1.5	0	0.0	0	0.6	0	0.0
9) SERVICE WORKERS	0	0	57.7	0	0.0	0	31.1	0	0.0	0	1.2	0	0.0	0	4.0	0	0.0	0	0.5	0	0.0
TOTALS	6	6		0		0		1		0		0		0		0		0		0	

5-13-019

CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 CUSTOMER SERVICE REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

EEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ ALASKAN NATIVE				
	TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		
	EMP	FORCE AVAIL	% UTILIZATION	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	
1) OFFICIALS & MANAGERS	0	0	38.6	0	0.0	0	5.7	0	0.0	0	6.3	0	0.0	0	3.6	0	0.0	0	0.4	0	0.0
2) PROFESSIONALS	0	0	49.5	0	0.0	0	7.9	0	0.0	0	0.7	0	0.0	0	4.2	0	0.0	0	0.4	0	0.0
3) TECHNICIANS	0	0	52.1	0	0.0	0	16.0	0	0.0	0	1.7	0	0.0	0	4.6	0	0.0	0	0.2	0	0.0
5) ADMINISTRATIVE SUPPORT	6	6	76.5	0	0.0	4	18.7	0	0.0	0	1.3	0	1.3	0	3.0	0	3.0	0	0.5	0	0.5
6) CRAFT WORKER	0	0	4.8	0	0.0	0	22.2	0	0.0	0	0.6	0	0.0	0	1.3	0	0.0	0	0.5	0	0.0
7) OPERATIVES (NON BUS-OP)	0	0	30.6	0	0.0	0	48.8	0	0.0	0	1.0	0	0.0	0	3.1	0	0.0	0	0.3	0	0.0
BUS OPERATORS	0	0	51.5	0	0.0	0	26.5	0	0.0	0	1.5	0	0.0	0	1.5	0	0.0	0	0.0	0	0.0
8) LABORERS AND HELPERS	0	0	24.0	0	0.0	0	67.8	0	0.0	0	0.5	0	0.0	0	1.5	0	0.0	0	0.6	0	0.0
9) SERVICE WORKERS	0	0	57.7	0	0.0	0	31.1	0	0.0	0	1.2	0	0.0	0	4.0	0	0.0	0	0.5	0	0.0
TOTALS	6	6		0		4		0		0		0		0		0		0		0	

S-13.a20



CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 HUMAN RESOURCES REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

EEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ALASKAN NATIVE				
	TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		
	EMP	FORCE AVAIL	#	%	EMP	FORCE AVAIL	#	%	EMP	FORCE AVAIL	#	%	EMP	FORCE AVAIL	#	%	EMP	FORCE AVAIL	#	%	
1) OFFICIALS & MANAGERS	1	1	38.6	0	0.0	0	5.7	0	5.7	0	6.3	0	6.3	0	3.6	0	3.6	0	0.4	0	0.4
2) PROFESSIONALS	0	0	49.5	0	0.0	0	7.9	0	0.0	0	0.7	0	0.0	0	4.2	0	0.0	0	0.4	0	0.0
3) TECHNICIANS	0	0	52.1	0	0.0	0	16.0	0	0.0	0	1.7	0	0.0	0	4.6	0	0.0	0	0.2	0	0.0
5) ADMINISTRATIVE SUPPORT	3	3	76.5	0	0.0	0	18.7	1	18.7	0	1.3	0	1.3	0	3.0	0	3.0	0	0.5	0	0.5
6) CRAFT WORKER	0	0	4.8	0	0.0	0	22.2	0	0.0	0	0.6	0	0.0	0	1.3	0	0.0	0	0.5	0	0.0
7) OPERATIVES (NON BUS-OP)	0	0	30.6	0	0.0	0	48.8	0	0.0	0	1.0	0	0.0	0	3.1	0	0.0	0	0.3	0	0.0
BUS OPERATORS	0	0	51.5	0	0.0	0	26.5	0	0.0	0	1.5	0	0.0	0	1.5	0	0.0	0	0.0	0	0.0
8) LABORERS AND HELPERS	0	0	24.0	0	0.0	0	67.8	0	0.0	0	0.5	0	0.0	0	1.5	0	0.0	0	0.6	0	0.0
9) SERVICE WORKERS	0	0	57.7	0	0.0	0	31.1	0	0.0	0	1.2	0	0.0	0	4.0	0	0.0	0	0.5	0	0.0
TOTALS	4	4		0		0	1		0		0		0		0		0		0		0

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CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 INFORMATION TECHNOLOGY REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

BEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ALASKAN NATIVE				
	TOTAL EMP	UNDER			TOTAL EMP	UNDER			TOTAL EMP	UNDER			TOTAL EMP	UNDER			TOTAL EMP	UNDER			
		WORK FORCE AVAIL	#	% UTILIZATION		WORK FORCE AVAIL	#	% UTILIZATION		WORK FORCE AVAIL	#	% UTILIZATION		WORK FORCE AVAIL	#	% UTILIZATION		WORK FORCE AVAIL	#	% UTILIZATION	
1) OFFICIALS & MANAGERS	1	0	38.6	0	38.6	0	5.7	0	5.7	0	6.3	0	6.3	0	3.6	0	3.6	0	0.4	0	0.4
2) PROFESSIONALS	3	1	49.5	0	0.0	0	7.9	0	7.9	0	0.7	0	0.7	0	4.2	0	4.2	0	0.4	0	0.4
3) TECHNICIANS	0	0	52.1	0	0.0	0	16.0	0	0.0	0	1.7	0	0.0	0	4.6	0	0.0	0	0.2	0	0.0
5) ADMINISTRATIVE SUPPORT	0	0	76.5	0	0.0	0	18.7	0	0.0	0	1.3	0	0.0	0	3.0	0	0.0	0	0.5	0	0.0
6) CRAFT WORKER	0	0	4.8	0	0.0	0	22.2	0	0.0	0	0.6	0	0.0	0	1.3	0	0.0	0	0.5	0	0.0
7) OPERATIVES (NON BUS-OP)	0	0	30.6	0	0.0	0	48.8	0	0.0	0	1.0	0	0.0	0	3.1	0	0.0	0	0.3	0	0.0
BUS OPERATORS	0	0	51.5	0	0.0	0	26.5	0	0.0	0	1.5	0	0.0	0	1.5	0	0.0	0	0.0	0	0.0
8) LABORERS AND HELPERS	0	0	24.0	0	0.0	0	67.8	0	0.0	0	0.5	0	0.0	0	1.5	0	0.0	0	0.6	0	0.0
9) SERVICE WORKERS	0	0	57.7	0	0.0	0	31.1	0	0.0	0	1.2	0	0.0	0	4.0	0	0.0	0	0.5	0	0.0
TOTALS	4	1		0		0		0		0		0		0		0		0		0	

S-13-a22

CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 LEGAL REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

EEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ ALASKAN NATIVE				
	TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		
	EMP	FORCE AVAIL	% UTILIZATION	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	
1) OFFICIALS & MANAGERS	0	0	38.6	0	0.0	0	5.7	0	0.0	0	6.3	0	0.0	0	3.6	0	0.0	0	0.4	0	0.0
2) PROFESSIONALS	1	1	49.5	0	0.0	0	7.9	0	7.9	0	0.7	0	0.7	0	4.2	0	4.2	0	0.4	0	0.4
3) TECHNICIANS	0	0	52.1	0	0.0	0	16.0	0	0.0	0	1.7	0	0.0	0	4.6	0	0.0	0	0.2	0	0.0
5) ADMINISTRATIVE SUPPORT	2	2	76.5	0	0.0	0	18.7	0	18.7	0	1.3	0	1.3	0	3.0	0	3.0	0	0.5	0	0.5
6) CRAFT WORKER	0	0	4.8	0	0.0	0	22.2	0	0.0	0	0.6	0	0.0	0	1.3	0	0.0	0	0.5	0	0.0
7) OPERATIVES (NON BUS-OP)	0	0	30.6	0	0.0	0	48.8	0	0.0	0	1.0	0	0.0	0	3.1	0	0.0	0	0.3	0	0.0
BUS OPERATORS	0	0	51.5	0	0.0	0	26.5	0	0.0	0	1.5	0	0.0	0	1.5	0	0.0	0	0.0	0	0.0
8) LABORERS AND HELPERS	0	0	24.0	0	0.0	0	67.8	0	0.0	0	0.5	0	0.0	0	1.5	0	0.0	0	0.6	0	0.0
9) SERVICE WORKERS	1	1	57.7	0	0.0	1	31.1	0	0.0	0	1.2	0	1.2	0	4.0	0	4.0	0	0.5	0	0.5
TOTALS	4	4		0		1		0		0		0		0		0		0		0	

5-13. a23

CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 FACILITIES MAINTENANCE REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

BEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ ALASKAN NATIVE					
	TOTAL EMP	WORK FORCE	UNDER		TOTAL EMP	WORK FORCE	UNDER		TOTAL EMP	WORK FORCE	UNDER		TOTAL EMP	WORK FORCE	UNDER		TOTAL EMP	WORK FORCE	UNDER			
			%	UTILIZATION			%	UTILIZATION			%	UTILIZATION			%	UTILIZATION			%	UTILIZATION	%	UTILIZATION
1) OFFICIALS & MANAGERS	0	0	38.6	0	0.0	0	0	5.7	0	0.0	0	6.3	0	0.0	0	3.6	0	0.0	0	0.4	0	0.0
2) PROFESSIONALS	0	0	49.5	0	0.0	0	0	7.9	0	0.0	0	0.7	0	0.0	0	4.2	0	0.0	0	0.4	0	0.0
3) TECHNICIANS	0	0	52.1	0	0.0	0	0	16.0	0	0.0	0	1.7	0	0.0	0	4.6	0	0.0	0	0.2	0	0.0
5) ADMINISTRATIVE SUPPORT	0	0	76.5	0	0.0	0	0	18.7	0	0.0	0	1.3	0	0.0	0	3.0	0	0.0	0	0.5	0	0.0
6) CRAFT WORKER	4	0	4.8	0	4.8	0	1	22.2	1	22.2	1	0.6	0	0.0	0	1.3	0	1.3	0	0.5	0	0.5
7) OPERATIVES (NON BUS-OP)	0	0	30.6	0	0.0	0	0	48.8	0	0.0	0	1.0	0	0.0	0	3.1	0	0.0	0	0.3	0	0.0
BUS OPERATORS	0	0	51.5	0	0.0	0	0	26.5	0	0.0	0	1.5	0	0.0	0	1.5	0	0.0	0	0.0	0	0.0
8) LABORERS AND HELPERS	0	0	24.0	0	0.0	0	0	67.8	0	0.0	0	0.5	0	0.0	0	1.5	0	0.0	0	0.6	0	0.0
9) SERVICE WORKERS	9	1	57.7	4	46.6	3	0	31.1	0	0.0	2	1.2	0	0.0	1	4.0	0	0.0	0	0.5	0	0.5
TOTALS	13	1		4		3		1		3		0		1		0		0		0		0

5-13-a.24

CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 PARACRUZ REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

EEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ ALASKAN NATIVE				
	TOTAL EMP	WORK FORCE AVAIL	UNDER		TOTAL EMP	WORK FORCE AVAIL	UNDER		TOTAL EMP	WORK FORCE AVAIL	UNDER		TOTAL EMP	WORK FORCE AVAIL	UNDER		TOTAL EMP	WORK FORCE AVAIL	UNDER		
			%	UTILIZATION			#	%			%	UTILIZATION			#	%			%	UTILIZATION	#
1) OFFICIALS & MANAGERS	3	1	38.6	0	0.0	0	5.7	0	5.7	0	6.3	0	6.3	0	3.6	0	3.6	0	0.4	0	0.4
2) PROFESSIONALS	2	0	49.5	1	49.5	0	7.9	0	7.9	0	0.7	0	0.7	0	4.2	0	4.2	0	0.4	0	0.4
3) TECHNICIANS	0	0	52.1	0	0.0	0	16.0	0	0.0	0	1.7	0	0.0	0	4.6	0	0.0	0	0.2	0	0.0
5) ADMINISTRATIVE SUPPORT	15	14	76.5	0	0.0	7	18.7	0	0.0	2	1.3	0	0.0	0	3.0	0	3.0	0	0.5	0	0.5
6) CRAFT WORKER	0	0	4.8	0	0.0	0	22.2	0	0.0	0	0.6	0	0.0	0	1.3	0	0.0	0	0.5	0	0.0
7) OPERATIVES (NON BUS-OP)	32	16	30.6	0	0.0	18	48.8	0	0.0	0	1.0	0	1.0	2	3.1	0	0.0	1	0.3	0	0.0
BUS OPERATORS	0	0	51.5	0	0.0	0	26.5	0	0.0	0	1.5	0	0.0	0	1.5	0	0.0	0	0.0	0	0.0
8) LABORERS AND HELPERS	0	0	24.0	0	0.0	0	67.8	0	0.0	0	0.5	0	0.0	0	1.5	0	0.0	0	0.6	0	0.0
9) SERVICE WORKERS	1	0	57.7	1	57.7	1	31.1	0	0.0	0	1.2	0	1.2	0	4.0	0	4.0	0	0.5	0	0.5
TOTALS	53	31		2		26		0		2		0		2		0		1		0	

5-13.025

CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 OPERATIONS REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

EEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ ALASKAN NATIVE				
	TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		TOTAL		UNDER		
	EMP	FORCE AVAIL	% UTILIZATION	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	FORCE AVAIL	#	%	
1) OFFICIALS & MANAGERS	1	1	38.6	0	0.0	0	5.7	0	5.7	0	6.3	0	6.3	0	3.6	0	3.6	0	0.4	0	0.4
2) PROFESSIONALS	1	0	49.5	0	49.5	0	7.9	0	7.9	0	0.7	0	0.7	0	4.2	0	4.2	0	0.4	0	0.4
3) TECHNICIANS	1	1	52.1	0	0.0	0	16.0	0	16.0	0	1.7	0	1.7	0	4.6	0	4.6	0	0.2	0	0.2
5) ADMINISTRATIVE SUPPORT	4	4	76.5	0	0.0	1	18.7	0	0.0	0	1.3	0	1.3	0	3.0	0	3.0	0	0.5	0	0.5
6) CRAFT WORKER	0	0	4.8	0	0.0	0	22.2	0	0.0	0	0.6	0	0.0	0	1.3	0	0.0	0	0.5	0	0.0
7) OPERATIVES (NON BUS-OP)	11	3	30.6	0	0.0	3	48.8	2	21.5	2	1.0	0	0.0	0	3.1	0	3.1	0	0.3	0	0.3
BUS OPERATORS	156	37	51.5	43	27.8	53	26.5	0	0.0	14	1.5	0	0.0	3	1.5	0	0.0	4	0.0	0	0.0
8) LABORERS AND HELPERS	0	0	24.0	0	0.0	0	67.8	0	0.0	0	0.5	0	0.0	0	1.5	0	0.0	0	0.6	0	0.0
9) SERVICE WORKERS	0	0	57.7	0	0.0	0	31.1	0	0.0	0	1.2	0	0.0	0	4.0	0	0.0	0	0.5	0	0.0
TOTALS	174	46		43		57		2		16	0		3	0		0		4	0		

5-13.026

CHART 4

WORK FORCE UTILIZATION ANALYSIS  
 SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 FLEET MAINTENANCE REPORT AS OF 12/31/05  
 BASED ON CENSUS 2000 DATA

EEOC JOB CATEGORY	FEMALE				HISPANIC				BLACK				ASIAN/PACIFIC ISLANDER				AMERICAN INDIAN/ ALASKAN NATIVE				
	TOTAL EMP	WORK FORCE	UNDER		WORK FORCE	UNDER		WORK FORCE	UNDER		WORK FORCE	UNDER		WORK FORCE	UNDER						
			% AVAIL	% UTILIZATION		% AVAIL	% UTILIZATION		% AVAIL	% UTILIZATION		% AVAIL	% UTILIZATION		% AVAIL	% UTILIZATION					
1) OFFICIALS & MANAGERS	1	0	38.6	0	38.6	0	5.7	0	5.7	0	6.3	0	6.3	0	3.6	0	3.6	0	0.4	0	0.4
2) PROFESSIONALS	1	0	49.5	0	49.5	0	7.9	0	7.9	0	0.7	0	0.7	0	4.2	0	4.2	0	0.4	0	0.4
3) TECHNICIANS	0	0	52.1	0	0.0	0	16.0	0	0.0	0	1.7	0	0.0	0	4.6	0	0.0	0	0.2	0	0.0
5) ADMINISTRATIVE SUPPORT	7	3	76.5	2	33.6	0	18.7	1	18.7	0	1.3	0	1.3	1	3.0	0	0.0	1	0.5	0	0.0
6) CRAFT WORKER	24	0	4.8	1	4.8	8	22.2	0	0.0	0	0.6	0	0.6	2	1.3	0	0.0	0	0.5	0	0.5
7) OPERATIVES (NON BUS-OP)	0	0	30.6	0	0.0	0	48.8	0	0.0	0	1.0	0	0.0	0	3.1	0	0.0	0	0.3	0	0.0
BUS OPERATORS	0	0	51.5	0	0.0	0	26.5	0	0.0	0	1.5	0	0.0	0	1.5	0	0.0	0	0.0	0	0.0
8) LABORERS AND HELPERS	13	1	24.0	2	16.3	10	67.8	0	0.0	1	0.5	0	0.0	0	1.5	0	1.5	0	0.6	0	0.6
9) SERVICE WORKERS	0	0	57.7	0	0.0	0	31.1	0	0.0	0	1.2	0	0.0	0	4.0	0	0.0	0	0.5	0	0.0
TOTALS	46	4		5		18		1		1		0		3		0		1		0	

5-13.227

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 QUARTERLY WORK FORCE COMPOSITION  
 SYSTEMWIDE DISTRIBUTION BY EEOC JOB CATEGORY AND JOB TITLE  
 AS OF: 12/31/2005

CHART 5

EEO-01: OFFICIALS & MANAGERS

JOB CLASSIFICATION SALARY RANGE	TOTAL	WHITE		HISPANIC		ASIAN		BLACK		AM. INDIAN		TOTAL MIN.		TOTAL ALL	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F
\$5,375-\$6,841 ASST FINANCE MANAGER	1		1												1
\$7,859-***** ASST GENERAL MANAGER	1	1													1
\$5,375-\$6,841 BASE SUPT	1		1												1
\$6,434-\$8,188 FINANCE MANAGER	1		1												1
\$9,998-***** GENERAL MANAGER	1	1													1
\$6,434-\$8,188 HUMAN RES MANAGER	1		1												1
\$6,434-\$8,188 INFO TECH MANAGER	1		1												1
\$7,145-\$9,105 MAINTENANCE MANAGER	1	1													1
\$5,375-\$6,841 PARATRAN ADMINSTR	1	1													1
\$3,716-\$4,749 PARATRAN ELIG COORD	1		1												1
\$3,721-\$4,753 PARATRAN SUPERINTEN	1	1													1
\$5,375-\$6,841 PROJ MGR, METRODASE	1					1						1			1
TOTAL	12	6	5			1	1					1		7	5



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 QUARTERLY WORK FORCE COMPOSITION  
 SYSTEMWIDE DISTRIBUTION BY EEOC JOB CATEGORY AND JOB TITLE  
 AS OF: 12/31/2005

CHART 5

EEO-02: PROFESSIONALS

JOB CLASSIFICATION SALARY RANGE	TOTAL	WHITE		HISPANIC		ASIAN		BLACK		AM. INDIAN		TOTAL MIN.		TOTAL ALL	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F
\$3,068-\$3,917 ACCESS SERVICES COOR	1	1													1
\$4,274-\$5,462 BUYER	1	1													1
\$9,077-***** DISTRICT COUNSEL	1			1											1
\$4,425-\$5,649 GRANTS/LEGIS ANALYST	1			1											1
\$4,103-\$5,236 SAFETY&TRAINING COOR	1			1											1
\$3,673-\$4,687 SR IT TECH	1				1										1
\$5,753-\$7,342 SR. DATAB ADMINISTR	1			1											1
\$4,501-\$5,045 SYS ADMINISTRATOR	1			1											1
\$1,945-\$3,108 TRNG & RD RESP COORD	2			2											2
TOTAL	10			8	2										8 2

5-13.a29

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 QUARTERLY WORK FORCE COMPOSITION  
 SYSTEMWIDE DISTRIBUTION BY EEOC JOB CATEGORY AND JOB TITLE  
 AS OF: 12/31/2005

CHART 5

EEO-03: TECHNICIANS

JOB CLASSIFICATION SALARY RANGE	TOTAL	WHITE		HISPANIC		ASIAN		BLACK		AM. INDIAN		TOTAL MIN.		TOTAL ALL	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F
\$4,103-\$5,236 SCHEDULE ANALYST	1		1												1
\$2,349-\$3,002 TRANSIT SURVEYOR	1	1		1											1
TOTAL	2	2		2											2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 QUARTERLY WORK FORCE COMPOSITION  
 SYSTEMWIDE DISTRIBUTION BY EEOC JOB CATEGORY AND JOB TITLE  
 AS OF: 12/31/2005

CHART 5

EED-05: ADMINISTRATIVE SUPPORT

JOB CLASSIFICATION SALARY RANGE	TOTAL		WHITE		HISPANIC		ASIAN		BLACK		AM. INDIAN		TOTAL MIN.		TOTAL ALL		
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
\$2,191-\$4,079 ACCOUNTING SPECIALST	1															1	
\$2,782-\$3,550 ACCTNG TECH	2		2													2	
\$2,782-\$3,550 ADMIN ASSISTANT	1		1													1	
\$2,465-\$3,146 ADMIN CLERK I	1				1								1			1	
\$2,782-\$3,550 ADMIN SECRETARY	1		1													1	
\$2,921-\$3,725 ADMIN SECRETARY/SUP	2		2													2	
\$3,716-\$4,749 ADMIN SERV COOR	1		1													1	
\$3,222-\$4,115 BENEFITS COORDINATOR	1		1													1	
\$3,100-\$3,961 CUS SERV COORD	1		1													1	
\$2,560-\$3,262 CUS SERV REP	3				3								3			3	
\$1,945-\$2,997 DISPATCH/SCHEDULERS	14		8		2	2			2				2	4	2	12	
\$3,222-\$4,115 HR SPECIALIST	1		1													1	
\$3,460-\$4,305 LEAD PARTS CLERK-FM	1		1													1	



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 QUARTERLY WORK FORCE COMPOSITION  
 SYSTEMWIDE DISTRIBUTION BY EEOC JOB CATEGORY AND JOB TITLE  
 AS OF: 12/31/2005

CHART 5

EEO-06: SKILLED CRAFT

JOB CLASSIFICATION SALARY RANGE	TOTAL	WHITE		HISPANIC		ASIAN		BLACK		AM. INDIAN		TOTAL MIN.		TOTAL ALL	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F
\$3,926-\$5,009 FAC MAINT SUPERVISOR	1	1													1
\$3,060-\$3,905 FAC MAINT WKR II	2	1						1				1		2	
\$4,297-\$5,477 FLT MAINT SUPERVISOR	1	1												1	
\$3,836-\$4,862 FM LEAD MECHANIC	6	4		1		1						2		6	
\$3,330-\$4,215 FM MECHANIC I	3	1		1		1						2		3	
\$3,491-\$4,418 FM MECHANIC II	10	7		3								3		10	
\$3,659-\$4,630 FM MECHANIC III	4	2		2								2		4	
\$3,345-\$4,252 SR FAC MAINT WKR	1	1												1	
\$3,143-\$3,983 UPHOLSTERER II	1			1								1		1	
<b>TOTAL</b>	<b>29</b>	<b>18</b>		<b>8</b>		<b>2</b>		<b>1</b>				<b>11</b>		<b>29</b>	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 QUARTERLY WORK FORCE COMPOSITION  
 SYSTEMWIDE DISTRIBUTION BY EEOC JOB CATEGORY AND JOB TITLE  
 AS OF: 12/31/2005

CHART 5

EEO-07: OPERATIVES

JOB CLASSIFICATION SALARY RANGE	TOTAL	WHITE		HISPANIC		ASIAN		BLACK		AM. INDIAN		TOTAL MIN.		TOTAL ALL	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F
\$2,252-\$4,299 BUS OPERATOR	172	65	27	52	6	3		9	6	3	1	67	13	132	40
\$3,761-\$4,794 TRANSIT SUPERVISOR	11	3	3	3				2				5		8	3
\$1,945-\$2,785 VAN DRIVERS	69	11	13	22	17	2	2				2	24	21	35	34
<b>TOTAL</b>	<b>252</b>	<b>79</b>	<b>43</b>	<b>77</b>	<b>23</b>	<b>5</b>	<b>2</b>	<b>11</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>95</b>	<b>34</b>	<b>175</b>	<b>77</b>

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 QUARTERLY WORK FORCE COMPOSITION  
 SYSTEMWIDE DISTRIBUTION BY EEOE JOB CATEGORY AND JOB TITLE  
 AS OF: 12/31/2005

CHART 5

EEO-08: LABORERS AND HELPERS

JOB CLASSIFICATION SALARY RANGE	TOTAL		WHITE		HISPANIC		ASIAN		BLACK		AM. INDIAN		TOTAL MIN.		TOTAL ALL	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
\$2,714-\$3,448 VEH SERV DETAILER	2				2								2		2	
\$2,987-\$3,793 VEH SERV TECHNICIAN	2		1		1								1		2	
\$2,347-\$2,983 VEH SERV WKR I	1				1								1		1	
\$2,584-\$3,286 VEH SERV WKR II	9		1		6	1			1				7	1	8	1
TOTAL	14		2		10	1			1				11	1	13	1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 QUARTERLY WORK FORCE COMPOSITION  
 SYSTEMWIDE DISTRIBUTION BY EEOC JOB CATEGORY AND JOB TITLE  
 AS OF: 12/31/2005

CHART 5

EEO-09: SERVICE MAINTENANCE

JOB CLASSIFICATION SALARY RANGE	TOTAL		WHITE		HISPANIC		ASIAN		BLACK		AM. INDIAN		TOTAL MIN.		TOTAL ALL	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
\$3,345-\$4,274 CLAIMS INVESTISTR I	1	1				1								1		1
\$2,343-\$2,970 CUSTOD SERV WKR I	5	1	1		2			1	1					3	1	4
\$2,626-\$3,337 FAC MAINT WKR I	3		2		1									1		3
\$1,945-\$2,997 GAS MECHANIC II	2				2									2		2
\$2,883-\$3,600 LEAD CUSTODIAN	1								1					1		1
<b>TOTAL</b>	<b>12</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>2</b>	<b>10</b>	<b>2</b>



## VIII. EMPLOYMENT GOALS

### Assessment of 2003 - 2005 Appointment Goals

The Equal Employment Opportunity Policy of the Santa Cruz Metropolitan Transit District states that the District seeks to achieve a workforce in which minorities and females are represented in numbers consistent with the area workforce. Future District employment goals are based upon the percentage of minorities and females in the Santa Cruz County workforce as reported by the 2000 census.

Goals were established for 2003 - 2005 based upon workforce composition data and the areas of underutilization within the District. Chart 7 identifies the appointment goals and the 118 appointments made between January 1, 2003 and December 31, 2005. Included in this chart are promotions, promotion by qualification, new hires, reinstatements from layoff and furlough, and provisional appointments.

The District appointed 40 females, exceeding its goal of 14 females District-wide during the Affirmative Action period. The District appointed 54 minorities, exceeding its goal of 3 minorities District-wide. Appointments made during the EEO Plan period were 53.4% female and 57.5% minority.

CHART 7

**APPOINTMENT GOALS**  
**JANUARY 1, 2003 – DECEMBER 31, 2005**

EEOC JOB CATEGORY	APPOINTMENT GOALS	POSITIONS FILLED	APPOINTMENTS
OFFICIALS & MANAGERS	1 Hispanic	Project Manager	1 M/API
	1 Female	Human Resources Manager	1 F/WHT
		Maintenance Manager	1 M/WHT
PROFESSIONALS	None	Sr. IT Technician	1 F/WHT
		Training & Response Coord.	1 M/WHT
		Safety & Training Coordinator	1 M/WHT
		Systems Administrator	1 M/WHT
TECHNICIANS	None	Schedule Analyst	1 F/WHT
		Supervisor of Revenue Collec.	1 F/WHT
ADMINISTRATIVE SUPPORT WORKERS	None	Accounting Technician	2 F/WHT
		Senior Accounting Technician	2 F/WHT, F/AIA
		Accounting Specialist	1 F/WHT
		Paratransit Clerk	1 F/BLK
		Administrative Assistant	1 F/WHT
		Administrative Clerk	1 F/HIS
		Administrative Services Coord.	1 F/WHT
		Dispatch/Schedulers	7 4F/WHT, 1F/HIS 1M/HIS, 1F/BLK
		Reservationist	5 F/HIS
		Parts Clerk	1 M/WHT
		Benefits Coordinator	2 F/WHT
		Human Resources Specialist	1 F/WHT
		Personnel Technician	1 F/WHT
Claims Investigator	1 F/HIS		
CRAFT WORKERS	4 Females	Mechanic I	4 M/API, 2M/HIS, M/WHT
		Mechanic II	3 2M/WHT, M/HIS
		Lead Mechanic	1 M/HIS
		Upholsterer II	1 M/HIS
		Facilities Main Supervisor	1 M/WHT
		Lead Mechanic	4 2M/WHT, M/HIS, M/API
OPERATIVES	1 American/Alaskan	Van Driver	1 F/AIA
			2 F/API, M/API
			18 8F/HIS, 10M/HIS
			11 6F/WHT, 5M/WHT
		Bus Operator	12 3F/WHT, 9M/WHT
			2 M/BLK
			1 M/AIA
			10 M/HIS
		Transit Supervisors	7 M/BLK, 2F/WHT, 3M/WHT
LABORERS AND HELPERS	None	Vehicle Service Worker I	1 M/HIS
		Vehicle Service Worker II	3 M/HIS
<b>TOTAL APPOINTMENTS</b>			<b>118</b>

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## APPOINTMENT GOALS

### Database for Selection of Population Statistics

The U.S. Census Bureau provides the statistical database for the civilian labor force used to determine the percentages of females and minorities in the area workforce. Civilian workforce statistics are used rather than general population statistics since the general population is not reflective of the population available for work. The general population includes children under the age of 16, students, retired workers, inmates of institutions, etc. Workforce statistics are the standards, which are used by compliance agencies (EEOC and DFEH) and the judicial system to determine evidence of discrimination.

### Appointment Goals

The District bases its appointment goals for the agency as a whole and each job category on the utilization chart (Chart #4). The utilization charts identify the EEOC job categories, which are below parity in each protected class. Chart 8, on the following page, lists 2003 -2005 appointment goals by EEOC job category for the District. In addition to the appointment goals, the District will continue its commitment to reach parity with the female and minority population segments of the Santa Cruz County labor force. The District will also continue to identify and eliminate employment barriers not only for female and minority protected classes, but also for the disabled and forty years and older protected classes.

CHART 8

APPOINTMENT GOALS  
BY EEOC JOB CATEGORY

JANUARY 1, 2006 – DECEMBER 31, 2008

EEOC Job Category	Minority	Female
Officials & Managers	Hispanic (1), Black (1)	No underutilization
Professionals	Hispanic (1)	2
Technicians	No underutilization	No underutilization
Administrative Support	No underutilization	No underutilization
Craft Workers	No underutilization	2
Operatives (not bus operators)	No underutilization	No underutilization
Operative (bus Operators)	No underutilization	43
Laborers & helpers	No underutilization	2
Service Workers	No underutilization	4
Total	Hispanic (2), Black (1)	53*

\* Due to the large disparity of female Operatives in the Bus Operator category it is unlikely this goal will be met during the length of this report. However, the District will strive to significantly increase the number of female Bus Operators.

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**IX. EQUAL EMPLOYMENT OPPORTUNITY ACTIVITIES**

**FREQUENCY**

- |     |   |                        |
|-----|---|------------------------|
| 1.  | Include an EEO policy statement in District publications.   | Ongoing                |
| 2.  | Inform management and supervisory staff about EEO status and concerns.  | Ongoing                |
| 3.  | Produce EEO report including current workforce utilization.   | Quarterly              |
| 4.  | Produce EEO reports on appointments, goals, new hires, separations, transfers, promotions and training.   | Annually               |
| 5.  | Maintain records on applicant flow data by ethnicity, gender, disability, age, recruitment and referral source.   | Each Recruitment       |
| 6.  | Recruit candidates with Spanish speaking skills   | Applicable Recruitment |
| 7.  | Include the EEO policy as part of the orientation process for new employees.  | Each Appointment       |
| 8.  | Inform employees of the EEO Plan.   | Ongoing                |
| 9.  | Include in District contracts with vendors a statement of nondiscrimination.  | Ongoing                |
| 10. | Communicate current EEO legal information to appropriate District personnel.  | Ongoing                |
| 11. | Update EEO Plan.  | Triennially            |
| 12. | Provide information to EEO committee on achievement of appointment goals.   | Ongoing                |
| 13. | Contact local community organizations representing minority, disabled, and female organizations, community groups, educational institutions, and student unions and associations to elicit their assistance in the referral of qualified applicants from protected classes. | Ongoing                |
| 14. | Training opportunities for current employees to assist employees in developing skills needed for future promotions.   | Explore Options        |

APPENDIX A

**DISCRIMINATION COMPLAINT PROCEDURE**

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All District employees have the right to file complaints of alleged discrimination. The procedure for filing discrimination complaints is as follows:

An employee who feels that he or she has been discriminated against due to race, color, ancestry, national origin, religious creed, sex, medical condition or disability, age, marital status, and sexual orientation may file a complaint alleging discrimination. A complaint must be in writing, signed and filed as soon as possible after the alleged discrimination occurred but no later than one hundred calendar days. The complaint should be directed to the General Manager or the Equal Employment Opportunity Officer.

The General Manager and/or the Equal Employment Opportunity Officer will initiate an investigation within fifteen calendar days of receipt of the written complaint. Whenever possible, the District will attempt to resolve complaints on an informal basis. The formal investigation shall be completed within forty-five days. Within ten days of completion of the investigation, a decision will be rendered in writing and sent to the employee who filed the complaint. Upon request, the employee may discuss the decision with the General Manager and/or the Equal Employment Opportunity Officer.

If an employee is not satisfied with the resolution of his or her complaint, she or he may file a written complaint with:

- The Federal Transit Administration, 211 Main Street, Room 1160, San Francisco, CA 94105
- The Secretary of the U.S. Department of Transportation, 400 7th Street, S.W., Washington, D.C. 20590
- The U.S. Equal Employment Opportunity Commission, 901 Market Street, Suite 500, San Francisco, CA 94103 (complaint generally required to be filed within 180 days of the incident)
- The California Fair Employment and Housing Commission, 111 North Market Street, Suite 810, San Jose, CA 95113-1102 (complaint generally required to be filed within 300 days of the incident)

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APPENDIX B

**REASONABLE ACCOMMODATION PROCEDURE**

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The District utilizes this six-step procedure for determining reasonable accommodation for current employees who become disabled during District employment and for job applicants with disabilities.

The first step entails the employee's or applicant's identification of his/her disability, as covered under the Americans with Disabilities Act, and request for reasonable accommodation.

The second step conducts a job analysis of the specific position to be filled. This provides a clear understanding of job requirements and the work environment.

The third step identifies functional characteristics of the applicant or employee. This is to learn the type and nature of disability and to fully understand the specific abilities and limitations of the individual.

The fourth step carefully compares the job analysis data with the characteristics of the disability of the employee or applicant. This information is used to identify and understand incompatibilities which exist between the known limitations of the applicant or employee and the job requirements and/or work environment which impede, or are likely to impede, satisfactory performance.

The fifth step develops a list of potential remedies to determine the most reasonable methods to resolve identified problems. Examples of remedies may include adaptive equipment, architectural modifications, communication aids, scheduling adjustments, and body mechanics. The proper remedy choice must be made on an individual basis. When considering possible alternatives, the District makes an effort to involve experts in the field and those individuals who will be affected, especially the disabled individual. Accommodations prescribed without involvement of the disabled individual are rarely as effective or appropriate as those which are planned with such input.

The sixth and final step evaluates the success of the accommodation made after a period of employment.

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APPENDIX C

**POLICY REGARDING PERSONS WITH DISABILITIES**

The District's Equal Employment Opportunity states that persons who are disabled shall not be discriminated against.

As part of the Equal Employment Opportunity Action Plan, the District shall actively recruit persons with a disability by notifying agencies and organizations, which serve the disabled community. The District shall maintain records on the number of persons with a disability that are employed.

The District shall consider a person with a disability qualified for a particular job when that person is capable of performing the essential duties of the job with or without reasonable accommodation for the person's disability. A claim that management has failed to provide a reasonable accommodation is a matter, which may be handled in accordance with the discrimination complaint procedure.



## LIFE THREATENING ILLNESS POLICY

### POLICY STATEMENT

Santa Cruz Metropolitan Transit District (District) recognizes that an employee with a life-threatening illness including, but not limited to, cancer, heart disease, degenerative neurological disease, and acquired immune deficiency syndrome (AIDS), may wish to continue to engage in as many normal pursuits as the condition allows, including work. As long as an employee is able to meet acceptable performance standards and medical evidence indicates that the condition is not a threat to the employee or others, managers and supervisors should be sensitive to his/her condition, and ensure that the employee is treated consistently with other employees. At the same time, the District has an obligation to provide a safe work environment for all employees and customers. Every precaution should be taken to ensure that an employee's condition does not present a health and/or safety threat to other employees or customers.

Any employee with a life-threatening illness is covered by District benefits and policies relating to insurance, health and disability benefits, non-discrimination, and equal employment opportunity.

### GUIDELINES

When dealing with situations involving employees with life-threatening illnesses, managers and supervisors should:

1. Remember that an employee's health condition is personal and confidential, and precautions (legally required) should be taken to protect information regarding any employee's health condition.
2. Be sensitive and responsive to co-workers' concerns and emphasize employee education available through the Human Resources Department.
3. Be sensitive to the fact that continued employment for an employee with a life-threatening illness may sometimes be therapeutically important in the remission or recovery process, or may help to prolong the employee's life.
4. If warranted, make reasonable accommodation for an employee with the life-threatening illness consistent with the business needs of the District.
5. Advise an employee who has reported a life-threatening illness that consultation on disability plans and other benefits to assist them in effectively managing their situation is available through the Human Resources Department.
6. Give no special consideration beyond normal transfer policies for employees who feel threatened by a co-worker's life-threatening illness.

7. Contact the Human Resources Department if you believe that you or your employees need information about terminal or contagious illnesses, or a specific life-threatening illness, or if you need further guidance in managing a situation that involves an employee with a life-threatening illness.

## **AVAILABLE RESOURCES**

Consistent with our concern for employees with life-threatening illnesses, the District offers the following range of resources available through the employee's department and the Human Resources Department:

1. Management and employee education and information on terminal illness and specific life-threatening illnesses.
2. Referral to agencies and/or organizations which offer supportive services for life-threatening illnesses.
3. Benefit consultation to assist employees in effectively managing health, leave of absence, and other benefits.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Regulation Number: AR-3005

Computer Title: sexharas.doc

Effective Date: May 24, 2004

Pages: 6

**TITLE: SEXUAL HARASSMENT IN EMPLOYMENT**

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## Procedure History

### REVISION DATE

05/24/04

### SUMMARY OF REVISION

Major Revisions to existing Sexual Harassment procedures and incorporation into Regulation format

### APPROVED



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## I. POLICY

- 1.01 The Santa Cruz Metropolitan Transit District (hereinafter METRO) is committed to creating and maintaining a workplace environment free of harassment because of sex, sexual harassment, gender harassment, exploitation and intimidation. METRO employees should be aware that sexual and gender harassment are prohibited by federal and state law and will not be tolerated. Complaints of harassment because of sex, sexual and/or gender harassment will be properly investigated and appropriate disciplinary action, up to and including termination, will be taken.
- 1.02 All METRO employees, including management, supervisors, and employees, are responsible for preventing harassment because of sex, including sexual and gender harassment and stopping such harassment when it occurs. Retaliation against an individual for his/her involvement in a complaint or investigation under this policy is prohibited by law and constitutes a separate violation of METRO policy.
- 1.03 METRO will not tolerate, condone or trivialize harassment because of sex, or sexual or gender harassment in any form.

## II. APPLICABILITY

- 2.01 This policy and procedure is applicable to METRO employees, applicants, volunteers, contractors, vendors and other individuals.
- 2.02 If a METRO employee engages in any harassing conduct including acts of retaliation in violation of this policy he/she shall be subject to disciplinary action up to and including employment termination.

- 2.03 If the harasser is determined to be a non-METRO employee, METRO will take such action as is allowed given METRO's control and other legal responsibilities METRO has with respect to the conduct of such non-employee.
- 2.04 Failure of a METRO employee to follow this policy and procedure shall subject such employee to disciplinary action up to and including employment termination.

### III. DEFINITIONS

- 3.01 **Examples of Sexual Harassment:** verbal communications, such as asking for a date, telling sexual jokes, bragging about sexual exploits, making comments regarding appearance or anatomy, or using terms with double meanings (one of which is sexual). However, nonverbal actions also can constitute unlawful harassment, such as touching ones-self or another (particularly in sexually sensitive places), suggestive eye contact, or posting or circulating sexually oriented posters, cartoons, or pictures.
- 3.02 **Gender Harassment:** Conduct, whether blatant or subtle, that discriminates against a person solely because of that person's sex or gender identification or sexual orientation. See definition of "Sex".
- 3.03 **Harassment because of sex:** includes but is not limited to verbal harassment, physical harassment and visual forms of harassment. Harassment because of sex includes sexual harassment, gender harassment and harassment based on pregnancy, childbirth, or related medical conditions. See also Sexual Harassment and Gender Harassment.
- 3.04 **Hostile Work Environment Harassment:** A hostile work environment exists where supervisors, co-employees, and/or others create an atmosphere so infused with unwelcome sexually oriented conduct that an individual's reasonable comfort or ability to perform his/her job is affected.
- 3.05 **Motivation for sexual harassment:** either sexual desire or general hostility to the plaintiff's gender.
- 3.06 **Quid pro quo harassment** occurs when a supervisor conditions the granting of an economic benefit upon the receipt of sexual favors from a subordinate or punishes the subordinate for refusing to submit to his/her request. In a hostile work environment the employee may be either a) personally subjected to offensive remarks and inappropriate visual displays or touching, or 2) he/she may personally witness the harassing conduct toward other employees even if he/she is not personally subjected to the harassment.
- 3.07 **Physical harassment:** includes assault, battery, impeding or blocking movement, or any physical interference with normal work or movement, when directed at an individual on the basis of gender or sex.
- 3.08 **Sex:** includes but is not limited to pregnancy, childbirth or medical conditions related to pregnancy or childbirth. "Sex" also includes but is not limited to an employee's gender which means the employee's actual sex or the perception of the employee's sex, and includes the perception of the employee's identity, appearance, or behavior, whether or

not that identity, appearance, or behavior is different from that traditionally associated with the employee's sex at birth.

- 3.09 **Sexual Harassment:** Sexual harassment is discrimination and violates the Federal Civil Rights Act of 1964, the California Fair Employment and Housing Act, and this policy. Sexual harassment is defined as unwanted sexual advances, requests for sexual favors, or visual, verbal or physical conduct of a sexual nature if : a) submission is a condition of employment, or b) submission affects employment decisions, or c) the purpose or effect is to unreasonably interfere with the employee's work performance or d) it creates an intimidating, hostile, or offensive environment. This definition includes many forms of offensive behavior.

Sexually harassing conduct can be physical, verbal, visual or written, and can occur between people of the same or opposite sex. Sexual harassment can occur between peers, supervisors to subordinate, subordinate to supervisor, within or across departments. The two basic elements of sexual harassment are: 1) the behavior is unwelcome; and 2) it is sexual in nature, as perceived by the recipient or it is behavior that ridicules denigrates or harasses a person because of his or her gender.

Types of sexual harassment include "quid pro quo" sexual harassment and hostile environment sexual harassment.

- 3.10 **Same-sex harassment:** Harassment from one individual to another both of the same gender
- 3.11 **Retaliation:** Any adverse action taken against an employee because of his/her participation in the complaint or investigation or hearing relating to this policy or the provision of federal or state law.
- 3.12 **Verbal Harassment:** includes epithet, derogatory comments or slurs on the basis of gender or sex.

#### IV. STANDARDS

- 4.01 Harassment because of sex including sexual and gender harassment of any kind is prohibited by every METRO employee in the workplace, in a METRO facility, vehicle, while in METRO service or while in uniform.
- 4.02 Retaliation of any kind in violation of this policy by any METRO employee is prohibited.
- 4.03 Retaliating against the complainant, the accused, or any other employee assisting the complainant or participating in a sexual harassment investigation is prohibited.
- 4.04 Employees have the right to raise the issue of sex discrimination including sexual and/or gender harassment at any time without fear of reprisal or retaliation.
- 4.05 An employee who feels that he or she has been sexually harassed or who has witnessed others being harassed should immediately bring the matter to the attention of their

supervisor or manager either orally or in writing and may file a complaint as set forth in Section VII, of this Policy.

- 4.06 Supervisors and Managers shall report to their department manager, the Human Resources Manager, the Assistant General Manager, or the General Manager if he/she becomes aware of harassment because of sex, or sexual or gender harassment in violation of this policy.
- 4.07 The Human Resources Manager shall provide copies of this policy to each employee and extra copies will be available in the following offices:
- a) Human Resources Manager, 370 Encinal, Suite 100, Santa Cruz, California, 95060;
  - b) Manager of Operations, 1200 River Street, Santa Cruz, California, 95060;
  - c) Manager of Fleet Maintenance, 120 DuBois, Santa Cruz, California, 95060; and
  - d) Paratransit Administrator, Pacific Station, 920 Pacific Avenue, Santa Cruz, California

## V. HARASSMENT-FREE ENVIRONMENT

- 5.01 To maintain an environment free from sexual and gender harassment is critical to the operation of METRO. To provide this environment, the following actions shall be required:
- a) Managers and supervisors shall inform all employees that harassment because of sex including sexual and gender harassment is prohibited;
  - b) This Sexual and Gender Harassment Policy shall be emphasized by the General Manager and explained by District Counsel to the Managers of each department;
  - c) Those who have concerns, or feel victimized by sexual or gender harassment shall be referred to the Human Resources Manager if he/she is not the subject of the complaint. If he/she is the subject of the complaint then the referral shall be made to District Counsel; and
  - d) Anti-sexual and gender harassment posters shall be displayed at each worksite and the Department of Fair Employment and Housing pamphlets regarding this issue shall be distributed to each employee at least annually.

## VI. ADMINISTRATION OF REGULATION

- 6.01 The Human Resources Manager or his/her designee is responsible for the following:
- a) Ensuring that this policy, its definitions of harassment and the complaint procedures are disseminated to all employees on a regular basis.
  - b) Ensuring that this policy, its definitions of harassment are made known to contractors, vendors and customers who come in contact with METRO employees or work on METRO premises.

- c) Providing guidance, training and assistance to department managers, supervisors, and employees on preventing and stopping harassment within their areas of responsibility;
- d) Investigating, resolving and making findings and recommendations on complaints filed with federal and/or state agencies;
- e) Informing employees of their rights and responsibilities under this policy;
- f) Investigating and resolving complaints involving departmental personnel in accordance with the complaint procedures set forth herein;
- g) Investigating and resolving complaints involving contractors or others.

## VII. Complaint Procedure

- 7.01 An employee who believes he/she has been harassed because of sex, sexually harassed, harassed because of his/her gender, witnessed another being harassed or retaliated against because of the filing a complaint, or the participation in an investigation or hearing is encouraged to file a complaint in writing or orally to any of the following individuals: immediate supervisor, department manager, Human Resources Manager, Assistant General Manager or the General Manager.
- 7.02 The supervisor or manager who receives a harassment complaint shall:
- a) Notify the Human Resources Manager immediately if he/she is not the subject of the complaint;
  - b) If the Human Resources Manager is the subject of the complaint then the supervisor or manager shall refer the individual to District Counsel who shall take appropriate steps to follow the guidelines set forth in Section 7.03.
- 7.03 The Human Resources Manager or his/her designee, once notified of a complaint shall take the following actions as soon as possible:
- a) Meet with the complainant and inform the complainant of his/her rights and any obligations to secure those rights;
  - b) Fully and effectively investigate the complaint. The investigation shall be immediate, thorough, objective and complete. All persons with information regarding the matter shall be interviewed. A determination shall be made and the results communicated to the complainant, to the alleged harasser, and as appropriate, to all others directly concerned.
  - c) If the complaint is proven to be true, take prompt and effective remedial action. First, appropriate action must be taken against the harasser and communicated to the complainant. Second, steps must be taken to prevent any further harassment by the accused and anyone else. Third, appropriate action must be taken to remedy the complainant's loss, if any.

7.04 Employees who believe that they have been harassed because of their sex, sexually harassed or harassed because of their gender may file a written complaint of discrimination with the following federal and/or state agencies:

- a) Federal Transit Administration, 211 Main Street, Room 1160, San Francisco, Ca 94105
- b) The Office of the Secretary, U.S. Department of Transportation, 400 7th Street, S.W., Washington, D C. 20590;
- c) U.S. Equal Employment Opportunity Commission, 901 Market Street, Suite 500, San Francisco, CA 94103 (Complaint generally required to be filed within 180 days of the incident); and
- d) California Department of Fair Employment and Housing, 111 North Market Street, Suite 810, San Jose, CA 95113-1102 (Complaint generally required to be filed within 300 days of the incident).



## APPENDIX F

### RACE/ETHNIC IDENTIFICATION

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The information included below conforms to the 1990 census descriptions of race. The District will be converting to new categories in 2007 as required by the U.S. Department of Labor.

The concept of race as used by the Equal Employment Opportunity Commission does not denote scientific definitions of anthropological origins. For the purposes of EEO data collection, and identifies with, or is regarded in the community as belonging. However, no persons should be counted in more than one race/ethnic category.

AMERICAN INDIAN/ALASKAN NATIVE: All persons having origins in any of the original peoples of North America and who maintain cultural identification through tribal affiliation or community recognition.

ASIAN OR PACIFIC ISLANDERS: All persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Philippine Islands and Samoa.

BLACK (not of Hispanic origin): All persons having origins in any of the Black racial groups of Africa.

HISPANIC: All persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

WHITE (not of Hispanic origin): All persons having origins in any of the original peoples of Europe, North Africa or the Middle East.

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## APPENDIX G

### DESCRIPTION OF EEOC JOB CATEGORIES

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Officials and Managers: Occupations requiring administrative and managerial personnel, who set broad policies, exercise overall responsibility for execution of these policies, and direct individual departments or special phases of a firm's operation.

Include only those company officers and managers who are exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act.

Professionals: Occupations requiring either college graduation or experience of such kind and amount as to provide a comparable background.

Technicians: Occupations requiring a combination of basic scientific knowledge and manual skill which can be obtained through 2 years of post high school education, such as is offered in many technical institutes and junior colleges, or through on the job training.

Sales: Occupations engaged wholly or primarily in direct selling.

Administrative Support Workers: Administrative support occupations, including all clerical-type work regardless of level of difficulty, where the activities are predominately non-manual through some manual work not directly involved with altering or transporting the products is included.

Craft Workers (Skilled): Manual workers of relatively high level (precision production and repair) having a thorough and comprehensive knowledge of the process involved in their work. Exercise considerable independent judgment and usually received and extensive period of training.

Exclude learners and helpers of craft workers.

Operative (Semiskilled): Workers who operate transportation or materials moving equipment, or who operate machine or processing equipment, or who perform other factory-type duties of intermediate skill level which can be mastered in a few weeks and require only limited training.

Includes apprentices in such fields as auto mechanics, plumbing, bricklaying, carpentry, building trades, metalworking trades, and printing trades.

Laborers (Unskilled): Handlers, equipment cleaners, helpers and other workers in manual occupations which generally require no special training and who perform elementary duties that may be learned in a few days and require the application of little or no independent judgment. Farm workers (laborers) are placed here, as well as farming, forestry and fishing occupations not elsewhere covered.

Service Workers: Workers in both protective and non-protective service occupations.

Includes non-protective workers in professional and personal service, amusement and recreation, food service, maintenance, and unarmed sentinel occupations. Also includes protective workers in police and detection, fire fighting and fire protection, armed guard and security occupations.

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## APPENDIX H

### DEFINITIONS

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EQUAL EMPLOYMENT OPPORTUNITY OFFICER: The Human Resources Manager whose responsibilities are to develop, implement, and evaluate the District's affirmative action program.

EQUAL EMPLOYMENT OPPORTUNITY PLAN: A written plan outlining the course of action to be taken to eliminate and remedy past discrimination or underutilization of minorities and women.

AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967 (ADEA): ADEA promotes the employment of the older worker based on ability rather than age, and prohibits arbitrary age discrimination in employment.

AMERICANS WITH DISABILITIES ACT (ADA): ADA, passed July 26, 1990, provides comprehensive civil rights protection to individuals with disabilities that are similar in scope to those provided by Title VII of the Civil Rights Act. The purpose of the ADA is to ensure equal opportunity for the disabled in employment, public accommodations, public services and telecommunications. ADA also requires employers to make reasonable accommodations to known disabilities.

APPLICANT DATA: Statistical data which reflects the numerical results of employment actions such as application testing and hiring. This data is used to monitor employment actions to determine if they are in accordance with the intent and purpose of affirmative action.

APPOINTING AUTHORITY: This term applies to the General Manager of the District and departmental managers responsible for a particular hiring decision.

BONA FIDE OCCUPATION QUALIFICATION (BFOQ): A defense provided for in Title VII which an employer can raise to justify an employment practice which would otherwise be unlawful because of its discriminatory impact.

CIVIL RIGHTS ACT OF 1964, AS AMENDED: Title VII part of the Act states that: "It shall be unlawful employment practice for an employer:

1. to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to her/his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin; or
2. to limit, segregate, or classify employees or applicants for employment in any way which would deprive any individual of employment opportunities or otherwise adversely affect her/his status as an employee, because of such individual's race, color, religion, sex, or national origin."

CIVIL RIGHTS ACT OF 1991: This Act made several significant changes in federal civil rights law. For example, the Act: requires the employer to demonstrate that facially neutral employment practices having a disparate impact against minorities are job related for the position in question and consistent with business necessity; specifies that all forms of racial bias in employment are covered;

5-13.255

prohibits challenges to consent decrees by individuals who had reasonable opportunity to object to the decree or whose interests were adequately represented by another party, stipulates that any intentional discrimination is unlawful, even if the same action would have resulted without the discriminatory motive; and extends the coverage to U.S. citizens employed by American companies abroad.

COMPLAINANT: A person who brings a complaint or charge alleging unlawful employment discrimination.

DISCRIMINATION: Employers may not refuse to hire, discharge, or otherwise show partiality or prejudice in compensation or in any other term, condition, or privilege of employment, against an individual based on an individual's protected class status.

DISPARATE TREATMENT: A term used to describe a situation where a person of one race, sex, or ethnic group receives different treatment from that afforded other persons of another race, sex, or ethnic group in similar situations or circumstances.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC): EEOC is an independent agency empowered to prohibit all kinds of employment discrimination based on the categories protected by the Civil Rights Act. Also, the federal government requires EEO forms in which the employer must provide statistics on the number of employees by sex, race and protected ethnic classification in specific job categories.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC) CATEGORIES: Job categories defined by the EEOC for reporting purposes (see Appendix E).

EQUAL EMPLOYMENT OPPORTUNITY: A term which describes a work environment that is free of unlawful employment discrimination; all persons are treated fairly and equally in accordance with applicable Federal and State law.

INDIVIDUAL WITH A DISABILITY (Section 504 of the Rehabilitation Act of 1973 and Americans with Disabilities Act of 1990). A person who has:

- a. a physical or mental impairment which substantially limits one or more major life activities;
- b. a record of such an impairment; or
- c. is regarded as having such an impairment.

PARITY: Parity exists when the percentage of females and minorities in the various job categories of the employer's workforce are in the same proportion that is found in the available workforce as provided by the current census data. Availability in the Santa Cruz County workforce means the percent or number of individuals within a protected class, as defined by the EEOC, available to work in a particular EEOC job category.

5-13.256

**PROTECTED CLASS:** Legally identified group that is specifically protected by statute against employment discrimination. Unlike "affected class" which must be demonstrated, protected class status is automatically conferred upon recognized group members by virtue of the law or other court decisions interpreting the law.

**REASONABLE ACCOMMODATION:** The changing of work environments, schedules, or requirements to adapt to the known physical or mental limitations of a qualified handicapped/disabled applicant or employee.

**RELEVANT WORKFORCE:** The percentage of minorities and females in Santa Cruz County, as determined by the U.S. census data, available to work in a particular EEOC job category. This includes individuals who: (a) are at least 16 years old, (b) worked at any time during the reference week for the census data, (c) didn't work during the reference week but had jobs or businesses from which they were temporarily absent, (d) were on lay off, and (d) didn't work during the reference week but were looking for work during the last four weeks and were available for work during the reference week.

**REMEDIAL ACTION:** Any action that is taken by an employer to remedy the effects of past employment practices which may have excluded the appointment and promotion of ethnic minorities and women at various levels of the workforce.

**SELECTION PROCESS:** The process used to recruit, test, and appoint applicants for employment or to promote employees.

**UNDERUTILIZATION:** A term used to describe the numerical differences between the employer's workforce and the relevant workforce. If the employer's number is smaller than the relevant workforce, this indicates that the employer's workforce is below parity.

**UNLAWFUL EMPLOYMENT DISCRIMINATION:** Discrimination which is constitutionally or statutorily forbidden. Unlawful employment discrimination exists when there is causal connection between the issue (i.e., hiring, promotion, termination, etc.) and the basis (i.e., charging party's race, color, religion, sex, national origin, disability, etc.) of the complaint.

**UTILIZATION ANALYSIS:** The process of comparing the composition of the employer's workforce to the composition of the selected relevant workforce by sex and ethnic/racial categories. The numerical difference between the actual workforce and the relevant workforce indicates whether a particular group of employees, identified by sex and ethnic minority groups is underutilized in the employer's workforce. The difference between the employer's workforce and the relevant workforce is the factor used in setting appointment goals.

**VIETNAM ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1974:** 38 U.S.C. 4212 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 prohibits job discrimination and requires affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era.

**WORKFORCE ANALYSIS:** A statistical analysis of the numbers and percentages of employees by race, sex, and ethnic/racial grouping for each job class category.

5-13.057

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Maintenance  
**SUBJECT:** **CONSIDERATION OF CONTRACT RENEWAL WITH THE LAW OFFICES OF MARIE F. SANG FOR LEGAL SERVICES IN THE AREA OF WORKERS' COMPENSATION**

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

- The District has a contract (No. 02-13) for legal services in the area of workers' compensation.
- At the option of the District, this contract may be renewed for two (2) additional one-year terms.
- Marie F. Sang has indicated that she is interested in extending the contract one additional year to February 28, 2008.
- It is requested that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year.

## III. DISCUSSION

The District's current contract with the Law Offices of Marie F. Sang for legal services in the area of workers' compensation is due to expire on February 28, 2007. Marie F. Sang has provided good service under this contract. An extension of the contract would be favorable to the District. Section 4.01 of the contract allows the District the option to renew the contract for two (2) additional one-year terms. Marie F. Sang has also reviewed the contract and has indicated her desire to extend the contract for one additional year.

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

5-14.1

**IV. FINANCIAL CONSIDERATIONS**

Funding for this contract is contained in the District's budget for Worker's Compensation claims. Annual budget for this contract is \$15,000.

**V. ATTACHMENTS**

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

**Attachment B:** Contract Amendment

5-14.2

MARIE F. SANG \*  
CARLA SPENCER

BRUCE E. PITCAITHLEY \*  
OF COUNSEL

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

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

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

November 3, 2006

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

**RE: SECOND AMENDMENT TO PROFESSIONAL SERVICES CONTRACT  
FOR LEGAL SERVICES IN THE AREA OF WORKERS' COMPENSATION**

Dr. Mr. Longnecker:

This office is in receipt of your November 1, 2006 letter in which you advise that the District proposes a second amendment to District Contract No. 02-13, to extend the agreement from March 1, 2007 through February 28, 2008.

Please be advised that the undersigned agrees to your proposal to extend the contract for an additional one year period, under the same terms of reimbursement.

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

Very truly yours,

  
MARIE F. SANG

cc: Santa Cruz Metro Transit District- Robyn Slater

ls/scmtd/ltr

5-14.a1



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

This Second Amendment to Contract No. 02-13 for legal services in the area of workers' compensation is made effective March 1, 2007 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and LAW OFFICES OF MARIE F. SANG ("Contractor").

**I. RECITALS**

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

Therefore, District and Contractor amend the Contract as follows:

**II. TERM**

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

This Contract shall continue through February 28, 2008. This Contract may be mutually extended by agreement of both parties.

**III. REMAINING TERMS AND CONDITIONS**

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

**IV. AUTHORITY**

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

SIGNATURES ON NEXT PAGE

5-14.61

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

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

---

Leslie R. White  
General Manager

CONTRACTOR  
LAW OFFICES OF MARIE F. SANG

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

Approved as to Form:

---

Margaret R. Gallagher  
District Counsel

5-14.62

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006  
**TO:** Board of Directors  
**FROM:** Leslie R. White, General Manager  
**SUBJECT: CONSIDERATION OF CONTRACT EXTENSION WITH CAROLYN C. CHANEY & ASSOCIATES FOR FEDERAL LEGISLATIVE REPRESENTATIVE SERVICES**

## I. RECOMMENDED ACTION

**It is recommended that the Board of Directors authorize the General Manager to enter into a contract extension with Carolyn C. Chaney & Associates for Federal Legislative Representative Services in an amount not to exceed \$60,000 per year plus up to \$4,000 for expenses.**

## II. SUMMARY OF ISSUES

- The District has had a contract with Carolyn C. Chaney & Associates for the past nine years.
- The current contract approved by the Board of Directors on January 27, 2006 for a term of one year with four options for renewal for one year each.
- Carolyn C. Chaney & Associates has effectively represented the District in Washington D.C. and therefore, a contract extension is recommended.

## III. DISCUSSION

The District has utilized the services of a professional firm for legislative representation at the federal level for seven years. The District has been successful in getting federal earmarks and having language beneficial to the District included in legislation. The firm that has had the contract for the past seven years is Carolyn C. Chaney & Associates.

On January 27, 2006 the Board of Directors authorized the execution of a contract with Carolyn C. Chaney & Associates for a one-year period of time with four one-year extensions as an option. The selection of Carolyn C. Chaney & Associates was the result of a Request for Proposals (RFP) process, which was issued on November 9, 2005. Last year the Board of Directors approved a one-year contract with Carolyn C. Chaney & Associates, leaving four one-year extensions remaining on the contract.

Over the past year, the quality of service provided by Carolyn C. Chaney & Associates has been excellent and the District has had effective representation with regard to major legislative issues. In the coming year, Federal Authorization and Federal Regulatory issues will require the

**5-15.1**

continuation of a firm located in Washington D.C. to represent the District. Staff recommends that the District exercise the option for a one-year contract extension with Carolyn C. Chaney & Associates for an amount not to exceed \$60,000 plus reimbursement of up to \$4,000 for expenses incurred as a part of the contract. Eligible expenses would include long distance telephone charges, photocopying, postage, courier, overnight mail and other types of expenses appropriate to representation of the District. Staff further recommends that the Board of Directors authorize the General Manager to sign a one-year contract extension on behalf of the District.

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

Funds are included in the fiscal year 2006-07 budget necessary to support this contract.

#### **V. ATTACHMENTS**

**Attachment A:** Letter from Carolyn C. Chaney & Associates

**Attachment B:** Contract Amendment

**5-15.2**



CAROLYN C. CHANEY & ASSOCIATES, INC.  
LOCAL GOVERNMENT CONSULTANTS

November 28, 2006

Mr. Leslie R. White  
General Manager  
Santa Cruz Metropolitan Transit District  
370 Encinal Street, Suite 100  
Santa Cruz, CA 95060

Dear Les:

Please consider this a formal request to extend for twelve months the contract between the Santa Cruz Metropolitan Transit District and Carolyn C. Chaney & Associates, Inc. for Federal Legislative Services. In addition, we do not propose any modifications to our current agreement.

While a year following a major surface transportation reauthorization is often quiet, this year did provide some work with implementation of the new SAFETEA-LU law. We were pleased that our work with Congress and the FTA has led to more effective reporting of allocations under the Small Transit Intensive Cities (STIC) program. In addition, we are hopeful that the \$500,000 for the Pacific Station as approved by the House this year will be secured for FY 2007, although delays in the congressional budgeting process will prevent us from learning its fate until 2007.

The next year should also provide us with opportunities to begin discussions of the next transportation bill, as SAFETEA-LU will expire in 2009. With revenues to the Highway Trust Fund waning in recent years, we are hopeful that there will be a serious focus on how best to fund the significant public transportation needs in the future.

As always, it has been a pleasure to serve you, your staff, and the METRO Board over the past year, and we look forward to a continued relationship. Please let us know at your convenience if you have any questions or comments about the contract.

Sincerely,

Carolyn C. Chaney  
President

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
FIRST AMENDMENT TO CONTRACT NO. 05-11  
FOR FEDERAL LEGISLATIVE REPRESENTATIVE SERVICES**

This First Amendment to Contract No. 05-11 for federal legislative representative services is made effective February 1, 2007 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and Carolyn C. Chaney and Associates ("Contractor").

**I. RECITALS**

1.1 District and Contractor entered into a Contract for federal legislative representative services ("Contract") on February 1, 2006.

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

Therefore, District and Contractor amend the Contract as follows:

**II. TERM**

2.1 Article 3.02 is amended to include the following language:

This contract shall continue through January 31, 2008. This Contract may be mutually extended by agreement of both parties.

**III. REMAINING TERMS AND CONDITIONS**

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

**IV. AUTHORITY**

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

SIGNATURES ON NEXT PAGE

**5-15.61**

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

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

---

Leslie R. White  
General Manager

CONTRACTOR  
CAROLYN C. CHANEY AND ASSOCIATES

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

APPROVED AS TO FORM:

---

Margaret R. Gallagher  
District Counsel

5-15.62

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Maintenance  
**SUBJECT:** **CONSIDERATION OF CONTRACT RENEWAL FOR HAZARDOUS WASTE REMOVAL SERVICES WITH EVERGREEN OIL, INC.**

## REQUESTED ACTION

### I. RECOMMENDED ACTION

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

### II. SUMMARY OF ISSUES

- The District has a contract with Evergreen Oil, Inc. for hazardous waste disposal.
- At the District's option, this contract may be renewed for four (4) additional one-year terms.
- Evergreen Oil, Inc. has indicated that they are interested in extending the contract term through January 31, 2008 under the same terms and conditions.

### III. DISCUSSION

The District currently has a contract with Evergreen Oil, Inc. for hazardous waste disposal. The contract is due to expire on January 31, 2007. Terms of the contract allow the District the option to renew the contract for four (4) additional one-year terms under the same terms and conditions. Evergreen Oil, Inc. has indicated that they are interested in extending the contract for one additional year under the same terms and conditions. District Staff recommends that the Board of Directors authorize the General Manager to enter into a one-year contract extension with Evergreen Oil, Inc. for hazardous waste removal services under the same terms and conditions.

### IV. FINANCIAL CONSIDERATIONS

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

### V. ATTACHMENTS

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

5-16.1





**Evergreen Oil, Inc.**

*dedicated to the protection of the environment*

**Attachment **A****

RECEIVED

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SANTA CRUZ METRO  
TRANSIT DISTRICT

November 3, 2006

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

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

We accept the renewal of Contract No 03-09 for Hazardous Waste Removal Services for an additional term of one year (February 1, 2007 through January 31, 2008) with no changes

Sincerely,

Gary Colbert  
Executive Vice President  
Evergreen Oil, Inc

**Headquarters**

2355 Main Street, Suite 230  
Irvine, CA 92614  
Tel: (949) 757-7770 Fax: (949) 474-9149  
Customer Service: (800) 972-5284

**Operations - North**

6880 Smith Avenue  
Newark, CA 94560-4224  
Tel: (510) 795-4400  
Fax: 510) 796-2559

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



5-16.a1

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

This Third Amendment to Contract No. 03-09 for Hazardous Waste Disposal Services is made effective February 1, 2007 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and EVERGREEN OIL, INC. ("Contractor").

**I. RECITALS**

1.1 District and Contractor entered into a Contract for Hazardous Waste Disposal Services ("Contract") on February 1, 2004.

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

Therefore, District and Contractor amend the Contract as follows:

**II. TERM**

2.1 Article 3.02 is amended to include the following language:

This Contract shall continue through January 31, 2008. This Contract may be mutually extended by agreement of both parties.

**III. REMAINING TERMS AND CONDITIONS**

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

**IV. AUTHORITY**

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

SIGNATURES ON NEXT PAGE

5-16.61

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

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

CONTRACTOR  
EVERGREEN OIL, INC.

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

Approved as to Form:

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

5-16.62

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006  
**TO:** Board of Directors  
**FROM:** Ciro F. Aguirre, Manager of Operations  
**SUBJECT:** CONSIDERATION OF CUSTOMER COMPLAINT PROCEDURES

## I. RECOMMENDED ACTION

**Accepting for file the report on customer complaint reporting**

## II. SUMMARY OF ISSUES

- Metro offers several reporting option for customers who have the need to express service related complaints, compliments, or suggestions.
- Metro requires that established procedures be followed in order to properly record and distribute customer comments.
- Metro maintains a set of established procedures in place to process, distribute, investigate, and respond to customer issues submitted.

## III. DISCUSSION

Metro customers have several options to choose from when attempting to express service related complaints, compliments, or suggestions for both Fixed Route or ParaCruz services.

### METRO TRANSIT CENTER

At the Metro Transit Center (MTC), customers may call the information number, 831-425-8600, and speak to a Customer Service Representative (CSR) or Customer Service Supervisor (CS Supervisor) between the hours of 8:00am and 4:30pm, Monday through Friday. Customers may opt to send a letter or personally fill out a "*Metro wants to know*" form, and submit it to the CSR or place it in the Suggestion Box located in the lobby. They may choose to personally speak to a CSR or CS Supervisor who will record their concerns on a Customer Service Report (CS Report) form. Every effort is made to address a customer's issue at MTC by CSR staff.

All unresolved issues reported at the MTC are transposed onto a CS Report form and copies sent to the corresponding department for further disposition. The responsible department assigns staff to investigate, and record results of the investigation with any action taken. Once the investigation and actions are completed, the assigned staff person records information on the form, and the form is returned to MTC for final disposition by the CS Supervisor which results in phone or written comment/s regarding the outcome of the issue

5-17.1

being communicated with the customer. Turn around for this process is usually ten working days.

### **METRO On-Line Website**

Customers may visit Metro's Internet web site, METRO ON-LINE at [www.scmttd.com](http://www.scmttd.com). The web site permits customers' access to the on-line CS Report page that will provide several fields prompting for specific information about a specific issue, and has sufficient space for a customer to provide a detailed written account of the issue.

The on-line report allows Metro Management to review the web page report as soon as it is sent. The appropriate department staff then responds to the customer acknowledging receipt, and action that will be taken. The CS Report is created and completed, as stated previously, and returned to the CS Supervisor for further disposition.

### **ParaCruz**

Several options exist for communicating issues to ParaCruz. Customers may call Metro's Accessible Services Coordinator at 831-423-3868, or Metro Customer Services 425-8600, Monday through Friday, 8:00am to 4:30pm. Calls placed to either of these numbers will have customers transferred directly to ParaCruz. Direct calls may be placed to ParaCruz at 425-6664, Monday through Friday 7:00am to 10:30pm, Saturday and Sunday 8:00am to 10:30pm. Additionally, customers may register concerns with a Paratransit Users Advocate at the Central Coast Center for Independent Living (CCCIL) at 462-8720.

ParaCruz Reservationists will answer calls placed directly to ParaCruz. A Customer Service Report is completed documenting customer's concern/s. The report is forwarded to the ParaCruz Supervisor for review and further investigation. Results of the investigation are documented and logged, and if a deficiency is identified, appropriate action is taken. A follow-up letter, reporting on the status of the concern, is provided to the customer no later than thirty (30) days after notifying ParaCruz.

### **ParaCruz On-line Website**

Customers may also visit the ParaCruz Internet web site, PARACRUZ ADA PARATRANSIT SERVICES at [www.paracruz.com](http://www.paracruz.com). The web site permits customer's access to the on-line Customer Service Report page. This web page provides several fields prompting for specific information about a customers concern, and has sufficient space for a customer to provide a detailed written account of the issue. On-line reports submitted will initiate the creation of an internal Customer Service Report prompting further investigation by ParaCruz staff, and will result in the same procedures followed as mentioned previously.

5-17.2

**IV. FINANCIAL CONSIDERATIONS**

NONE

**V. ATTACHMENTS**

- Attachment A:** Metro Wants To Know Form
- Attachment B:** Customer Service Report Form
- Attachment C:** On-line Customer Service Report Form
- Attachment D:** Customer Service Response Letter
- Attachment E:** ParaCruz Customer Service Report
- Attachment F:** On-line ParaCruz ADA Paratransit Service Report Form

5-17.3

*Metro  
wants to know...*



Your suggestions can help  
correct problems and provide  
better service to all.

**I want Metro to know that:**

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

DAY PH#: \_\_\_\_\_

*... so we can grow!*



## Customer Service Report

REPORT #	REC'D BY	DATE	TIME	<input type="checkbox"/> PHONE	<input type="checkbox"/> REROUTED
			a.m. p.m.	<input type="checkbox"/> LETTER	<input type="checkbox"/> IN PERSON
				<input type="checkbox"/> CUSTOMER COMMENT SLIP	
<input type="checkbox"/> OK TO REVEAL CUSTOMER'S NAME			<input type="checkbox"/> DO NOT REVEAL CUSTOMER'S NAME		
CUSTOMER'S NAME				PHONE (H)	
ADDRESS				PHONE (W)	
DATE OF INCIDENT		DAY OF WEEK		TIME	LOCATION (include cross st)
				a.m. p.m.	
ROUTE #	BLOCK #	BUS #	DIRECTION	EMPLOYEE NAME/DESCRIPTION/#	
			<input type="checkbox"/> inb <input type="checkbox"/> outb		
REFER TO:		<input type="checkbox"/> Building & Grounds		<input type="checkbox"/> Fleet Maintenance	
<input type="checkbox"/> Operations		<input type="checkbox"/> Risk Management		<input type="checkbox"/> Protective Services	
		<input type="checkbox"/> Service Planning/Administration		<input type="checkbox"/> Customer Services	
<input type="checkbox"/> FYI ONLY <input type="checkbox"/> INVESTIGATE <input type="checkbox"/> C.C. _____ DEPT.				REPLY DUE DATE	
				/    /    /	
<input type="checkbox"/> Accident/Injury		<input type="checkbox"/> Lost & Found Handling		<input type="checkbox"/> Bike Stand _____	
<input type="checkbox"/> Bus Cleanliness		<input type="checkbox"/> Mechanical Problem		<input type="checkbox"/> Bus Bench _____	
<input type="checkbox"/> Bus No Show		<input type="checkbox"/> Passenger Behavior		<input type="checkbox"/> Bus Sign _____	
<input type="checkbox"/> Bus Off-Route		<input type="checkbox"/> Passenger Pass-Up		<input type="checkbox"/> Bus Shelter _____	
<input type="checkbox"/> Bus Overloaded		<input checked="" type="checkbox"/> Reckless Driving		<input type="checkbox"/> Bus Stop _____	
<input type="checkbox"/> Bus Running Early		<input type="checkbox"/> Report of Violation of		<input type="checkbox"/> Metro Center _____	
<input type="checkbox"/> Bus Running Late		District Ordinance or Law		<input type="checkbox"/> Trash Can _____	
<input type="checkbox"/> Bus Speeding		<input type="checkbox"/> Request to Add Service		<input type="checkbox"/> Watsonville Center _____	
<input type="checkbox"/> Commendation		<input type="checkbox"/> Request to Reduce Service		<input type="checkbox"/> Other _____	
<input type="checkbox"/> Complaint Handling		<input type="checkbox"/> Routing Change Request		a) install	
<input type="checkbox"/> District Policy Issue		<input type="checkbox"/> Scheduling/Run Time		b) move	
<input type="checkbox"/> Employee Behavior		<input type="checkbox"/> Wheelchair Lift Problem		c) clean	
<input type="checkbox"/> Fare Problem		<input type="checkbox"/> Other _____		d) repair	
<input type="checkbox"/> Information Problem					
EXPLAIN: _____					
_____					
_____					
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_____					
REFERRED FOR INVESTIGATION TO:				DATE:	
ANALYSIS/ACTION TAKEN:					
_____					
_____					
_____					
INVESTIGATOR'S SIGNATURE:				DATE:	
_____					
<b>CUSTOMER SERVICE USE ONLY</b>					
INTERNAL			CUSTOMER FOLLOW-UP		
(date / initials)			(date / initials)		
1st Notice Rec'd: _____			Personal Letter _____		
Add'l Cust Inquiries: _____			Form Letter # _____		
Cross-Ref. Cases: _____			Complimentary Day Pass _____		
Case Closed: _____			Phone Call _____		
			Referral Department Reply _____		
			No Reply/Explain _____		

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

5-17.61





### Customer Service Report

This is a form to get input from our riders. We are set up to take Customer Service Reports on-line. We are always interested in improving the service to the citizens of Santa Cruz County. Please use this form to tell us if you have any **compliments**, **complaints**, or **suggestions** on the system. Please fill out the form as completely as possible so that we may follow-up on your report. Your phone number is especially important if we need to contact you for follow-up information.

Nature of comment:

Date (mm/dd/yy):

Route Name:

Route No.:  Direction: Inbound  Outbound

Time:  AM/PM: AM  PM

Location (include cross streets):

Bus No.:

Employee Name or Number:

Specific suggestions or comments:

Name:

Address:

City:

State:

Zip:

5-17.c1

Phone:

E-Mail Address:

Thank you for taking the time to use this form for your Customer Service Report. You will receive a confirmation that your form was received, and then after it has been investigated, you will receive an answer to your comment.

---

You may send it to  when done, or  to start over.

# Attachment **D**

Santa Cruz Metropolitan  
Transit District



Dear Passenger:

Thank you for contacting us regarding the problem you encountered with

We continually strive to provide first-class public transportation and top-notch employee performance. Rest assured the incident you reported is being investigated.

The time you took to bring your concerns to our attention is appreciated. Comments like yours help us identify areas for improvement.

Sincerely,

Customer Service Coordinator

# ParaCruz Customer Service Report

## Attachment **E**

Time of Report: \_\_\_\_\_

Report Number PC –	Person Filing Report	Phone #	Passenger Name	Phone #
Location of Incident		Incident Date	Incident Time	Department/Vehicle
Passenger Mailing Address:				
Explanation:				
Forwarded from Outside Agency:				
Date Rec'd and Agency Name:				
Confidentiality Requested? <input type="checkbox"/> Yes <input type="checkbox"/> No				

<b>Service Provider:</b> <input type="checkbox"/> ParaCruz <input type="checkbox"/> Santa Cruz Yellow <input type="checkbox"/> Other	<b>Report Type:</b> Late Ride: _____ min Service Problem: Employee Conduct: Equipment Problem: Other: Compliment:
Employee:	Department:

Copy Forwarded To	Date Rec'd:	Response: (Use page 2 if necessary)	Date response sent:
Scheduling Manager			
Accessible Coordinator			
Superintendent:			
Administrator			
Safety/Training Coordinator			

5-17.e1

# ParaCruz Customer Service Report

**Additional Information:**

<b>Comments:</b>	
<b>By:</b>	<b>Date:</b>
<b>Comments:</b>	
<b>By:</b>	<b>Date:</b>
<b>Comments:</b>	
<b>By:</b>	<b>Date:</b>
<b>Comments:</b>	
<b>By:</b>	<b>Date:</b>
<b>Comments:</b>	
<b>By:</b>	<b>Date:</b>

12/4/2006 8:50 AM

5-17.e2

Metro ParaCruz

**ParaCruz  
ADA Paratransit Service**

METRO ParaCruz welcomes your comments. Your thoughtful feedback may assist us in providing efficient and effective public mass transportation opportunities to persons who are not able to use the regular bus system for some or all of their trips due to a disability. Please use this form to provide your **compliments, complaints, or suggestions** about this service. Please fill out the form as completely as possible so that we may follow-up on your comments. Your phone number is especially important if we need to contact you for additional information.

DO NOT USE THIS FORM OR MAKE OR CHANGE RIDE RESERVATIONS

Nature of comment (please choose from menu):

Date of service:

Rider's First and Last Name:

Approximate time of this event (if applicable):  AM/PM:  AM  PM

Where did this happen?:

Vehicle Number:

Employee Name or Number:

Briefly, what do you want us to hear?:

Name:

Address:

City:

State:

Zip:

Phone:

E-Mail Address:

After you click "Send to ParaCruz" your comments will be sent to our office by e-mail. If you need to start again, press the "Clear Form" and the form will be cleared.

5-17.41

when you are finished, or

[Return to ParaCruz Home Page](#)

5-17.42

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006

**TO:** Board of Directors

**FROM:** Margaret Gallagher, District Counsel

**SUBJECT: CONSIDER AUTHORIZING THE GENERAL MANAGER TO EXECUTE A THREE-YEAR LEASE FOR KIOSK #5 AT THE WATSONVILLE TRANSIT CENTER WITH JOSE VILLA DBA LA MANCHA TO OPERATE A SANDWICH AND SMOOTHIE SHOP**

## I. RECOMMENDED ACTION

**Authorize the General Manager to execute a 3-year lease for the Watsonville Transit Center Kiosk Space #5 with Jose Villa dba La Mancha to operate a sandwich and smoothie shop.**

## II. SUMMARY OF ISSUES

- Jose Villa has been successfully running his business “La Mancha” at the Watsonville Transit Center in kiosk #5, which he has been leasing from the Santa Cruz Metropolitan Transit District from January 1, 2006. His lease was for a one-year period with no extensions available. The Lease expires on December 31, 2006.
- The space was advertised during the month of November. Mr. Villa was the only applicant who responded with a proposal for a new Lease. The new draft Lease is the same as the previous one, except for the lease term, which is for a 3-year period instead of a 1-year period.

## III. DISCUSSION

Jose Villa applied for tenancy at the kiosk to sell sandwiches and fresh fruit smoothies in August of 2005. After the Leasing Committee approved his application, there was a protracted period of time, (September through November) in which Mr. Villa spent obtaining his business license, funding for the business and a business plan. Mr. Villa has been paying \$300.00 per month for the 240 square foot kiosk space. The term began on January 1, 2006 and terminates on December 31, 2006.

The space was advertised during the month of November. Mr. Villa was the only applicant who responded with a proposal for a new Lease. The new draft Lease is the same as the previous one, except for the lease term, which is for a 3-year period instead of a 1-year period.



Mr. Villa has been successfully running his business and paying his rent on time for the previous year.

**IV. FINANCIAL CONSIDERATIONS**

The annual receipt of rent by the District will be \$3,600.00 under the terms of the Lease.

**V. ATTACHMENTS**

Attachment A: Proposed Lease Agreement

**5-18.2**

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
TRANSIT CENTER LEASE AGREEMENT

**THIS LEASE** is made on January 1, 2007, between the **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, a political subdivision of the State of California ("Landlord"), whose address is 370 Encinal, Suite 100, Santa Cruz, California, 95060, and, **Jose Villa dba La Mancha** ("Tenant"), whose address is 475 Rodriguez Street, Suite 5, Watsonville, California 95076, who agree as follows:

**RECITALS**

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

1. Landlord is the owner of certain real property commonly known as the Watsonville Transit Center (hereinafter "Center") at 475 Rodriguez, Watsonville, CA 95076. Said real property includes, without limitation, "Premises" which consists generally of kiosk #5, approximately 240 square feet of space.
2. Tenant is willing to lease the Premises from Landlord pursuant to the provisions stated in this lease.
3. Tenant wishes to lease the Premises described below for the purposes of operating, generally a **sandwich shop**.
4. Tenant has examined the Premises and is fully informed of their condition.

**ARTICLE 1: PREMISES**

**1.1 General**

Landlord leases to Tenant and Tenant leases from Landlord the real property located in the City of Watsonville, County of Santa Cruz, State of California, outlined in yellow in Exhibit A in the Center at 475 Rodriguez, Watsonville, CA 95076.

**1.2 Airspace Rights**

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

**ARTICLE 2: TERM**

**2.1 Fixed Term**

The term shall commence **on January 1, 2007** and shall expire at 12:01 a.m. on **December 31, 2009** unless sooner terminated in accordance with the provisions herein.

5-18a1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
TRANSIT CENTER LEASE AGREEMENT

**2.2 Inability to Deliver Possession**

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

**ARTICLE 3: RENT**

**3.1 Minimum Monthly Rent**

Tenant shall pay to Landlord as minimum monthly rent, without deduction, setoff, prior notice, or demand, the sum of three hundred dollars and no cents (\$300.00).

**3.2 Refund of Prepaid and Unearned Minimum Monthly Rent**

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

**3.3 Due Dates and Delinquent Dates for Rent Payments**

- a. Amounts due Landlord for minimum monthly rent (Section 3.1), late rent charges (Section 3.4), "increase in insurance due to use" (Section 5.2.1), "fire and other perils insurance" (Section 10.3), and other rent for which specific payment dates or periods are identified in this lease, are due and payable, without deduction, setoff, prior notice or demand, on the dates indicated herein, and are delinquent on the second business day thereafter. All rent payments for which no specific due dates are specified in this lease, including, without limitation, additional rent (Section 3.5), security deposit (Article 4), maintenance (Article 6), Utilities and Services (Article 9) and insurance (Article 10), are due and payable upon receipt of Landlord's invoice, and are delinquent eight (8) calendar days thereafter, if served personally, or ten (10) calendar days after the date of postmark, if sent by prepaid, first-class mail.
- b. A "business day" for purposes of this Article is any day on which the administrative office of the Santa Cruz Metropolitan Transit District is open for regular business.

**3.4 Late Rent Charges**

Rent not paid when due shall bear interest from the first day after it is due until paid at the rate of 10 per cent per annum. Tenant acknowledges that late payment by Tenant to Landlord of any rent shall cause Landlord to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges. Therefore, if any amount of rent due from Tenant is not received by Landlord when due, for any cause,

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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Tenant shall pay to Landlord an additional sum of ten percent (10%) of the overdue rent as a late charge, in addition to the interest charge specified above. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any of the rights and remedies available to Landlord.

**3.5 Taxes Paid by Tenant; Additional Rent**

- a. Tenant agrees to pay before delinquency all taxes, assessments, license fees, and other charges which at any time may be levied by the State of California, County of Santa Cruz, City of Watsonville (including, without limitation any promotional tax due), or any other tax or assessment, levied upon any interest in this lease or any possessory right which Tenant may have in or to be the Premises covered hereby or to the improvements thereon by reason of its ownership, use, or occupancy thereof or otherwise, as well as all taxes, assessments, fees, and charges on commodities, goods, merchandise, foods, beverages, fixtures, appliances, equipment and property owned by it in, on, or about said Premises. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments. Amounts paid through Landlord for any aforementioned expense (including, without limitation, promotional tax) shall be considered additional rent for purposes of this lease.
- b. If this Lease expires prior to the determination of the amount of such taxes and assessments for the last year in which the Lease expiration occurs, Tenant shall nevertheless promptly pay such percentage following notice from Landlord appropriately prorated for the portion of the Lease term that falls within such last year.
- c. This lease may create a possessory interest subject to property taxation. Tenant is hereby notified that the lease may be subject to property taxes. (See California Revenue and Tax Code §107.7.)

**3.6 Payment for Permits**

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

**3.7 Negation of Partnership**

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

**3.8 Payment of Rent**

All rent shall be paid in United States currency and shall be paid to Landlord at

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
TRANSIT CENTER LEASE AGREEMENT

the address below.

Santa Cruz Metropolitan Transit District  
ATTN.: Finance Department  
370 Encinal Street, Suite 100  
Santa Cruz, CA 95060-2101

#### ARTICLE 4: SECURITY DEPOSIT

Tenant has deposited with Landlord **six hundred dollars and no cents (\$600.00)** as a security deposit for the performance by Tenant of the provisions of this lease upon execution of this lease. If Tenant is in default, Landlord can use the security deposit, or any portion of it, to cure the default or to compensate Landlord for all damages sustained by Landlord resulting from Tenant's default including reasonable attorney's fees. Tenant shall within 10 days of demand pay to Landlord a sum equal to the portion of the security deposit expended or applied by Landlord as provided in this Article so as to maintain the security deposit in the sum initially deposited with Landlord. Tenant's failure to do so shall be a material default under this Lease. If Tenant is not in default at the expiration or termination of this lease, Landlord shall return the security deposit to Tenant within thirty (30) days. Landlord's obligations with respect to the security deposit are those of a debtor and not a trustee. Landlord can maintain the security deposit separate and apart from Landlord's general funds or can commingle the security deposit with Landlord's general funds. Landlord shall not be required to pay Tenant interest on the security deposit.

#### ARTICLE 5: USE; LIMITATIONS ON USE

##### 5.1 Use

- a. Tenant shall use premises for a **sandwich shop** as more particularly set forth herein, and for no other use without Landlord's written consent. Said use (including, without limitation, limitations on use) is further described in Exhibit B attached hereto and made a part hereof.
- b. No other business shall be conducted on the Premises by Tenant except upon the prior written consent of the Landlord. Landlord shall not be a guarantor or otherwise liable to Tenant for Landlord's exercise of discretion in allowing any type of business to lease space at the Center or in consenting to a change of any other Tenant's business use located at the Center. Landlord shall not be a guarantor of Tenant's business or of insuring that individuals who ride landlord's buses shop at or utilize tenant's business.
- c. Tenant shall continuously use the Premises for the uses specified in this lease and shall continuously merchandise the Premises, during the hours specified in Exhibit B. If the Premises are destroyed or partially condemned and this lease remains in

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full force and effect, Tenant shall continue operation of its business at the Premises to the extent reasonably practicable from the standpoint of good business judgment during any period of reconstruction. Tenant shall not use any space in the restaurant area for office, clerical, and other non-service or non-selling purposes.

- d. Tenant specifically agrees that the premises are not to be used for any interior or exterior storage of toxic or hazardous chemicals or materials other than those associated with Tenant's business subject to Landlord's approval. The business conducted by the Tenant on the Premises shall be of a character and nature that will not be detrimental to the value of the Premises. No use shall be made or permitted to be made of the Premises, nor acts done in or about the Premises, which will in any way conflict with any law, ordinance, rule or regulation affecting the occupancy or use of the Premises, which are or may hereafter be enacted or promulgated by any public authority, or which will increase the existing rate of insurance upon the building or cause a cancellation of any insurance policy covering the building or any part thereof. Nor shall Tenant permit to be kept, or use in or about the Premises, any article which may be prohibited by the standard form of fire insurance policy maintained by Landlord. Tenant shall not commit, or suffer to be committed, any waste upon the Premises, or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant(s) in the Metro Center, nor, without limiting the generality of the foregoing, shall Tenant allow said Premises to be used for an improper, immoral, unlawful, or unethical purpose.

## **5.2 Limitations on Use**

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

### **5.2.1 Cancellation of Insurance; Increase in Insurance Rates**

- a. Tenant shall not do, bring, or keep anything in or about the Premises that will cause a cancellation of any insurance or an increase in the rate of any insurance covering the Premises.
- b. If the rate of any insurance (including, without limitation, any fire, casualty, liability, or other insurance policy insuring Landlord, Landlord's property, and Tenant at the Center, or any of Tenants' property) carried by Landlord is increased as a result of Tenant's use, Tenant shall pay to Landlord a sum equal to the difference between the original premium and the increased premium. Said payment shall be made within ten (10) days before the date Landlord is obligated to pay premium on the insurance, or within ten (10) days after Landlord delivers to Tenant a certified statement from Landlord's insurance carrier stating that the rate increase was caused solely by an activity of Tenant on the Premises as permitted in this lease, whichever date is later.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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- c. Tenant shall comply at its expense, to the requirements of applicable fire control agencies having jurisdiction over the Premises, including, without limitation, any restrictions on occupancy and the provision of fire extinguishers. Tenant's obligation under this section shall include at Tenant's cost the obtaining and maintaining of any business license, use permits, design review permits for signs, and the building permits for any tenant improvements, or any other federal, state or local government requirement.
- d. Except that Tenant shall not be obligated to comply with any law that requires alterations, maintenance, or restoration to the Premises unless the alterations, maintenance, or restoration are required as a result of Tenant's particular and specific use of the Premises at the time or as a result of Tenant's own construction on the Premises or is include in another section of this lease as an obligation of Tenant. Landlord shall make any alterations, maintenance, or restoration to the Premises required by such laws that Tenant is not obligated to make. Notwithstanding, the foregoing Tenant shall not alter the premises in any fashion without Landlord's written approval.

**5.2.2 Deliveries**

Tenant shall not allow deliveries of any kind to use the bus lanes at the Center. Additionally, Tenant's employees and customers shall be restricted to park in areas other than the bus lanes.

**5.2.3 Waste; Nuisance**

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

**5.2.4 Overloading**

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

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- b. The Premises shall not be overloaded. No machinery, apparatus, or other appliance shall be used or operated in or on the Premises that will in any manner injure, vibrate, or shake the Premises and or the Center including the parking areas.

**5.2.5 Hours of Operation**

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

**5.2.6 Rules and Regulations/Common Area**

- a. Tenant acknowledges that this lease is made on property owned by Landlord and under Landlord's exclusive control. Said property is primarily devoted to the provision of transit services for the public. Tenant agrees that it shall do nothing to interfere with Landlord's transit services. Tenant further acknowledges that the primary duties of Landlord are to operate transit services safely; and Tenant hereby agrees to abide by all laws, ordinances, directives, rules and regulations existing or hereafter made for the government, management, maintenance, and operation of the Center, including such directives as to usage of the Center as may be promulgated by any government agency including the Board of Directors, officers or representatives of the Landlord in their official or departmental capacity. Tenant further agrees that such directives, rules, regulations, ordinances and conditions as may be imposed by any governmental agency or Landlord through its Board of Directors, administrative officers, department heads or duly authorized representatives, shall be subject to immediate compliance by Tenant. Tenant acknowledges that it has read and reviewed the Center Rules and Regulations, which are attached hereto as Exhibit C and incorporated herein by reference and agrees to follow them.

Certain areas have been constructed by Landlord within the Premises for the general use, convenience and benefit of the users and occupants of the Center and their customers and employees, including the lobby, sidewalks, landscaped areas and other areas for pedestrian use (herein called the "Common Area").



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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Except as may be limited herein, Tenant shall have the non-exclusive right for itself and for its customers, invitees, employees, contractors, subtenants and licenses to use the Common Area in common with Landlord and other persons permitted to use the same for pedestrian ingress, egress and access. Tenant shall do nothing to interfere with anyone's use of the common area. However, Tenant shall have no right to utilize the space specifically reserved by Landlord for its own use of the use of its employees.

- b. Tenant shall be responsible for its proportionate share of the costs of the Common Area including the maintenance costs, and all improvements and facilities situated thereon and required in connection therewith. Any increases to common area charges shall be assessed based upon the useful life of the improvement taking into account the remaining term of the lease.

**5.2.7 Limitation**

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

**ARTICLE 6: MAINTENANCE**

**6.1 Landlord's Maintenance**

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

**6.2 Tenant's Maintenance**

- a. Tenant at its cost shall maintain, in good condition, all portions of the Premises, both inside and out, including, without limitation, all signs, storefronts, plate glass, show windows, all Tenant's personal property, restrooms, fixture maintenance (I i.e. light bulbs.), and periodic services of heating and ventilation, electric and electronic equipment as recommended by the manufacturer (HVAC system, door maintenance

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etc.). Tenant is responsible for building upkeep including cleaning of interior paint, exterior and interior graffiti and broken plate glass.

- b. Tenant shall be liable for any damage to the building in which the Premises are located resulting from the acts or omissions of Tenant or its authorized representatives or its employees or its customers. Landlord is not responsible for the repair of the Premises for damage caused by third parties, including Tenant, its employees, its representatives, or its customers.

**ARTICLE 7: REPAIRS AND ALTERATIONS**

- a. Tenant will take good care of the Premises and promptly notify the Landlord in writing of any damage caused thereto by Tenant, its employees or invitees and will not make any repairs or alterations without written permission of Landlord first had and obtained, and consent for same shall not be unreasonably withheld by Landlord. Any alterations or improvements made shall remain on and be surrendered with the Premises on expiration or termination of the term, except that Landlord can elect within thirty (30) days before expiration of the term, or within five (5) days after termination of the term, to require Tenant to remove any alterations or improvements that Tenant has made to the Premises. If Landlord so elects, Tenant at its cost shall restore the Premises to the condition designated by Landlord in its election before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later, and Tenant shall be liable for rent during any such period. Tenant shall keep the premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.
- b. Landlord shall be under no obligation to make any repairs, alterations or improvements to or upon the Premises, or any part thereof, at any time except as provided in this Lease. Landlord shall at its sole cost and expense, at all times during the term hereof, repair and maintain the roof and exterior walls (other than plate glass, and doors, and roll-up doors) and foundations of the building in which the Premises are located; provided that Tenant shall reimburse Landlord for the cost and expense of repairing any and all damage to the roof, foundation or exterior walls of the Premises resulting from the acts or omissions of Tenant, Tenant's agents, employees, customers or invitees.
- c. Tenant shall, except for the intentional or negligent acts or omissions of Landlord, its agents, or employees, at its sole cost and expense, at all times during the term hereof, keep and maintain the Premises, the improvements thereon and every part thereof (including but not limited to plate glass, heating, ventilating, and air conditioning equipment, store fronts and doors, awnings and roll-up doors) in good and sanitary order, condition and repair and in compliance with all laws and regulations applicable thereto.
- d. Landlord may, at any time and for any reason during the term and any extensions thereof, remodel all or any part of the Center. Landlord's rights to remodel include,

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without limitation, the right to enclose, cover, re-configure, reposition or otherwise modify any part of the building in which the Premises are a part. Landlord shall not unreasonably interfere with Tenant's business as a result of alterations or improvements.

**ARTICLE 8: TRADE FIXTURES**

Subject to the provisions of Paragraph 7, above, Tenant may install and maintain its trade fixtures on the Premises, provided that such fixtures, by reason of the manner in which they are affixed, do not become an integral part of the Center or Premises. Tenant, if not in default hereunder, may at any time or from time to time during the term hereof, or upon the expiration or termination of this Lease, alter or remove any such trade fixtures so installed by Tenant, and any damage to the Premises caused by such installation, alteration or removal of such trade fixtures shall be promptly repaired by Tenant at the expense of Tenant. If not so removed by Tenant within thirty (30) days of the expiration or sooner termination of this Lease, said trade fixtures shall, at Landlord's option, become the property of Landlord or Landlord, at its option, may remove said trade fixtures and any damage to the Premises caused by such installation, alteration or removal of such trade fixtures and the cost of such removal shall be paid by Tenant to Landlord upon demand.

**ARTICLE 9: UTILITIES AND SERVICES**

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

- a. Tenant shall make all arrangements for and pay for all utilities and services furnished to or used by it, including, without limitation, gas, electric, water and telephone service, and for all connection charges and taxes;
- b. If Landlord is required to construct new or additional utility installations, including, without limitation, wiring, plumbing, conduits, and mains resulting from Tenant's changed or increased utility requirements, Tenant shall on demand pay to Landlord the total cost of these items;
- c. Landlord shall not be liable for failure to furnish utilities or services to the premises, but in case of the failure, Landlord will take all reasonable steps to restore the interrupted utilities and services;
- d. Tenant shall reimburse Landlord on a monthly basis (or other period as may be established by Landlord) for Landlord's costs in furnishing trash collection services to the premises at the rate of eleven (11%) per cent of Landlord's cost, which shall be billed to Tenant. Tenant shall pay for such services within ten (10) calendar days from the date Landlord bills Tenant. If Landlord determines that Tenant's trash

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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collection costs should be increased due to Tenant's actual use of the service, Tenant shall be provided with 10 days notice of such increase.

- e. Tenant agrees to keep premises free and clear of any lien or encumbrance of any kind whatsoever created by Tenant's acts or omissions.
- f. Utility charges may be separately determined by Landlord based on utility rating of Tenant's use of premises and the common areas, as a percentage of the total utility use by those sharing the same meter, or as metered use. Landlord shall bill the Tenant as deemed appropriate. If deemed appropriate by Landlord, Tenant shall pay directly to the appropriate supplier the cost of all heat, light, power, and other utilities and services supplied to the premises. If Landlord authorizes Tenant's premises to be separately metered, then Tenant shall pay for the full cost of the installation of the meter.
- g. Landlord can discontinue, without notice to Tenant, any of the utilities or services furnished to the premises for which Tenant fails to reimburse Landlord on a prompt basis as provided in this Article, and no such discontinuance shall be deemed an actual or a constructive eviction.

**ARTICLE 10: INDEMNITY AND EXCULPATION; INSURANCE**

**10.1 Tenant's Indemnification of District**

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

**10.2 Liability Insurance**

- a. Tenant further agrees to take out and keep in force during the life hereof, at Tenant's expense, public liability insurance, property damage insurance and products liability insurance, with a company or companies satisfactory to Landlord to protect Landlord against any liability incident from the use of, or resulting from, any accident or

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occurrence in or about said Premises, with a single combined public and products liability and property damage limit of at least ONE MILLION DOLLARS (\$1,000,000) for any one accident or occurrence.

- b. All public liability insurance, products liability insurance, and property damage insurance shall insure performance by Tenant of the indemnity provisions of Section 10.1. Said policy or policies shall require that in the event of cancellation of any policy, the insurance carrier shall notify Landlord in writing at least thirty (30) days prior thereto, and Tenant agrees, if Tenant does not keep such insurance in full force and effect, that Landlord may, at its option either terminate this lease, or take out the necessary insurance and pay the premium, and the repayment thereof shall be deemed due and owing to landlord on the next day upon which rent becomes due. Tenant shall have the insurance carrier(s) also notify Landlord thirty (30) days in advance of any modifications reducing the coverage of said policy (ies), and in the event that any of said insurance carriers do not notify Landlord of any modification, Tenant shall do so upon receiving notice of such modification. Tenant agrees that Landlord shall be named on said insurance coverage as an additional insured party in accordance with the foregoing covenants, and that cross-liability coverage in favor of Landlord shall be provided. Tenant shall furnish Landlord with evidence of insurance satisfactory to Landlord upon execution of this Lease and at such times as Landlord deems appropriate. Said policy or policies shall further provide that any insurance carrier of Landlord's shall be excess insurance only, as to the liability insured thereby.
- c. Landlord may increase or decrease the amount of public liability, products liability, and property damage insurance required, based upon a general review by Landlord of the standard insurance requirement as determined by the Board of Directors of Landlord to be in the public interest and required for all other Tenant's at the Center. Changes in insurance amounts shall occur not more frequently than once a year.

### **10.3 Fire and Other Perils Insurance**

- a. Landlord shall provide Fire and Other Insurance with respect to the Premises, except that Landlord shall not provide earthquake and flood insurance. Insurance shall be obtained in the name of Landlord covering said leased Premises and all fixtures therein against loss by reason of the perils of fire, lightning, vandalism and malicious mischief, and endorsed to include extended coverage, said policy to be on a replacement cost basis, and to be maintained in full force and effect throughout the term of this lease. Said policy or policies shall provide that the loss payable shall be paid to Landlord.
- b. The "full replacement value" of the building and other improvements to be insured, shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three (3) years, either party shall have the right to notify the other party that it elects to have the replacement value determined by an insurance company. The determination shall

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be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the determination.

- c. The pro rata cost (based on the percentage of Tenant's Premises square footage in the Center) of said insurance shall be paid by Tenant, and shall reflect Tenant's business nature and size insofar as they measurably affect the Landlord's premiums. If any other tenant of the building of which the demised Premises are a part is conducting a business or otherwise engages in an activity or omits to take a precaution that the insurer identifies as producing a specified higher insurance rate than would be produced by the business and conduct of Tenant, such additional insurance rates will not be passed on to Tenant, even on a pro rata basis. Landlord will be the final authority regarding Tenant's share of the cost of the insurance. Landlord shall inform Tenant of its actual cost of the insurance at the commencement of the lease. Payment of Tenant's insurance cost shall be in addition to all other required rent and is due within ten (10) calendar days of mailing.
- d. Landlord may increase or decrease the amount of fire and other perils insurance required based upon a general review by Landlord of the standard insurance requirement as resolved by the Board of Directors of Landlord to be in the public interest.
- e. Landlord is not responsible for the acts or omissions of third parties against Tenant.

**10.4 Tenant's Fire and Malicious Mischief Insurance**

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

**10.5 Plate Glass Insurance**

Tenant at its cost shall maintain full coverage plate glass insurance on the Premises. Landlord shall be named as an additional insured.

**10.6 Tenant's Business Interruption Insurance**

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

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**10.7 Proof of Insurance**

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

**10.8 Other Insurance Matters**

All insurance required under this lease shall:

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

**ARTICLE 11: DESTRUCTION**

**DAMAGE OR DESTRUCTION**

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

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proportion to usable space if partially destroyed. If the Premises, or the building or other improvements in which the Premises are located, cannot be restored within ninety (90) days, either Tenant or Landlord has the option to terminate this Lease by giving written notice to the other

**ARTICLE 12: ASSIGNMENT**

**12.1 ASSIGNMENT AND SUBLETTING**

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



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**ARTICLE 13:       DEFAULT**

**13.1   Tenant's Default**

- a. The occurrence of any of the following shall constitute a default by Tenant:
1. Failure to pay rent when due and in the manner provided in the lease if the failure continues for three (3) days after a notice has been sent to Tenant; or additional rent or any other monetary sums required to be paid;
  2. Failure to occupy the Premises and/or operate the Tenant's business as described herein on the Premises; (Tenant shall be conclusively presumed to have defaulted if Tenant leaves the Premises closed or unoccupied continuously for fifteen (15) days, whether or not the tenant is in default as to its rental obligation;
  3. Failure to perform any other provision of this lease if the failure to perform is not cured within three (3) days after notice has been given to Tenant. If the provisions of the lease violated by the Tenant cannot be performed within the three-day notice period described herein, Landlord shall not be required to give notice demanding the performance of the violated provisions of the lease;
  4. The filing or commencement of any proceeding by or against Tenant under the Federal Bankruptcy code whether voluntary or involuntary, if not dismissed within sixty (60) days from the date of filing, shall constitute a default under this Lease;
  5. Either the appointment of a receiver to take possession of all, or substantially all, of the assets of Tenant or garnishment of or levy or writ of execution on, all or substantially all of the assets of Tenant which remains in effect for more than sixty (60) days, or a general assignment by Tenant for the benefit of creditors, shall constitute a default of this Lease by Tenant. Notices given under this Article shall specify the alleged default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this lease or pay the rent that is in arrears, as the case may be, within applicable period of time, or quit the Premises. No such notice shall be deemed forfeiture or a termination of this lease unless Landlord so elects in the notice;

**13.2   Landlord's Remedies**

**13.2.1 Cumulative Nature of Remedies**

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

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**13.2.2 Tenant's Right to Possession Not Terminated**

- a. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and re-let them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in re-letting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the re-letting, and like costs. Re-letting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any re-letting. No act by Landlord allowed by this Article shall terminate this lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent Tenant shall have the right to assign or sublet its interest in this lease, but Tenant shall not be released from liability under the lease terms. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld.
  
- b. If Landlord elects to re-let the Premises as provided in this Article, rent that Landlord receives from re-letting shall be applied to the payment of:
  1. First, any indebtedness from Tenant to Landlord other than rent due from Tenant;
  2. Second, all costs, including for maintenance, incurred by Landlord in re-letting;
  3. Third, rent due and unpaid under this lease. After deducting the payments referred to in this Article, any sum remaining from the rent Landlord receives from re-letting shall be held by Landlord and applied in payment of future rent as rent becomes due under this lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this lease, the rent received from the re-letting is less than the rent due on that date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs, including for maintenance, Landlord incurred in re-letting that remain after applying the rent received from the re-letting as provided in this Article.

**13.2.3 Termination of Tenant's Right to Possession**

- a. Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving written notice to Tenant shall terminate this lease. Acts of maintenance, efforts to re-let the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall

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not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:

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

**13.2.4 Landlord's Right to Cure Tenant's Default**

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

**ARTICLE 14: SIGNS**

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

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placed, constructed, or maintained that does not comply with the provisions of this paragraph.

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

**ARTICLE 15: LANDLORD'S ENTRY ON PREMISES**

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

**ARTICLE 16: SUBORDINATION AND OFFSET STATEMENT**

Tenant agrees that this Lease is subordinate to any mortgage, trust deed or like encumbrance heretofore or hereafter placed upon said Premises by Landlord or his successors in interest to secure the payments or moneys loaned, interest thereon and

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

**ARTICLE 17: NOTICE**

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

Landlord:  
Santa Cruz Metropolitan Transit District  
370 Encinal, Suite 100  
Santa Cruz, CA 95060  
ATTN: District Counsel

Tenant:  
Jose Villa  
134 Seneca Street  
Watsonville, CA 95076

**ARTICLE 18: WAIVER**

- a. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.
- b. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved.
- c. No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a written notice from

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Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the lease.

- d. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.
- e. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the lease.

**ARTICLE 19: SURRENDER OF PREMISES; HOLDING OVER**

**19.1 Surrender of Premises**

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

**19.2 Holding Over**

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

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to the month-to-month tenancy. Additionally, if a month-to-month tenancy occurs, Landlord shall impose a cost-of-living increase to the month rent.

**ARTICLE 20: MISCELLANEOUS PROVISIONS**

**20.1 General Conditions**

**20.1.1 Time of Essence**

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

**20.1.2 Corporate Authority**

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

**20.1.3 Successors**

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

**20.1.4 Rent Payable in U.S. Money**

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

**20.1.5 Real Estate Brokers; Finders**

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

**20.1.6 Status of Parties on Termination of Lease**

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

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**20.1.7 Exhibits--Incorporation in Lease**

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

**20.1.8 Licenses and Permits**

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

**20.1.9 Pest Control**

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

**20.1.10 Drug and Alcohol Policy**

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

**20.1.11 Smoke Free**

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

**20.1.12 Information Form**

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

**20.1.13 Termination for Convenience**

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

**20.1.14 Publicity**

Tenant agrees to submit to Landlord all advertising, sales promotion, and other public matter relating to any service furnished by Tenant wherein the Landlord's name is



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mentioned or language used from which the connection of Landlord's name therewith may, within reason, be inferred or implied. Tenant further agrees not to publish or use any such advertising, sales promotion or publicity matter without the prior written consent of the Landlord.

**20.1.15 Consent to Breach Not Waiver**

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

**20.1.16 Prohibition of Discrimination against Qualified Handicapped Persons**

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

**20.1.17 Cal OSHA/Hazardous Substances**

- 20.1.17.1 Tenant shall not bring, or permit to be brought, upon the premises, any hazardous or toxic materials or chemicals, except for ordinary and customary cleaning supplies used in Tenant's business. All materials brought onto the premises shall be used, stored, and removed in compliance with all applicable laws, statues, ordinances and governmental rules, regulations or requirements.
- 20.1.17.2 Tenant shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on Landlord's property, (2) ensure that its employees take appropriate protective measures, and (3) provide the Landlord's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on Landlord's property.
- 20.1.17.3 Tenant shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, Tenant shall indemnify the Landlord against any and all damage, loss, and injury resulting from non-compliance with this Article.
- 20.1.17.4 Tenant shall comply with Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 – 25249.13. Tenant will ensure that clear and reasonable warnings are made to persons exposed to

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.

- 20.1.17.5 Tenant shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Tenant. Tenant shall be solely responsible for all clean-up efforts and costs.
- 20.1.17.6 Tenant shall indemnify and defend Landlord and his successors and assigns against and hold them harmless from any an all claims, demands, liabilities, damages, including punitive damages, costs and expenses, including reasonable attorney's fees caused by Tenants actions, herein collectively referred to as "Claims":
- (i) Any Claim by a federal, state or local governmental agency arising out of or in any way connected with the environmental condition of the Premises caused by Tenants action, including, but not limited to, Claims for additional clean-up of the Premises; and
  - (ii) Any Claim by a successor in interest of Tenant (including a mortgagee who acquires title to the Premises through foreclosure or by accepting a deed in lieu of foreclosure), or by any subtenant licensee, or invitee of Tenant arising out of or in any way connected with the environmental condition of the Premises caused by Tenants or Subtenants actions.

**20.1.18 All Amendments in Writing**

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

**20.1.19 Responsibility for Equipment**

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

**20.1.20 Equipment**

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

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**20.1.21 Nondiscrimination**

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

**20.1.22 Liens**

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

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

**20.1.23 Integrated Agreement; Modification**

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

**20.1.24 Provisions are Covenants and Conditions**

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

**20.1.25 Use of Definitions**

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

**20.1.26 Definitions**

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

- a. **ALTERATION:** Any addition or change to, or modification of, the Premises made by Tenant after the fixturing period, including, without limitation, fixtures, but excluding trade fixtures as defined here, and tenant's improvements as defined here.
- b. **AUTHORIZED REPRESENTATIVE:** Any officer, agent, employee, or independent contractor retained or employed and acting within authority given him/her by that party.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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- c. **CONSENT:** Landlord's or Tenant's express, prior, written approval on the party's letterhead.
- d. **DAMAGE:** Injury deterioration or loss to a person or property caused by another person's acts or omissions. Damage includes death.
- e. **DAMAGES:** A monetary compensation or indemnity that can be recovered in the courts by any person who has suffered injury to his/her person, property, or rights through another's act or omission.
- f. **DESTRUCTION:** Damage, as defined here, to or disfigurement of the Premises.
- g. **ENCUMBRANCE:** Any deed of trust, mortgage, or other written security device or agreement affecting the Premises, and the note or other obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.
- h. **EXPIRATION:** The coming to an end of the time specified in the lease as its duration, including any extension of the term resulting from the exercise of an option to extend.
- i. **GOOD CONDITION:** The good physical condition of the Premises and each portion of the Premises, including, without limitation, signs, windows, show windows, appurtenances, and tenant's personal property as defined here. "In good condition" means first-class, neat, clean, and broom-clean, and is equivalent to similar phrases referring to physical adequacy in appearance and for use.
- j. **HOLD HARMLESS:** To defend and indemnify from all liability, losses, penalties, damages as defined here, costs, expenses (including, without limitation, attorneys' fees), causes of action, claims, or judgments arising out of or related to any damage, as defined here, to any person or property.
- k. **LAW:** Any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirements of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the parties or the Premises, or both, in effect either at the time of execution of the lease or at any time during the term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).
- l. **LENDER:** The beneficiary, mortgagee, secured party, or other holder of an encumbrance, as defined here.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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- m. **LIEN:** A charge imposes on the Premises by someone other than Landlord, by which the Premises are made security for the performance of an act. Most of the liens referred to in this lease are mechanics' liens.
- n. **MAINTENANCE:** Repairs, replacement, preventive maintenance, repainting, and cleaning.
- o. **PERSON:** One or more human beings, or legal entities or other artificial persons, including, without limitation, partnerships, corporations, trusts, estates, associations, and any combination of human beings and legal entities.
- p. **PROVISION:** Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulations the lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.
- q. **PUBLIC AREA:** Any area outside Premises in Metro Center to which the public commonly is allowed access by Landlord. Public area is the common area.
- r. **RENT:** Minimum monthly rent, rent for fixtures, equipment and cookware, percentage rent, additional rent, security deposit, maintenance expenses, operating costs, insurance, utilities and services, other similar charges, and any other money owed by Tenant to Landlord under the provisions of this Lease.
- s. **RESTORATION:** The reconstruction, rebuilding, rehabilitation, and repairs that are necessary to return destroyed portions of the Premises and other property to substantially the same physical condition as they were in immediately before the destruction.
- t. **SUBSTANTIAL COMPLETION:** Completion of Landlord's construction obligation as evidenced by Landlord's architect or by the general contractor performing Landlord's construction obligation.
- u. **SUCCESSOR:** Assignee, transferee, personal representative, heir, or other person or entity succeeding lawfully, and pursuant to the provisions of this lease, to the rights or obligations of either party.
- v. **TENANT'S IMPROVEMENT:** Any addition to or modification of the Premises made by Tenant before, at, or near the commencement of the term, including,
- w. **TENANT'S PERSONAL PROPERTY:** Tenant's equipment, furniture, merchandise, and movable property placed in the Premises by Tenant,

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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including tenant's trade fixtures, as defined here as set forth in Exhibit D.

- x. **TENANT'S TRADE FIXTURE:** Any property installed in or on the Premises by Tenant for purposes of trade, manufacture, ornament, or related use as set forth in Exhibit D.
- y. **TERM:** The period of time during which Tenant has a right to occupy the Premises.
- z. **TERMINATION:** The ending of the term for any reason before expiration, as defined here.

**20.1.27 Captions**

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

**20.1.28 Singular and Plural**

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

**20.1.29 Joint and Several Obligations**

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

**20.1.30 Severability**

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

**ARTICLE 21: ATTORNEYS' FEES**

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

**ARTICLE 22: AUTHORITY**

Each party has full power and authority to enter into and perform this lease, and the person(s) signing this lease on behalf of each has been properly authorized and

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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empowered to enter into this lease. Each party further acknowledges that it has read this lease, understands it, and agrees to be bound by it.

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

**LANDLORD-SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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

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**TENANT-\_\_\_\_\_**

BY: \_\_\_\_\_  
Jose Villa

Approved as to Form:

BY: \_\_\_\_\_  
MARGARET GALLAGHER Date  
District Counsel

ATTACHED HERETO AND MADE A PART HEREOF BY THIS REFERENCE ARE THE FOLLOWING EXHIBITS:

- Exhibit A - Floor plan
- Exhibit B - Menu, hours of operation; Closure for Transit District Holidays- Thanksgiving (4<sup>th</sup> Thursday in November), Christmas (Dec. 25), New Year's Day (Jan. 1)
- Exhibit C - Rules and Regulations
- Exhibit D - Tenant Personal Property

**5-18.a30**

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006  
**TO:** Board of Directors  
**FROM:** Robyn Slater, Human Resources Manager  
**SUBJECT: PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

## **I. RECOMMENDED ACTION**

**Staff recommends that the Board of Directors recognize the anniversaries of those District employees named on the attached list and that the Board Chair present them with awards.**

## **II. SUMMARY OF ISSUES**

- None.

## **III. DISCUSSION**

Many employees have provided dedicated and valuable years to the Santa Cruz Metropolitan Transit District. In order to recognize these employees, anniversary awards are presented at five-year increments beginning with the tenth year. In an effort to accommodate those employees that are to be recognized, they will be invited to attend the Board meetings to receive their awards.

## **IV. FINANCIAL CONSIDERATIONS**

None.

## **V. ATTACHMENTS**

**Attachment A:** Employee Recognition List



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**EMPLOYEE RECOGNITION**

**TEN YEARS**

None

**FIFTEEN YEARS**

Mark J. Dorfman, Assistant General Manager

**TWENTY YEARS**

None

**TWENTY-FIVE YEARS**

Dorice Ann, Bus Operator

**THIRTY YEARS**

None

6.a1

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

## STAFF REPORT

**DATE:** December 15, 2006

**TO:** Board of Directors

**FROM:** Margaret Gallagher, District Counsel

**SUBJECT: CONSIDERATION OF AMENDING, CONSOLIDATING AND PROMULGATING A CONFLICT OF INTEREST CODE PURSUANT TO GOVERNMENT CODE §87300**

### I. RECOMMENDED ACTION

**Amend, Consolidate and Promulgate a Conflict of Interest Code, Pursuant to Government Code §87300 as set forth in Attachment A. Delete Article IV, "Conflict of Interest" and Article VII, "Statements of Economic Interest" from the Director's Code of Ethics.**

### II. SUMMARY OF ISSUES

- Every agency, including all local government agencies and special districts are required by Government Code §87300 to adopt and promulgate a Conflict of Interest Code
- The Conflict of Interest Code must be reviewed every two years and amended when circumstances change, such as when new positions are created or duties of existing positions change.
- Santa Cruz Metropolitan Transit District's (METRO's) Conflict of Interest Code has been contained in various documents at the agency, including METRO's Bylaws' Exhibit A, the Director's Code of Ethics. At this time, it is being recommended that METRO's Conflict of Interest Code be consolidated into one document and that it be updated and amended to include all appropriate designated positions.
- Any violation of the Conflict of Interest Code has the force of law and any violation by a designated employee shall be deemed a violation of Government Code §87300, et seq.
- Attachment A is a draft Conflict of Interest Code Regulation. Attachment B is Title 2 California Code of Regulations, Section 18730 that is being incorporated by reference into the Conflict of Interest Code. Attachment C is the Senior Accounting Technician's Job Description. Attachment D is Exhibit A from the METRO's Bylaws with strikeouts indicating the sections to be deleted.

### III. DISCUSSION

The Political Reform Act (the PRA) controls conflicts of interests of public officials through disclosure of financial interests and prohibitions on participation in the making of decisions in which the official knows or has reasons to know he or she has a financial interest. The PRA's

standards are found in California Government Code Sections 81000 et seq. The Fair Political Practices Commission (FPPC) has also adopted regulations implementing the PRA, see Title 2 of the California Code of Regulations Section 18109 et. seq., and issues formal opinions and advice letters on the application of the PRA to particular situations. The FPPC maintains a website at [www.fppc.ca.gov](http://www.fppc.ca.gov) which contains the PRA regulations, opinions and advice letter summaries.

In accordance with the PRA, all government agencies must adopt and promulgate a Conflict of Interest Code. This code must be reviewed every two years and amended when circumstances change, such as when new positions are created or duties of existing positions change. The code must be consistent with the minimum requirements of the PRA. Such Conflict of Interest Code has the force of law and violation of the Conflict of Interest has the force of law and any violation of the Conflict of Interest Code by a designated employee shall be deemed a violation of Government Code §87300, et seq.

Designated officials, employees, members and consultants are required to file Statements of Economic Interests (Form 700) with the METRO. A Statement of Economic Interest must be filed upon assuming office, or a designated position, annually while holding office or a designated position, and upon leaving office or a designated position. The statement, must disclose the interests of the filer and of his or her immediate family, which includes the filer's spouse and dependent children. The Statements, depending on the designated disclosure category, must disclose specified types of investments, interests in real property and businesses, income, gifts and loans. Moreover, these statements must include the acquisition and disposition dates of investments in real property covered by the period of the statement.

The California Attorney General, the FPPC and local district attorneys are empowered to enforce the Political Reform Act through criminal sanctions, civil liability and civil penalties. Although the penalties for violations of various provisions of the PRA vary, civil penalties are generally based upon the amount of money or value of a gift or contribution not reported. Penalties can be as high as \$10,000 or three times the amount not reported, whichever is greater. Because good faith is relevant in determining criminal and civil liability, it is particularly important that affected individuals seek advice from the District's Counsel and/or the FPPC whenever a potential issue arises. However, only a formal written advice letter from the FPPC will confer immunity from liability under the PRA.

METRO had its Conflict of Interest Code in various formats and codes. It required all of its Board members, its managers, and its Purchasing Agent to file Statements of Economic Interests, in the broadest category. Through this amendment METRO is consolidating its policy into one Conflict of Interest Code, is ensuring that all California state law requirements are met with regard to designated positions and disclosure categories. Further, the Senior Accounting Technician position is being added because the holder of this position makes or participates in the making of governmental decisions.

A public hearing regarding these proposed modifications is scheduled for the regular meeting of the METRO Board of Directors set for December 15, 2006 at 9:00am at the Santa Cruz City

Council Chambers located at 809 Center Street, Santa Cruz, California, 95060. Any inquiries concerning the proposed code amendments prior to the meeting can be directed to Margaret Gallagher, District Counsel at METRO's Administrative offices address or by calling (831) 426-6080.

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

**None**

#### **V. ATTACHMENTS**

- Attachment A: Draft Regulation—METRO's Conflict of Interest Code
- Attachment B: 2 California Code of Regulations, Section 18730
- Attachment C: Senior Accounting Technician Job Description
- Attachment D: Director's Code of Ethics (with strike-outs showing language to be deleted)

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

Regulation Number: AR-

Computer Title: conflict.int

Effective Date: [date Board Chair signs]

Pages: 4

**TITLE: CONFLICT OF INTEREST CODE FOR DESIGNATED OFFICIALS, EMPLOYEES, MEMBERS AND CONSULTANTS**

## Procedure History

<b>NEW POLICY</b>	<b>SUMMARY OF POLICY</b>	<b>APPROVED</b>
12-15-06	Consolidation of Policies and requirements into regulation format and specific use of required language, including designated positions including Senior Account Technician, and disclosure categories.	

**I. POLICY**

- 1.01 The Political Reform Act, Government Code Section 81000, *et seq.*, requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission (FPPC) has adopted a regulation, Article 2 of the California Code of Regulations Section 18730, which contains the terms of a standard conflict of interest code. The terms of Article 2 of the California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission (FPPC) are hereby incorporated by reference and, all officials, employees, members and consultants designated herein and disclosure categories set forth herein, constitute the Conflict of Interest Code of the Santa Cruz Metropolitan Transit District (METRO).
- 1.02 Designated Officials, Employees, Members and Consultants shall file Statements of Economic Interests (Form 700) with the METRO at its Administrative Offices located at 370 Encinal Street, Suite 100, Santa Cruz, California 95060 on forms prescribed by the FPPC and supplied by the METRO at the times specified in Title 2 of the California Code of Regulations, Section 18730. Such forms can be obtained from METRO's Administrative Services Coordinator.
- 1.03 METRO will retain the completed Form 700s prepared by all designated officials, employees, members and consultants. METRO will make the For 700s available for public inspection and reproduction upon request.
- 1.04 Designated Officials, Employees, Members and Consultants violating any provision of this regulation are subject to the administrative, criminal and civil sanctions provided in

the Political Reform Act, Government Code Sections 81000-91014. Additionally, any violation may subject a METRO employee to disciplinary action up to and including employment termination.

## II. DESIGNATED POSITIONS

- 2.01 The persons holding positions listed in Appendix A are designated Officials, Employees, Members or Consultants for purposes of METRO's Conflict of Interest Code. It has been determined that these persons through their METRO employment position or their status as a METRO Official, Member or Consultant make or participate in the making of governmental decisions which may foreseeably have a material effect on economic or financial interests of their own or others.
- 2.02 METRO Officials, Employees and Members listed in Appendix A shall complete their Form 700s pursuant to the Disclosure Category set forth in Appendix A.
- 2.03 Consultants listed in Appendix A shall disclose pursuant to the broadest disclosure category (Category 1) unless METRO's General Manager determines in writing that a particular Consultant, although holding a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.
- 2.04 An individual holding one of the positions listed in Appendix A may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if he/she believes that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200 and as a result the individual holding such position is required to complete a Statement of Economic Interest (Form 700).

## III. DISCLOSURE CATEGORIES (Form 700):

- 3.01 **Disclosure Categories are the following:**

### **Full Disclosure-Category 1:**

All interests in real property located within the jurisdiction, as well as investments, business positions and sources of income, including gifts, loans and travel payments.

### **Full Disclosure (excluding interest in real property)-Category 2:**

All investments, business positions in business entities, and sources of income, including gifts, loans and travel payments.

### **Interests in Real Property-Category 3**

All interests in real property located in the jurisdiction.

### **General Contracting Categories-Category 4**

- a) All investments, business positions and income, including gifts, loans and travel payments, from sources that provide leased facilities, goods, equipment, vehicles, machinery or services, including training or consulting services, of the type utilized by the METRO.
- b) All investments, business positions and income, including gifts, loans and travel payments, from sources that provide leased facilities, goods, equipment, vehicles, machinery or services, including training or consulting services, of the type utilized by the employee's department or area of authority.

### **Grant/Service Providers/Agencies that Oversee Programs-Category 5**

- a) A designated employee in this category must report all investments, business positions and income, including gifts, loans and travel payments, or income from a nonprofit organization, if the source is of the type to receive grants or other monies from or through the METRO.
- b) All investments, business positions and income, including gifts, loans and travel payments, or income from a nonprofit organization, if the source is of the type to offer or provide consulting, rehabilitative or educational services concerning the prevention, treatment or rehabilitation of persons suffering from (alcohol related problems/drug abuse).

## **IV. DISQUALIFICATION**

- 4.01 No designated individual shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family in violation of 2 Cal. Code of Regs. Section 18730.
- 4.02 No designated employee shall be prevented from making or participating in making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

### Appendix A

Position	Assigned Disclosure Category
METRO Directors	Category 1
General Manager	Category 1
District Counsel	Category 1
Assistant General Manager	Category 1
Maintenance Manager	Category 1
Finance Manager	Category 1
Assistant Finance Manager	Category 1
Project Manager	Category 1
Purchasing Agent	Category 4a
Senior Account Technician	Category 4a
Harris & Associates, Inc., Consultants	Category 1
Tom Dean, Consultant	Category 1
Human Resources Manager	Category 4b
Assistant Human Resources Manager	Category 4b
Information Technology Manager	Category 4b
Senior Database Administrator	Category 4b
Paratransit Administrator	Category 4b
Paratransit Superintendent	Category 4b
Operations Manager	Category 4b
Base Superintendent	Category 4b



2 CA ADC S 18730  
 2 CCR s 18730  
 Cal. Admin. Code tit. 2, s 18730

**C**

BARCLAYS OFFICIAL CALIFORNIA CODE OF  
 REGULATIONS  
 TITLE 2. ADMINISTRATION  
 DIVISION 6. FAIR POLITICAL PRACTICES  
 COMMISSION  
 CHAPTER 7. CONFLICTS OF INTEREST  
 ARTICLE 2. DISCLOSURE

This database is current through 11/17/06, Register  
 2006, No. 46

s 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of **disclosure categories** in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18100, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect

on economic interests.

(3) Section 3. **Disclosure Categories.**

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies.  
 [FN1]

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the **disclosure categories** set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the **disclosure categories** to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's **disclosure categories** are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of

economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code. [FN2]

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

- (1) File a written resignation with the appointing power; and
- (2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she

did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. section 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property [FN3] is required to be reported, [FN4] the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure. When personal income is required to be reported, [FN5] the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole

proprietorship, is required to be reported, [FN6] the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$360.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more

than \$360 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract

with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother,

sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
  - a. The date the loan was made.
  - b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.
  - c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal

action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$360 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision

to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one thousand dollars (\$1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 and 2 Cal. Code Regs. sections 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act,

Government Code sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

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[FN1] Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004.

[FN2] See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

[FN3] For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

[FN4] Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

[FN5] A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

[FN6] Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are

within one of the **disclosure categories** of the filer.

<General Materials (GM) - References, Annotations,  
or Tables>

Note: Authority cited: Section 83112, Government  
Code. Reference: Sections 87103(e), 87300-87302,  
89501, 89502 and 89503, Government Code.

#### HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).

14. Amendment of subsection (b) (8), designation of subsection (b) (8) (A), new subsection (b) (8) (B), and amendment of subsections (b) (8.1)-(b) (8.1) (B), (b) (9) (E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
16. Amendment of subsections (b) (8) (A)-(B) and (b) (8.1) (A), repealer of subsection (b) (8.1) (B), and amendment of subsection (b) (12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
17. Amendment of subsections (b) (8.1) and (9) (E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).
18. Amendment of subsections (b) (7) (B)5., new subsections (b) (8.2)-(b) (8.4) (C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).
19. Editorial correction of subsection (a) (Register 98, No. 47).
20. Amendment of subsections (b) (8.1), (b) (8.1) (A) and (b) (9) (E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).
21. Amendment of subsections (b) (8.1)-(b) (8.1) (A) and (b) (9) (E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).
22. Amendment of subsections (b) (3) and (b) (10) filed 1-10-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).
23. Amendment of subsections (b) (7) (A)4., (b) (7) (B)1.-2., (b) (8.2) (E)3., (b) (9) (A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).
24. Amendment of subsections (b) (8.1)-(b) (8.1) (A) filed 1-16-2003; operative 1-1-2003. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking



requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

2 CCR s 18730, 2 CA ADC s 18730

1CAC

2 CA ADC s 18730  
END OF DOCUMENT

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT****SENIOR ACCOUNTING TECHNICIAN****DEFINITION**

Under direction, performs routine and specialized clerical accounting in one or more areas of accounts payable, accounts receivable, payroll, grants, purchasing, fixed assets, insurance and budgeting; processes and maintains administrative and financial records and files; performs a variety of clerical and related duties as assigned.

**DISTINGUISHING CHARACTERISTICS**

This is the advanced journey level of the Accounting Technician series, and positions may be alternately staffed with the Accounting Technician. Positions in this class are supervised by a professional level position, and are distinguished from the Accounting Technician by the greater complexity of the work performed and independent judgment utilized. This classification is responsible for one or more comprehensive clerical account functions and may provide technical training in procedures.

**EXAMPLES OF DUTIES**

Processes invoices for payment; verifies receipt, documentation, calculations, and proper billing amount; allocates to proper general ledger accounts; ensures that sales tax requirements have been met; contacts vendors to resolve problems; maintains vendor lists; verifies that contracts governing invoices are current and contract amount is sufficient to pay invoices.

Creates, maintains and updates fixed asset records; coordinates with MIS to update depreciation formulas; assists in taking inventory.

Performs clerical accounting activities for grants including tracking expenses, verifying project coding, compiling documentation, and maintaining records; assists in preparation of financial reports.

Coordinates and monitors the District's property and liability insurance program, and a variety of other insurance policies; initiates endorsements for insurance coverage, and monitors contracts and leases to ensure that required endorsements are received and updated; monitors insurance premiums and audits, reviews, and prepares insurance billing statements for payment; reviews insurance records for claims and potential claims; acts as liaison with insurance providers.

Coordinates publication of the annual budget document; records and revises the District's budget as directed; prepares a variety of budget monitoring reports and balances budget related spreadsheets; processes budget transfers and makes journal entries; checks expenditures against the budget and informs supervisor if funds are not available; assists in development of department budgets.

Assembles and prepares tax documents, including 1099 forms; updates the databases; maintains IRS required documentation.

Reviews State Board of Equalization records to verify sales tax revenue; receives and processes payments; records and monitors tenant lease payments; issues receipts and maintains appropriate records for proper accounting of payments; maintains petty cash fund.

Submits the check journal for the monthly Board packet; obtains required signatures from management and Board members for cash requests from the County Treasury in accordance with established procedures; processes emergency check requests; prepares manual checks and reconciles with the automated system.

Maintains and reviews catalogs of vendors to locate items, and contacts vendors for information; obtains price quotations in accordance with policies and instructions; processes orders to

7.01

purchase supplies and equipment; makes adjustments and change orders to purchase orders; resolves merchandise and delivery problems; maintains vendor and DBE files, mailing lists, and records and information relating to procurement processes; assists with purchasing function as assigned.

Prepares and types documents including correspondence, contracts, purchase orders, requests for proposals, invitations for bids, payment authorizations, and financial, statistical, graphical, and narrative reports; composes, develops, and prepares a variety of procedures, forms, routine reports, and correspondence independently; provides technical training of procedures to others; provides information and resolves complex and routine problems; researches and gathers information and maintains records and files; sorts and distributes mail; orders office supplies; maintains confidential materials and other privileged information.

Performs payroll duties including processing timekeeping and payroll documents; performs data entry on the payroll system; requests and collects payroll documents, trust warrants, and paychecks from the payroll contractor; communicates with the payroll contractor and other departments; provides payroll information to employees; sorts and distributes paychecks.

Utilizes office equipment and the computer word processing, spreadsheet, accounting, purchasing and database programs in the performance of job duties.

## **EMPLOYMENT STANDARDS**

### Knowledge of:

- Principles and practices of clerical accounting and financial record keeping procedures.
- Business correspondence, formats, report writing, and proper business English usage, punctuation, grammar, and spelling.
- Manual and automated record keeping and filing systems.
- Computerized spreadsheets, word processing, and accounting programs.

### Skill to:

- Use a 10 key calculator by touch.
- Type accurately and at a reasonable rate of speed.

### Ability to:

- Perform mathematical calculations quickly and accurately.
- Design, prepare and compile reports and information.
- Operate calculator, typewriter, computer, microfiche reader, and other standard office equipment.
- Recognize and resolve accounting problems, and reconcile differences within the accounting record.
- Prioritize work and work independently.
- Maintain confidentiality of materials, records, files, and other privileged information.
- Research data and prepare narrative, financial, and statistical reports.
- Establish and maintain cooperative working relationships with the public, District employees, and others.

### Training and Experience

Any combination of training and experience equivalent to three years full-time bookkeeping or clerical accounting experience or two years experience in the District's Accounting Technician classification. Education equivalent to completion of a one year Certificate of Proficiency in accounting from a California community college may be substituted for one year of the required bookkeeping or clerical accounting experience.

**7.c2**

Regulation Number: 1004

Computer Title: Director's Code of Ethics

Effective Date: April 16, 1999

Pages: 6

**TITLE: Santa Cruz Metropolitan Transit District Director's Code of Ethics**

REVISION DATE	SUMMARY OF REVISION	APPROVED
April 16, 1999 February 24, 2006 <u>December 15, 2006</u>	Policy Implemented Section IX - Ethics training added <u>Delete specific sections of</u> <u>Director's Code of Ethics</u>	J.B. <u>M.R.</u>

## I. POLICY

- 1.01** District Directors are public servants and, as such, are expected to be impartial and responsible in fulfilling the public trust placed in them. The public expects the highest standard of ethical conduct from all those in public service. District Directors are expected to demonstrate personal integrity, honesty, and truthfulness in all their public activities in order to inspire public confidence and trust in the District.

## II. APPLICABILITY

- 2.01** This policy is applicable to all District Directors.
- 2.02** Notwithstanding any provision of this Code every District Director shall comply with applicable Federal, State and local laws.

## III. RESPONSIBILITIES OF PUBLIC SERVICE

- 3.01** District Directors are bound to discharge faithfully the duties of their offices, recognizing that the lives, safety, health, and welfare of the general public must be their primary concern. Their conduct in their official and private affairs should be above reproach to assure that their public office

is not used for personal gain.

#### IV. CONFLICT OF INTEREST

~~4.01 District Directors are prohibited from making, participating in, or in any way attempting to use their District offices to influence a District decision in which they know or have reason to know they have a financial interest.~~

~~4.02 District Directors shall not engage in outside employment, activities, or enterprises for compensation that are inconsistent with, incompatible to, or in conflict with their duties as District Directors. The outside employment, activities or enterprises inconsistent with, incompatible to, or in conflict with an Director's District duties include those which:~~

- ~~(1) involve the use for private gain or advantage of (a) a Director's District work, District facilities, District equipment and District supplies; or (b) the influence or prestige of his or her position with the District; or~~
- ~~(2) involve receipt or acceptance by a District Director of any money or other consideration from anyone other than the District for the performance of an act which the Director would be required or expected to render in the regular course of his or her District obligations as a Director; or~~
- ~~(3) involve the performance of an act in other than his or her capacity as a District Director which act may later be subject directly or indirectly to control, inspection, review, audit, or enforcement by the District.~~

~~4.03 No District Director shall solicit or accept gratuities, favors or anything of monetary value including personal loans, from contractors, subcontractors, consultants, potential contractors, potential consultants, or potential subcontractors, except an unsolicited gift of nominal intrinsic value. "Nominal intrinsic value" for purposes of this section shall mean a value of less than \$250, within a twelve-month period from a single source.~~

~~4.04 No current or former District Director shall disclose, permit disclosure or otherwise use confidential information acquired by virtue of his or her position with the District for his or her or another person's private gain or~~

~~for any purpose except in the performance of his/her official duties and responsibilities for the District or as may be required by law. No District Director shall reveal information received in a lawful closed session of the District's Board of Directors unless such information is required by law to be disclosed. No District Director shall take any action or provide any information for or on behalf of any prospective contractor or vendor that interferes with free and open competition for District contracts.~~

~~4.05 No District Director shall engage in or permit the unauthorized use of District-owned property, including but not limited to facilities, vehicles, materials, equipment, licensed software and information. Use of District property for purposes other than District business shall be considered an unauthorized use unless a Director has received prior approval for such use by the Board of Directors. Use of District property for non-District business will only be authorized when the Board of Directors determines it is in the best interest of the District to do so.~~

~~4.06 District Directors shall immediately report to the Board of Directors the existence of a conflict of interest, including a financial interest in making or participating in making of any governmental decision, so that appropriate action be taken.~~

#### IV. POLITICAL ACTIVITY

~~5.014.01~~ Except as herein otherwise provided, or as necessary to meet requirements of federal or state law, no restriction shall be placed on the political activities of any District Director.

~~5.024.02~~ No District Director who holds, or who is seeking election or appointment to, any office or employment in a state or local agency shall, directly or indirectly, use, promise, threaten or attempt to use any office, authority, or influence, whether then possessed or merely anticipated, to confer upon or secure for any person, or to aid, obstruct, or to prevent any person from securing, any position, nomination, confirmation, promotion, or change in compensation or position within the District.

~~5.034.03~~ No District Director shall directly or indirectly solicit a political contribution from a District employee, except if such solicitation is part of a solicitation made to a significant segment of the public, which may include District employees.

5.044.04 No District Director who holds, or is seeking election or appointment to, any office shall offer or arrange for any increase in compensation or salary for a District employee in exchange for, or promise of, a contribution or loan for the person who holds, or who is seeking election or appointment to such office.

5.054.05 No District Director shall engage in political activity while acting in his/her capacity as a Director for the District.

## V.I. NONDISCRIMINATION

6.015.01 District Directors shall not, in the performance of their District responsibilities, engage in unlawful discrimination of any sort under any applicable federal, state, county or municipal law or ordinance, including without limitation discrimination against any person on the basis of race, sex, color, national origin, religion, disability, age, marital status, sexual orientation, or veteran status, and they shall make good faith efforts to support and comply with the District's equal opportunity and affirmative action goals and objectives.

## VII. STATEMENTS OF ECONOMIC INTEREST

~~7.01 Directors shall file assuming office statements, annual statements and leaving office statements of economic interests with the District as required by state law. Assuming office statements for Directors shall include disclosure of investments and interests in real property and business but also income, gifts and loans income received during the 12 months prior to the date of assuming office. Upon receipt of these statements the District shall make and retain a copy and forward the original of these statements to the appropriate public agency.~~

## VIII. REPORTING OF IMPROPER GOVERNMENT ACTIVITIES

8.016.01 District Directors are encouraged to serve the public interest by disclosing to the Board of Directors to the extent not in conflict with the attorney-client privilege or the physician-patient privilege, information concerning District activities where the Director has reasonable cause to believe that the information discloses a violation of state or federal statute, or violation or noncompliance with state or federal regulation. No Director of the District shall use or attempt to use his or her authority to interfere with such disclosure made by another Director or a District employee or to retaliate against a Director or District employee for such disclosure.

**IX.VII.ETHICS TRAINING**

~~9.01~~7.01—Each Director shall receive at least two hours of training in general ethics principles and ethics laws relevant to his/her public service every two years.

~~7.02~~9.02—Ethics laws include but are not limited to the following:

- (a) Laws relating to personal financial gain by public servants, including but not limited to, laws prohibiting bribery and conflict-of-interest laws;
- (b) Laws relating to claiming prerequisites of office, including but not limited to gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies;
- (c) Government transparency laws, including, but not limited to financial interest disclosure requirements and open government laws;
- (d) Laws relating to fair processes, including but not limited to common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

~~9.03~~7.03The District's Administrative Services Coordinator shall provide information on training available to meet the requirements of this section to the directors at least once annually.

~~9.04~~7.04Each Director in office as of January 1, 2006 except for officials whose terms of office ends before January 1, 2007, shall receive the training required herein before January 1, 2007. Thereafter, each local agency official shall receive such training at least once every two years.

~~9.05~~7.05A Director who serves more than one local agency shall satisfy the training requirements once every two years without regard to the number of local agencies with which he/she serves.

~~9.06~~7.06The Administrative Services Coordinator shall maintain training records as required herein for at least 5 years which indicate both of the following:



**EXHIBIT A**

- (a) The dates that the Directors satisfied these training requirements.
- (b) The entity that provided the training.

7.079.07—All ethics training records prepared and/or maintained in accordance with this section are subject to disclosure under the California Public Records Act.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 8, 2006  
**TO:** Board of Directors  
**FROM:** Mark Dorfman, Assistant General Manager  
**SUBJECT: AUTHORIZATION TO EXERCISE OPTION TO PURCHASE EIGHT (8) 40 FOOT COMPRESSED NATURAL GAS BUSES FROM THE CITY OF CULVER CITY WITH NEW FLYER OF AMERICA**

## ACTION REQUESTED AT THE DECEMBER 8, 2006 BOARD MEETING

### I. RECOMMENDED ACTION

**It is recommended that the Board authorize the General Manager to execute the option from the City of Culver City for the purchase of eight (8) Compressed Natural Gas 40-foot low-floor transit buses and be authorized to take all necessary steps to negotiate and sign a contract with New Flyer of America and the City of Culver City to purchase these eight (8) buses.**

### II. SUMMARY OF ISSUES

- The District currently has funds for eight (8) new 40 foot CNG buses.
- The District has investigated other transit systems that have existing contracts for the purchase of similar buses.
- The City of Culver City in Southern California has options for this type of vehicle that it will not be using, and we have used this same contract for the two buses currently being built.
- The City of Culver City is willing to allow the District to purchase eight (8) buses using their contract options.

### III. DISCUSSION

The District currently has an existing grant for the purchase of eight (8) 40-foot transit buses. These are for CNG Low-Floor Buses. The bid process is a long and lengthy process that generates a great deal of staff time.

The District has attempted to identify other transit agencies that have available options to purchase under existing bus purchase contracts that they are not utilizing. This process is referred to as "piggy-backing" on another agency's order. Staff has identified the City of Culver City having options for 40-foot low-floor CNG buses that it will not be to using this year. Staff has had discussions with officials at the City of Culver City and they have agreed to assign to the District the right to purchase eight (8) buses (Attachment A). This is the same agency that we

used to purchase two buses that are currently being manufactured and are expected to be delivered in January of 2007.

This process has the benefit of knowing the base price for the buses since the options were tied to the Producer Price Index (PPI) for Truck and Bus Bodies (Category 1413). Originally, the base price of the bus for the City of Culver City was \$358,237.50 in October of 2003. Using the formula in the contract with the City of Culver City, when the District signs a contract with New Flyer, the price for the bus will be tied to the PPI for the month the contract is signed.

Negotiations will occur with New Flyer to add those options to the bus that are desired by the District such as paint scheme, bus annunciation system, etc. In this way, the cost of the bus will be substantially less than if we were to bid the bus at this time for a two bus order. A further advantage in this approach is that we will add eight (8) additional buses from the same manufacturer, New Flyer of America, and this will make it easier to maintain the buses by not requiring new parts to maintain the buses.

It is recommended that the Board authorize the General Manager to execute the option from the City of Culver City for the purchase of eight (8) Compressed Natural Gas 40-foot low-floor transit buses and be authorized to take all necessary steps to negotiate and sign a contract with New Flyer of America and the City of Culver City to purchase these eight (8) buses.

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

Funds are available for the purchase of these vehicles in the Capital program.

#### **V. ATTACHMENTS**

**Attachment A:** November 21, 2006 Letter from City of Culver City with Assignment of Option Agreement



# CITY OF CULVER CITY

## TRANSPORTATION DEPARTMENT

4343 DUQUESNE AVENUE, CULVER CITY, CA 90232

(310) 253-6544 FAX (310) 253-6513

Attachment **A**

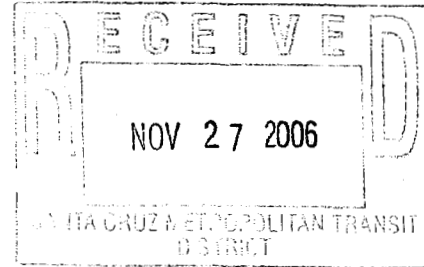
*Culver* **CITY**

STEPHEN C. CUNNINGHAM

Transportation Director

November 21, 2006

Mr. Mark J. Dorfman  
Assistant General Manager  
Santa Cruz Metropolitan Transit District  
370 Encinal Street  
Suite #100  
Santa Cruz, CA 95096  
831.426.6080



Dear Mr. Dorfman;

Please find enclosed an Assignability for Options Agreement for the Eight (8) buses you have requested to be held for your property, thereby bringing your total allotment of buses from our original contract to ten (10) vehicles. Please review this document, and if you find the assignments to be accurate, please sign both original copies where indicated and return both original documents back to me for final processing. Once all signatures have been obtained, I will send you one fully executed original for your records. You already process all of the original contract documentation/information so none is included in this communication.

Thank you for your understanding and patience in this matter, as I am sure you fully understand the importance of accurate procurement documentation to satisfy all Federal Transit Administration (FTA) requirements.

Please feel free to contact me with any questions.

Sincerely,

Paul Condran  
Equipment Maintenance Manager  
City of Culver City  
4343 Duquense Ave.  
Culver City, CA 90232  
310.253.6520  
310.253.6564 Facsimile

[paul.condran@culvercity.org](mailto:paul.condran@culvercity.org)

**ASSIGNMENT OF OPTION**

The City of Culver City, California, "Assignor", hereby assigns to Santa Cruz Metropolitan Transit District "Assignee", an option to purchase from New Flyer of America Inc., of Crookston, Minnesota, "Seller" Eight (8) New Flyer Low Floor 40-foot CNG transit buses ("Option Buses") at a price as determined by, and under certain terms and conditions contained in, Assignor's Contract with Seller, dated October 28, 2003 ("Contract"). It is understood by all three parties that the Assignee and Seller will enter into a separate contract for the manufacture and delivery of the Eight (8) Option Buses, but that such contract will incorporate, as appropriate, terms and conditions set forth in the Contract.

Such option commenced, per terms of the Contract, on October 28, 2003, and may be exercised at any time on or before October 28, 2008.

With respect to the Option Buses assigned hereunder and this Assignment, Assignee agrees to perform all appropriate covenants, conditions and obligations required of Assignor under the Contract and agrees to defend, indemnify and hold Assignor harmless from any liability or obligation under the Contract. Assignee further agrees to hold Assignor harmless from any deficiency or defect in the legality or enforcement of the terms of the Contract or option to purchase thereunder. Assignee agrees and understands that Assignor is not acting as a broker or agent in this transaction and is not representing Seller or Assignee, but rather is acting as a principle in assigning its interest in the above-referenced option to purchase the Option Buses under the Contract to Assignee.

Assignee hereby unconditionally releases and covenants not to sue Assignor upon any claims, liabilities, damages, obligations or judgments whatsoever, in law or in equity, whether known or unknown, or claimed, which they or either of them have or claim to have or which they or either of them may have or claim to have in the future against Assignor, with respect to the Option Buses or any rights whatsoever assigned hereunder.

CITY OF CULVER CITY

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

By: \_\_\_\_\_  
Jerry Fulwood  
City Manager  
Assignor

By: \_\_\_\_\_  
NAME  
TITLE  
Assignee

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

APPROVED AS TO CONTENT:

By: \_\_\_\_\_  
Stephen C. Cunningham  
Transportation Director  
City of Culver City

8.92

APPROVED AS TO FINANCING:

By: \_\_\_\_\_  
Marlee Chang  
City Controller

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Carol A. Schwab  
City Attorney

I hereby accept and approve the terms of Assignment and agree to hold Assignor harmless from any further liability or obligation under the above referenced Contract for the option in question.

\_\_\_\_\_  
Paul Smith  
Vice President-Sales and Marketing  
New Flyer of America, Inc.  
Seller

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 15, 2006  
**TO:** Board of Directors  
**FROM:** Elisabeth Ross, Finance Manager  
**SUBJECT:** ACCEPTANCE OF FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR FOR YEAR ENDING JUNE 30, 2006

## I. RECOMMENDED ACTION

**Staff recommends that the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ending June 30, 2006.**

## II. SUMMARY OF ISSUES

- The financial statements and report of the independent certified public accountants (Attachment A) present the District's financial position at June 30, 2006, with a comparison to the position at June 30, 2005. The auditors have found that the District's financial statements present fairly the financial position of the District.
- The auditors found the District to be in compliance with the financial reporting requirements for grants and other financial assistance.
- In the schedule of findings and questioned costs on page 33, the auditors had no new findings.
- Note 5 in the financial statements shows the District's total available net assets and the amounts designated for various funds.
- Four recommendations are identified in Attachment C which are intended to improve the District's internal control structure.

## III. DISCUSSION

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

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

The District's total net assets are \$47,783,720 at June 30, 2006 (page 8), down \$23,711 from the prior year. The statements of revenues and expenses (page 9) indicate a net loss in the amount of \$1,678,672 for the year ending June 30, 2006. Operating revenue (fares) decreased from the prior year by \$837,279 due to the 2005 UTU strike and subsequent loss of ridership. Sales tax revenue, Transportation Development Act assistance and interest income all increased from the prior year.

The statements of operating expenses (page 25) indicate that the District's total operating expenses increased by \$27,420 or 0% from the prior year. The largest changes in operating expense are a \$408,869 increase in pension plan expense (29%), a \$444,013 increase in absence with pay (16%) with a corresponding decrease in other salaries and wages, resulting from most employees represented by SEIU Local 415 being on paid leave status during the strike, and a \$515,187 increase in vision, medical and dental plans (13%). In addition, as a result of bringing the ParaCruz program in-house, purchased transportation services decreased by \$835,007 (85%).

The balance sheets (pages 7-8) provide an overall summary of the District's position. To determine the amount of available net assets for cash flow and funding capital projects for the next five years, staff has worked with the auditors to develop the schedule in Note 5 (Page 19). At June 30, 2006, this schedule shows total available net assets of \$19,433,772, comprised of a cash flow reserve of \$2,600,000, a workers compensation reserve of \$2,075,940, an insurance reserve of \$947,229, an alternative fuel conversion fund of \$462,000, a bus stop improvement reserve of \$400,000, \$649,817 planned carryover for the FY 06-07 operating budget, \$77,697 in carryover designated contractually for the sales tax-based UTU wage adjustment in FY 06-07, and \$13,969,000 for the District's share of approved capital projects. This leaves a deficit balance of \$1,747,911 in available net assets which means the five year capital improvement program is not fully funded.

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

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

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

I would like to recognize Marilyn Fenn, retired Assistant Finance Manager, for her valuable assistance with this year's audit.



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

There is no fiscal impact from the Board's acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA) payments from the Santa Cruz County Regional Transportation Commission, the final audit must be submitted to the Commission.

#### **V. ATTACHMENTS**

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

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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

**JUNE 30, 2006 AND 2005**

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
JUNE 30, 2006 AND 2005

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**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of June 30, 2006 and 2005, as listed in the table of contents. These basic financial statements are the responsibility of the Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Santa Cruz Metropolitan Transit District, as of June 30, 2006 and 2005, and the results of its operations and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2006 on our consideration of the Santa Cruz Metropolitan Transit District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

# DRAFT

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

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION

Bakersfield, California  
October 26, 2006

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2006 AND 2005

**Introduction**

This report provides a narrative and analytical overview of the financial activities of the Santa Cruz Metropolitan Transit District (the District) with selected comparative information for the years ended June 30, 2006 and 2005. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

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

**The Financial Statements**

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

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

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

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

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

**Financial Highlights**

A strike called by United Transportation Union, Local 23, began on September 27, 2005, resulting in the immediate cessation of all fixed-route bus service. ParaCruz (complementary paratransit service) continued to operate. The strike significantly reduced revenues and expenses from September 27, 2005, to November 2, 2005. The District offered fare-free days to riders when service resumed on November 3, 2005, which impacted passenger revenue.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2006 AND 2005**

**Condensed Statement of Net Assets:**

	2006	2005	Increase/(Decrease)	
			Amount	%
Total Assets	\$ 71,935,684	\$ 68,424,328	\$ 3,511,356	5%
Total Liabilities	\$ 24,151,964	\$ 20,616,897	\$ 3,535,067	17%
Total Net Assets	\$ 47,783,720	\$ 47,807,431	\$ (23,711)	0%

Total Assets increased primarily due to sales tax and other receivables and construction in progress. Total Liabilities increased from accounts payable and the addition to restricted capital funds (STA).

An increase or decrease in net assets is an indicator of the financial health of the District's. For the fiscal year ended June 30, 2005, the District's net assets increased by \$1,261,781 due to federal, state and local capital contribution for capital acquisitions. For the fiscal year ended June 30, 2006, the District's net assets decreased by \$23,711, which is the equivalent of no change.

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

	2006	2005	Increase/(Decrease)	
			Amount	%
Operating Revenues	\$ 6,283,590	\$ 7,120,869	\$ (837,279)	-12%
Operating Expenses	(35,021,591)	(34,994,171)	(27,420)	0%
Operating Loss	(28,738,001)	(27,873,302)	(864,699)	3%
Nonoperating Revenues	27,059,329	24,958,525	2,100,804	8%
Capital Contributions	1,654,961	4,176,558	(2,521,597)	-60%
Increase (Decrease) in Net Assets	\$ (23,711)	\$ 1,261,781	\$ (1,285,492)	-102%

Operating revenue decreased due to the 2005 strike and subsequent loss of riders. Non-operating revenues increased 8% due to higher interest income resulting from more favorable interest rates, along with higher sales tax revenue.

Operating expenses were flat due to the strike. Pension, healthcare and fuel costs continue to be a significant cause of a higher cost of operating. However, those increases were offset by decreases in other expense categories. The increase in absence with pay was due to the fact that most employees represented by Service Employees International Union, Local 415, were on paid status during the five-week strike. This increase was matched by a corresponding decrease in other salaries and wages.

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

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2006 AND 2005**

**Supplemental Revenue, Expense and Performance Report:  
(based on FTA account grouping guidelines)**

	2006	2005	% Change
<b>Revenues</b>			
Passenger Fares	\$ 6,283,590	\$ 7,120,869	-11.8%
Sales Tax	16,583,132	15,848,098	4.6%
Non-Operating Revenues <sup>(1)</sup>	1,649,085	709,709	132.4%
TDA <sup>(2)</sup>	5,740,612	5,413,251	6.0%
Federal Operating Assistance	3,087,031	3,203,659	-3.6%
<b>Total Operating Revenue</b>	<b>\$ 33,343,450</b>	<b>\$ 32,295,586</b>	<b>3.2%</b>
<b>Expenses</b>			
Route Operation	\$ 19,010,849	\$ 19,035,254	-0.1%
Vehicle Maintenance	4,855,236	4,684,140	3.7%
Facilities Maintenance	1,227,780	1,325,515	-7.4%
General Administration	6,152,708	5,975,454	3.0%
<b>Total Operating Expense (excluding depreciation)</b>	<b>\$ 31,246,573</b>	<b>\$ 31,020,363</b>	<b>0.7%</b>
<b>Performance Indicators <sup>(3)</sup></b>			
Total Passengers	4,850,405	5,581,328	-13.1%
Revenue Hours	237,645	247,464	-4.0%
Revenue Miles	3,400,955	3,701,940	-8.1%
<b>Farebox Recovery Ratio <sup>(4)</sup></b>			
Cost/Passenger	\$ 6.44	\$ 5.56	15.9%
Cost/Hour	\$ 131.48	\$ 125.35	4.9%
Cost/Mile	\$ 9.19	\$ 8.38	9.6%
Full Time Equivalent Employees	321	305	5.2%
Active Fleet - Fixed Route	113	111	1.8%
Active Fleet - Paratransit	33	32	

<sup>(1)</sup> Non-Operating Revenues increased substantially due to higher interest rates and interest income in 2006.

<sup>(2)</sup> Transportation Development Act (TDA) funding constitutes a significant percentage of the District's operating revenues. The funding the District receives fluctuates annually based on retail sales in the County and by the amount retained by the Santa Cruz County Regional Transportation Commission for other county-wide projects and overhead.

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

<sup>(4)</sup> Restated for 2005 to include paratransit ridership.



DRAFT

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2006 AND 2005

**Condensed Statement of Cash Flows:**

	<u>2006</u>	<u>2005</u>	<u>Change</u>
Net Cash (Used) in Operating Activities	\$(23,524,607)	\$(23,477,969)	\$ (46,638)
Net Cash Provided by Non-Capital Financing Activities	24,410,619	24,319,820	90,799
Net Cash Provided by (Used) in Capital and Related Financing Activities	263,631	(592,234)	855,865
Net Cash Provided by Non-Transportation Activities	<u>1,217,371</u>	<u>631,517</u>	<u>585,854</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,367,014	881,134	1,485,880
Cash and Cash Equivalents, Beginning of Year	<u>29,521,766</u>	<u>28,640,632</u>	<u>881,134</u>
Cash and Cash Equivalents, End of Year	<u>\$ 31,888,780</u>	<u>\$ 29,521,766</u>	<u>\$ 2,367,014</u>

Cash and cash equivalents held by the District increased by \$881,134 or 3% during the year.

**Contacting the District's Financial Management**

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

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF NET ASSETS  
JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 20,258,964	\$ 19,689,759
Sales Tax and Other Receivables	6,026,987	3,996,933
Inventory	928,026	903,863
Prepays	555,353	155,792
	<u>27,769,330</u>	<u>24,746,347</u>
Total Current Assets		
RESTRICTED ASSETS		
Cash and Cash Equivalents	11,629,816	9,832,007
PROPERTY AND EQUIPMENT		
Building and Improvements	10,452,483	10,452,483
Transportation Vehicles	34,649,265	34,555,916
Operations Equipment	2,687,228	2,686,565
Other Equipment	1,285,123	1,285,123
Other Vehicles	898,514	829,537
Office Equipment	1,094,759	1,152,497
	<u>51,067,372</u>	<u>50,962,121</u>
Less Accumulated Depreciation	<u>(30,324,213)</u>	<u>(26,845,932)</u>
	20,743,159	24,116,189
Construction in Progress	4,816,956	2,753,362
Land	6,976,423	6,976,423
	<u>32,536,538</u>	<u>33,845,974</u>
Total Property and Equipment		
TOTAL ASSETS	<u>\$ 71,935,684</u>	<u>\$ 68,424,328</u>

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

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF NET ASSETS (Continued)  
JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 1,449,500	\$ 643,186
Accrued Payroll and Employee Benefits	3,351,093	2,994,662
Workers' Compensation Liabilities	1,378,844	1,228,191
Other Accrued Liabilities	466,558	465,252
Security Deposit	16,684	17,684
Deferred Revenue	189,500	241,170
	<u>6,852,179</u>	<u>5,590,145</u>
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Deferred Revenue - Settlement Agreement	7,321,289	6,998,304
Deferred Revenue - STA Grant	4,308,527	2,833,703
<b>LONG-TERM LIABILITIES</b>		
Workers' Compensation Liabilities	5,669,969	5,194,745
	<u>24,151,964</u>	<u>20,616,897</u>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	32,536,538	33,845,974
Unrestricted Net Assets	15,247,182	13,961,457
	<u>47,783,720</u>	<u>47,807,431</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 71,935,684</u>	<u>\$ 68,424,328</u>

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

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
OPERATING REVENUES		
Passenger Fare	\$ 3,837,280	\$ 4,465,736
Special Transit Fare	<u>2,446,310</u>	<u>2,655,133</u>
Total Operating Revenues	<u>6,283,590</u>	<u>7,120,869</u>
OPERATING EXPENSES		
Wages, Salaries and Employee Benefits	24,659,059	23,853,713
Purchased Transportation Services	142,892	977,899
Material and Supplies	2,954,093	2,696,571
Other Expenses	3,490,530	3,492,180
Depreciation	<u>3,775,017</u>	<u>3,973,808</u>
Total Operating Expenses	<u>35,021,591</u>	<u>34,994,171</u>
Net Operating Loss	<u>(28,738,001)</u>	<u>(27,873,302)</u>
NON-OPERATING REVENUES (EXPENSES)		
Sales and Use Tax	16,583,132	15,848,098
Transportation Development Act Assistance	5,740,612	5,413,251
Section 9/5307 Operating Assistance	3,021,556	3,110,731
Section 18/5307 Operating Assistance	65,475	92,928
Interest Income	1,035,565	472,279
Rental Income	181,806	159,238
Other Revenue	431,714	78,192
Loss on Sale and Disposal of Property, Equipment, and Inventory	<u>(531)</u>	<u>(216,192)</u>
Total Non-Operating Revenues	<u>27,059,329</u>	<u>24,958,525</u>
Net Loss Before Capital Contributions	<u>(1,678,672)</u>	<u>(2,914,777)</u>
CAPITAL CONTRIBUTIONS		
Grants Restricted for Capital Expenditures	<u>1,654,961</u>	<u>4,176,558</u>
NET ASSETS		
Increase in Net Assets	(23,711)	1,261,781
Total Net Assets, Beginning of Year	<u>47,807,431</u>	<u>46,545,650</u>
Total Net Assets, End of Year	<u>\$ 47,783,720</u>	<u>\$ 47,807,431</u>

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

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts From Customers	\$ 6,354,890	\$ 7,059,543
Payments to Employees	(23,676,751)	(23,249,767)
Payments to Suppliers	(6,202,746)	(7,287,745)
Net Cash Used in Operating Activities	<u>(23,524,607)</u>	<u>(23,477,969)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating Grants Received, Including Sales and Use Tax	23,986,692	24,457,042
Other Nonoperating	423,927	(137,222)
Net Cash Provided by Noncapital Financing Activities	<u>24,410,619</u>	<u>24,319,820</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds From Sale of Property and Equipment	1,553	74,463
Capital Grants Received	2,732,391	5,166,335
Capital Expenditures	(2,470,313)	(5,833,032)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>263,631</u>	<u>(592,234)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment and Rental Income Received	<u>1,217,371</u>	<u>631,517</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,367,014	881,134
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>29,521,766</u>	<u>28,640,632</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 31,888,780</u>	<u>\$ 29,521,766</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	\$ (28,738,001)	\$ (27,873,302)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:		
(Gain) Loss on Sale / Disposal of Fixed Assets and Inventory	3,179	216,192
Depreciation	3,775,017	3,973,808
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	71,300	(61,326)
(Increase) in Inventory	(24,163)	(79,607)
(Increase) Decrease in Prepaid Expenses	(399,561)	15,678
Increase (Decrease) in Accounts Payable	806,314	(273,678)
Increase in Other Liabilities	981,308	604,266
Net Cash Used in Operating Activities	<u>\$ (23,524,607)</u>	<u>\$ (23,477,969)</u>

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

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006 AND 2005

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

A. Description of Organization

The Santa Cruz Metropolitan Transit District (the District) was formed February 9, 1969, following a favorable election in conformity with Section 9800 *et. seq.* of the Public Utilities Code. The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola and the unincorporated areas of Santa Cruz County. The District is governed by a Board of eleven directors, and one Ex-Officio director representing the University of California, Santa Cruz. At June 30, 2006, the directors were as follows:

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

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

B. Reporting Entity

The District and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of GASB Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District. For the years ending June 30, 2006 and 2005, this activity was minimal.

**Scope of Public Service:**

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

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

Accountability:

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

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

### **B. Reporting Entity** (Continued)

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

### **C. Basis of Accounting and Presentation**

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

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

#### **Contributed Capital/Reserved Retained Earnings:**

The District receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant have been incurred. Capital grant funds earned, less amortization equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District changed its method of accounting for capital grants from capital contributions to reserved nonoperating revenues. In accordance with GASB No. 33, capital grants are required to be included in the determination of net income resulting in an increase in net revenue of \$1,654,961 and \$4,176,558 for the fiscal years 2006 and 2005, respectively.

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

#### **Retained Earnings:**

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

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

C. Basis of Accounting and Presentation (Continued)

**Proprietary Accounting and Financial Reporting:**

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

**Net Assets:**

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

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

D. Cash and Cash Equivalents

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

E. Inventory

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

F. Restricted Assets

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



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

**F. Restricted Assets (Continued)**

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

	2006	2005
Cash and Cash Equivalents		
Federal Transit Administration Grant	\$ 7,321,289	\$ 6,998,304
State Transit Assistance Grant	4,308,527	2,833,703
<b>Total Restricted Assets</b>	<b>\$ 11,629,816</b>	<b>\$ 9,832,007</b>

**G. Property and Equipment**

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

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

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

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

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

**H. Sales and Use Tax**

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

**I. Operating Assistance Grants**

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

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

J. Self-Insurance

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

K. Employee Benefits

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

L. Payroll

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

M. Pension Costs

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

N. Use of Estimates

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

**NOTE 2 – CASH AND INVESTMENTS**

Cash and cash equivalents consists of the following at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Cash on Hand	\$ 44,331	\$ 47,558
Demand Deposits	961,462	373,950
Deposits in Santa Cruz County Pooled Investment Fund	<u>30,882,987</u>	<u>29,100,258</u>
	<u>\$ 31,888,780</u>	<u>\$ 29,521,766</u>

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

Cash on Hand and Cash in Banks

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

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

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

**Disclosures Relating to Interest Rate Risk**

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

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

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
County Investment Pool	\$ 30,882,987	\$ 30,882,987	\$ -	\$ -	\$ -

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

The District’s investments were not considered to be highly sensitive to interest rate fluctuations as of June 30, 2006 or 2005.

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

Cash on Hand and Cash in Banks (Continued)

**Disclosures Relating to Credit Risk**

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

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	Aa	Not Rated
County Investment Pool	\$30,882,987	N/A	\$ -	\$ -	\$ -	\$30,882,987

**Concentration of Credit Risk**

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District did not have any Investments in any one issuer (other than external investment pools) that represent 5% or more of total District's investments at June 30, 2006 or 2005.

**Custodial Credit Risk**

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

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

**Investment in County Investment Pool**

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

## NOTE 3 – RECEIVABLES

Receivables at June 30, are as follows:

	2006	2005
Federal Grants	\$ 1,156,558	\$ 454,387
State Grants	409,336	406,025
Sales Tax Revenue	2,541,900	2,613,200
Other	1,919,193	523,321
	\$ 6,026,987	\$ 3,996,933

## NOTE 4 – CHANGES IN CAPITAL ASSETS

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

June 30, 2006

	Balance July 1, 2005	Additions and Transfers	Retirements and Transfers	Balance June 30, 2006
<b>Non Depreciated Assets</b>				
Land	\$ 6,976,423	\$ -	\$ -	\$ 6,976,423
Construction-in-Progress	2,753,362	2,063,594	-	4,816,956
Total Non Depreciated Assets	9,729,785	2,063,594	-	11,793,379
<b>Depreciated Assets</b>				
Building and Improvements	10,452,483	-	-	10,452,483
Revenue Vehicles	34,555,916	93,349	-	34,649,265
Operations Equipment	2,686,565	6,657	(5,994)	2,687,228
Other Equipment	1,285,123	-	-	1,285,123
Other Vehicles	829,537	68,977	-	898,514
Office Equipment	1,152,497	224,541	(282,279)	1,094,759
Total Depreciated Assets	50,962,121	393,524	(288,273)	51,067,372
Less Accumulated Depreciation	(26,845,932)	(3,775,017)	288,269	(30,332,680)
Depreciated Assets Net of Accumulated	24,116,189	(3,381,493)	(4)	20,734,692
<b>Total</b>	\$33,845,974	\$ (1,317,899)	\$ (4)	\$ 32,528,071

Depreciation expense at June 30, 2006 was \$3,775,017.

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

June 30, 2005

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

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

**NOTE 5 – AVAILABLE NET ASSETS**

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

	2006	2005
Current Assets	\$ 27,769,330	\$ 24,746,347
Current Liabilities	(6,852,179)	(5,590,145)
<b>Working Capital</b>	<b>20,917,151</b>	<b>19,156,202</b>
Less:		
Inventory	(928,026)	(903,863)
Prepaid Expenses	(555,353)	(155,792)
<b>Total Available Net Assets</b>	<b>19,433,772</b>	<b>18,096,547</b>
<b>Net Assets Designated for the Following:</b>		
Cash Flow	(2,600,000)	(2,600,000)
Workers' Compensation Reserve	(2,075,940)	(1,641,128)
Insurance Reserve	(947,229)	(804,008)
Alternative Fuel Conversion Fund	(462,000)	(462,000)
Bus Stop Improvements Reserve	(400,000)	(400,000)
Carryover for fiscal year 2006-2007 Operating Budget	(649,817)	(1,296,236)
Carryover for Sales Tax-Based UTU Wage Adjustment	(77,697)	-
Net Assets Required to Fund Transportation Improvement Programs for the Fiscal Years 2005-2009	(13,969,000)	(16,331,011)
<b>Available Undesignated Net Assets (Deficits)</b>	<b>\$ (1,747,911)</b>	<b>\$ (5,437,836)</b>

**NOTE 6 – CAPITAL GRANTS**

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

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

	2006	2005
Federal Grants	\$ 1,650,311	\$ 4,143,678
State Grants	4,650	32,880
 Total Capital Assistance	 \$ 1,654,961	 \$ 4,176,558

**NOTE 7 – COMMITMENTS**

The District leases a number of its facilities under operating leases extending through 2010. For the years ended June 30, 2006 and 2005, rental expense relating to the leases was \$737,829 and \$702,530, respectively. The District also leases to others retail space in their transit facilities under noncancelable agreements. Minimum lease payments and receipts for existing operating leases are as follows:

Year Ending June 30	Lease Commitments	Rental Income	Net
2007	\$ 747,768	\$ 123,433	\$ 624,335
2008	774,636	122,707	651,929
2009	307,137	112,582	194,555
2010	196,297	93,755	102,542
Thereafter	-	12,951	(12,951)
	\$ 2,025,838	\$ 465,428	\$ 1,560,410

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

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

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

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

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

	<u>2005</u>	<u>2004</u>
Total Assets	\$ 15,047,005	\$ 11,796,205
Total Liabilities	<u>11,202,232</u>	<u>9,620,106</u>
Fund Balance	<u>\$ 3,844,773</u>	<u>\$ 2,176,099</u>
Total Revenues	\$ 7,459,957	\$ 8,329,709
Total Expenditures	<u>5,791,283</u>	<u>7,325,335</u>
Net Increase in Fund Balance	<u>\$ 1,668,674</u>	<u>\$ 1,004,374</u>

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

**NOTE 9 – WATSONVILLE FLEET MAINTENANCE FACILITY**

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

In addition, due to design and construction deficiencies by the design and building contractors involved in the original project, the District initiated litigation against the contractors and came to a settlement agreement with said contractors on May 30, 1995. In accordance with this agreement, the contractors remitted \$4,776,858 (including \$171,538 in costs) to the District during fiscal year 1996, representing damages less attorney fees. The use of these proceeds, and the interest earned thereon, is restricted by FTA Section 3/5309. Accordingly, the net restricted amount of \$7,321,289 and \$6,998,304 is reflected on the statements of net assets as deferred revenue at June 30, 2006 and 2005, respectively.

**NOTE 10 – CONTINGENCIES**

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

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



**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

Plan Description

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

Funding Policy

There are 321 active plan members in the Fund as of June 30, 2006, which are required to contribute a percent of their annual covered salary. In lieu of salary increases and for employees who agreed to salary reductions in certain prior years, the District agreed to pay a portion of the employee contribution, based on negotiated formulas. The District is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2006 was 12.95%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year ended June 30, 2006, the District's annual pension cost of \$1,800,967 was equal to the District's required and actual contributions. This includes the District's contribution to the employee contribution requirement. The required contribution for fiscal year ended June 30, 2006 was determined as part of the June 30, 2004 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administration expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members, and (c) 3.25% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three year period. The Plan's excess assets are being amortized as a level percentage of projected payroll on a closed basis.

Three-Year Trend Information for the Fund

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2004	\$ 1,024,064	100%	\$ -
6/30/2005	\$ 1,392,098	100%	\$ -
6/30/2006	\$ 1,800,967	100%	\$ -

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

Required Supplementary Information

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

Valuation Date	Entry Age		Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
	Normal Accrued Liability						
6/30/2002	\$ 50,823,042		\$54,728,235	\$ (3,905,193)	107.70%	\$13,697,134	(28.5%)
6/30/2003	\$ 60,913,062		\$56,208,723	\$ 4,704,339	92.3%	\$13,332,537	35.3%
6/30/2004	\$ 66,923,612		\$59,816,757	\$ 7,106,855	89.4%	\$14,011,732	50.7%

**NOTE 12 – POST-RETIREMENT BENEFITS**

The District provides post-retirement benefits to its employees who have completed at least ten years of full-time service with the District, have reached the age of 50 and have retired under the provisions of CalPERS while an employee of the District. The District pays a portion of the premiums for medical insurance for retirees and eligible dependents. The District also provides dental, vision and life insurance plan coverage of retirees and eligible dependents until the retiree attains the age of 65. Bus operators who retired and reached the age of 65 prior to June 30, 1994, will continue to receive dental and vision coverage beyond age 65. Life insurance is not provided to management retirees who retired prior to July 1, 2005. The costs of providing these benefits are recognized when paid. The District has recognized approximately \$1,100,476 and \$925,740 of expense for these benefits for the years ending June 30, 2006 and 2005, respectively.

**NOTE 13 – DEFERRED COMPENSATION PLAN**

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

At June 30, 2006, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying balance sheet as required under Statement No. 27 of the Governmental Accounting Standards Board, *Accounting Standards for Pensions by State and Local Governmental Employers*.

**NOTE 14 – RISK MANAGEMENT**

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

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

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

	2006	2005
Unpaid Claims, Beginning of Fiscal Year	\$ 6,422,936	\$ 5,822,739
Incurred Claims (Including IBNR's)	475,224	784,970
Claim Payments	150,653	(184,773)
Unpaid Claims, End of Fiscal Year	\$ 7,048,813	\$ 6,422,936

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

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

Section 6634

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

Section 6637

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

Sections 99267 and 99268.1

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

**NOTE 16 – SUBSEQUENT EVENT**

On September 7, 2006, the District sold property at 25 Sakata Lane in Watsonville, California to Don Houpt with net proceeds of \$2,974,520. The proceeds from the sale will be applied to the construction of the MetroBase facility.

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SUPPLEMENTARY INFORMATION

9.a27

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF OPERATING EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

	2006	2005
Labor		
Operators' salaries and wages	\$ 6,453,163	\$ 6,692,531
Other salaries and wages	4,979,939	5,481,662
Overtime	1,792,415	1,422,856
Fringe Benefits		
Absence with pay	3,152,479	2,708,466
Pension plans	1,800,967	1,392,098
Vision, medical, and dental plans	4,376,694	3,861,507
Workers' compensation insurance	1,587,745	1,768,897
Disability insurance	353,466	386,017
Other fringe benefits	162,191	139,679
Services		
Accounting	54,869	84,285
Administrative and banking	204,987	209,743
Professional and technical services	461,007	419,642
Security	435,724	357,997
Outside repairs	304,913	390,684
Other services	141,049	191,618
Materials and Supplies Consumed		
Fuels and lubricants	1,923,832	1,719,807
Tires and tubes	159,324	194,318
Vehicle parts	547,291	428,117
Other materials and supplies	323,646	354,329
Utilities	321,561	316,170
Casualty and Liability Costs	665,125	680,760
Taxes and Licenses	36,287	36,758
Purchased Transportation Services		
Paratransit	142,892	977,899
Miscellaneous Expenses	87,568	84,480
Equipment and Facility Lease	777,440	720,043
Depreciation		
Property acquired with operator funds	653,897	657,671
Property acquired by federal, state, or TDA funds	3,121,120	3,316,137
Total Operating Expenses	\$ 35,021,591	\$ 34,994,171

**DRAFT**

**OTHER SCHEDULES AND REPORTS**

**9.a29**

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2006**

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grantor's Number</u>	<u>Total Federal Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Programs:			
Federal Transit Administration (FTA)			
Cluster Defined by the Department of Transportation			
Section 3/5309 Consolidation			
Final Engineering	20.500*	CA-03-0413	\$ 211,518
Land Acquisition	20.500*	CA-03-0413	49,621
Construction	20.500*	CA-03-0505	1,380,697
Fixed Route Buses	20.500*	CA-03-0505	<u>8,475</u>
			<u>1,650,311</u>
Section 9/5307			
Operating Assistance ParaCruz	20.507*	CA-90-Y285	63,820
Operating Assistance	20.507*	CA-90-Y375	<u>3,021,556</u>
			<u>3,085,376</u>
Section 18/5311			
Operating Assistance	20.509	649068	<u>65,475</u>
Total Expenditures of Federal Awards			<u><u>\$ 4,801,162</u></u>

\* Major federal financial assistance program.

See accompanying notes to schedule of federal financial assistance.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2006

**NOTE 1 – GENERAL**

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

**NOTE 2 – BASIS OF ACCOUNTING**

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



**DRAFT**

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

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

We have audited the financial statements of the business-type activities of Santa Cruz Metropolitan Transit District as of and for the year ended June 30, 2006, which collectively comprise Santa Cruz Metropolitan Transit District's basic financial statements and have issued our report thereon dated October 26, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Santa Cruz Metropolitan Transit District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of Santa Cruz Metropolitan Transit District in a separate letter dated October 26, 2006.

Compliance and Other Matters

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

**DRAFT**

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION

Bakersfield, California  
October 26, 2006

DRAFT

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

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

Compliance

We have audited the compliance of Santa Cruz Metropolitan Transit District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2006. Santa Cruz Metropolitan Transit District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on Santa Cruz Metropolitan Transit District's compliance based on our audit.

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

In our opinion, the Santa Cruz Metropolitan Transit District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2006.

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Internal Control Over Compliance

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

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

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION

Bakersfield, California  
October 26, 2006

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

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

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of and for the year ended June 30, 2006, and have issued our report thereon dated October 26, 2006.

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

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the management of the District. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of the Transportation Development Act, including Public Utilities Code Section 99245 as enacted and amended by statute through June 30, 2006, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission as required by Section 6667 of the California Code of Regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION

Bakersfield, California  
October 26, 2006

DRAFT

FINDINGS AND QUESTIONED COSTS SECTION

9.937

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2006

I. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? Yes  No

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

Noncompliance material to financial statements noted? Yes  No

Federal Awards

Internal control over major federal programs:

Material weakness identified? Yes  No

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

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? Yes  No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Clusters

20.500  
20.507

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

Dollar threshold used to distinguish Type A & B programs: \$300,000

Auditee qualified as low risk auditee?  Yes No

II. Findings Relating to Financial Statements Required Under GAGAS

III. Federal Award Findings and Questioned Costs

IV. State Award Findings and Questioned Costs

V. A Summary of Prior Audit (all June 30, 2005) Findings and Current Year Status Follows

None.



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

We have audited the financial statements of the Santa Cruz Metropolitan Transit District for the year ended June 30, 2006, and have issued our report thereon dated October 26, 2006. Professional standards require that we provide you with the following information related to the conduct of our audit.

**Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter, our responsibility, as described by professional standards, is to provide reasonable, not absolute, assurance that the basic financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the Santa Cruz Metropolitan Transit District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

**Significant Accounting Policies**

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Santa Cruz Metropolitan Transit District are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the existing policies were not changed during 2006. We noted no transactions entered into by the Santa Cruz Metropolitan Transit District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

**Accounting Estimates**

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 management's current judgments. There were no sensitive estimates, except for the accrued claims and judgments payables, affecting the financial statements.

**Significant Audit Adjustments**

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the District that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the District's financial reporting process.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter 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.

**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 the governmental unit's general purpose 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.

**Issues Discussed Prior to Retention of Independent Auditors**

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

**Difficulties Encountered in Performing the Audit**

We are pleased to announce we encountered no difficulties in dealing with management in performing our audit.

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This information is intended solely for the use of the management of the District and the Board of Directors and should not be used for any other purpose.

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION

By: Steven R. Starbuck

October 26, 2006  
Bakersfield, California

9.62

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

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

We have audited the financial statements of Santa Cruz Metropolitan Transit District (SCMTD) for the year ended June 30, 2006 and have issued our report thereon dated October 26, 2006. In planning and performing our audit of the financial statements of SCMTD, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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

Current Year Findings and Recommendations

**Finding 1**

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

Recommendation

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

Management Response

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

# DRAFT

## **Finding 2**

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

### Recommendation

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

### Management Response

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

## **Finding 3**

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

### Recommendation

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

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

### Management Response

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

The Finance department will work with the new Operations Manager to implement a procedure whereby Finance has direct on-line access to the revenue reports to allow review and reconciliation.

## **Finding 4**

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

### Recommendation

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

### Management Response

After a lengthy analysis of the issue, the IT department determined that a report detailing overtime paid to coach operators could not be automatically generated as part of the payroll process, based on current technology. Therefore, management is researching other alternatives for verifying the payroll data.

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# DRAFT

## Prior Year Findings and Recommendations

### **Finding 1**

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

#### Status

Not implemented. See current year Finding 1.

### **Finding 2**

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

#### Status

Not implemented. See current year finding 2.

### **Finding 3**

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

#### Status

Partially implemented. See current year finding 3.

### **Finding 4**

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

#### Status

Random checks have been implemented.

### **Finding 5**

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

#### Status

Not implemented. See current year finding 4.

### **Finding 6**

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

#### Status

Implemented.

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9.c3

# DRAFT

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION

By: Steven R. Starbuck

Bakersfield, California  
October 26, 2006

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9.c4

**DATE:** December 15, 2006  
**TO:** Board of Directors  
**FROM:** Leslie R. White, General Manager  
**SUBJECT: CONSIDER APPROVAL OF 2007 STATE LEGISLATIVE PROGRAM**

**I. RECOMMENDED ACTION**

**That the Board of Directors adopt the proposed METRO 2007 State Legislative Program attached to this Staff Report.**

**II. SUMMARY OF ISSUES**

- Elected officials at the State level continue to actively support the goals established by the METRO Board of Directors when the legislative program is presented to them early in the legislative process.
- On November 7, 2006 the voters of California approved, among other measures, Propositions 1A, 1B, and 1C. These measures provide protection for transportation funds, and authorize the sale of general obligation bonds, over the next 10 years, to provide funds for transportation investments.
- The availability of bond funds for public transit projects will be dependent upon the state budget process, as well as the actions of various state departments and agencies.
- In order for METRO to proceed to implement the Operations Building portion of the MetroBase Project, compete for construction funds for the Pacific Station Redevelopment Project, replace fixed route buses and replace paratransit vans it will be necessary for the bonds for transit eligible projects to be sold on a predictable basis, and for the Santa Cruz County Regional Transportation Commission to continue to pass funds under the State Transit Assistance Formula through to METRO.
- METRO will continue to incur additional costs to provide the mandated ADA complimentary paratransit service. The state has yet to provide specific funding programs to address this need.
- The reliance of UCSC, Cabrillo College, and some K-12 systems on METRO services makes it important to advocate for exploration of “cross function” funding opportunities.

- The Santa Clara Valley Transportation Authority has indicated interest in having METRO join them in supporting legislation that would grant the authority to reactivate the “Yield to Bus” signs that were installed on buses in 2000 as a part of a demonstration project. The authority to use the signs expired on January 1, 2004 and was not renewed by the Legislature.

### **III. DISCUSSION**

The 2007 California State Legislature will convene in January to consider legislative actions for the coming year. On November 7, 2006 the voters of California approved Propositions 1A, 1B, and 1C. These measures provide protection for transportation funds, and authorize the sale of general obligation bonds, over the next 10 years, to provide funds for transportation investments. The availability of bond funds for public transit projects will be dependent upon the state budget process, as well as the actions of various state departments and agencies. In order for METRO to proceed to implement the Operations Building portion of the MetroBase Project, compete for construction funds for the Pacific Station Redevelopment Project, replace fixed route buses and replace paratransit vans it will be necessary for the bonds for transit eligible projects to be sold on a predictable basis, and for the Santa Cruz County Regional Transportation Commission to continue to pass funds under the State Transit Assistance Formula through to METRO

It is likely that future years will see cost increases in the area of ADA-Mandated complimentary paratransit service. Currently, the State does not have a funding program to assist transit agencies in addressing this need. Staff recommends that METRO advocate for State consideration of operating and capital funding measures that would support the complementary paratransit needs.

In 2006 METRO, CalTrans, AMBAG, the RTPO's and other transit agencies in the under 200,000 in population urbanized areas were able to collaborate successfully and remove obstacles which could have prevented draw down of Section 5309 earmarked discretionary funds from the Federal Transit Administration. In 2007, it will again be necessary for transit agencies in areas under 200,000 in population to ensure that all Section 5307 formula funds are programmed. This is necessary to achieve the ability to continue to draw down discretionary Section 5309 earmarks. The programming responsibility for the Section 5307 funds that are received by METRO is carried out by AMBAG. Where transit agencies have allocated funds that they will not be able to program for projects in a timely manner, Staff recommends that METRO advocate that the Governor's Office, through Caltrans, coordinate with the MPOs and the Regional Transportation Planning Agencies to transfer these funds to other transit agencies that are able to program the funds to avoid having these allocations lapse back to the Federal Treasury, and to avoid any repetition of FTA discretionary fund draw down embargo actions as have occurred in past years.

In prior years, METRO has explored the possibility of acquiring subpoena authority so that the Office of District Counsel can ensure witness participation. Staff recommends



that the 2007 Legislative Program once again address this issue and explore the possibility of initiating legislation which would grant the subpoena authority to METRO.

Service provided by METRO is relied upon by UCSC, Cabrillo College, and some of the K-12 school districts in Santa Cruz County. Currently, there is no mechanism or incentive at the State level for coordination of funding for transportation between the education functions and the transportation functions. Staff recommends that METRO advocate for the exploration of "cross function" funding opportunities.

In 1999 the California State Legislature enacted Assemble Bill 1218 (Keeley) that provided the authority for the Santa Clara Valley Transportation Authority (VTA) and METRO to implement a program that would require motorists to "Yield to Buses" under certain circumstances. The law also provided for enforcement measures including traffic fines. The law also required that VTA and METRO install illuminated "yield" signs on the rear of buses that would flash when the bus operator was re-entering traffic from a bus stop. METRO and VTA implemented the "Yield to Bus" project in April 2000. The "Yield to Bus" continued in operation until January 2004 when the authority to for the program ended. The State Legislature considered assembly Bill 557 that would have extended the "Yield to Bus" program in 2003. While the Assembly passed AB 557, it was defeated in the Senate Transportation Committee as a result of strong opposition by Committee Chair Kevin Murray. When the authority for the "Yield to Bus" program expired in January 2004 METRO disconnected and covered up the signs on the buses. The Santa Clara Valley Transportation Authority has indicated interest in having METRO join them in supporting legislation that would grant the authority to reactivate the "Yield to Bus" signs that were installed on buses in 2000 as a part of a demonstration project. Staff believes that the demonstration program was effective and recommends that METRO support VTA in gain legislative reauthorization for the "Yield to Bus" program.

The specific legislative goals recommended by staff are attached to this Staff Report. Staff is recommending that Joshua Shaw continue to serve as a State Legislative Advocate for METRO under a separate contract.

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

Funds for the State Legislative Advocacy activities, including travel to Sacramento and the contract with Joshua W. Shaw, are included in the adopted 2006/2007 METRO Operating Budget.

#### **V. ATTACHMENTS**

**Attachment A:** Proposed 2007 Santa Cruz Metropolitan Transit District Legislative Program.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
2007 STATE LEGISLATIVE PROGRAM**

**State Goals:**

1. Support legislation and actions necessary to protect existing funding sources and funding levels for transit operating assistance and capital assistance.
2. Support the introduction and passage of legislation designed to enact additional sources of transit operating and capital assistance.
3. Support efforts to insure that Federal Section 5307 formula funds in the Governor's apportionment (administered by AMBAG) are programmed statewide to the maximum extent possible to insure that SCMTD can access Section 5309 Federal discretionary earmarks and to insure that no funds lapse at the end of the SAFETEA-LU authorization.
4. Support efforts to obtain operating and capital funds to meet the increasing service requirements of ADA Paratransit.
5. Explore the possibility of using state education funds for the development, construction, and operation of off-campus park and ride facilities as well as public transit services at campuses in the University of California system.
6. Explore the possibility of requesting legislation to grant the SCMTD the authority to issue subpoenas.
7. Support efforts to improve communication and funding for public schools (K-12) and community college/university transportation needs.
8. Prepare and implement a county-wide public awareness program to inform the public of the impacts of lowered or cancelled state funding on METRO service and projects. Involve all stakeholders in the design and implementation of the program. Encourage communication of concerns to members of the State Legislature with emphasis on those individuals representing Santa Cruz County.
9. Support necessary actions to be taken by the Legislature, through the FY 2008 Budget process, that will ensure the state provides transit-eligible Proposition 1B and 1C funds on a timely and equitable basis, and that the sale of the bonds authorized by the voters are sold in a manner that will support the expenditures.
10. Support the enactment of legislation that restores the authority for METRO and the Santa Clara Valley Transportation Authority to reactivate the "Yield to Bus" signs that were installed as a part of a demonstration project in 2000.

**DATE:** December 15, 2006

**TO:** Board of Directors

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

**SUBJECT: CONSIDER APPROVAL OF 2007 FEDERAL LEGISLATIVE PROGRAM**

**I. RECOMMENDED ACTION**

**That the Board of Directors adopt the proposed METRO 2007 Federal Legislative Program attached to this staff report.**

**II. SUMMARY OF ISSUES**

- Elected officials at the federal level support the goals established by the METRO Board of Directors when the Legislative Program is presented to them early in the legislative process.
- In 2007, the first session of the 110<sup>th</sup> Congress will appropriate transit funds for Federal FY 2008.
- In prior years, there have been numerous efforts to limit funding for public transit service in California. Staff recommends that METRO representatives again oppose any action that singles out specific states for lower transit funding levels or places a minimum allocation level to all states which would redirect federal funds away from populous states like California.
- As costs related to federally mandated complimentary paratransit continue to rise, staff recommends that METRO advocate for funding at the federal level to assist in offsetting these expenses.
- Transit financing needs will continue to increase in future years. In order to maximize the federal capital and operating formula funds that we receive Staff recommends that METRO advocate for the transit program funding levels to increase from the \$8.2 billion appropriated in 2006 to the full authorized level of \$10.3 billion in 2009.
- Earmarked Discretionary Capital funding will be needed to replace vans used for ParaCruz Service. Staff recommends that METRO advocate for an earmark of \$840,000 be included in the FY2008 Transportation Appropriations Bill.
- METRO and Monterey-Salinas Transit (MST) have developed a proposal for the acquisition and implementation of a fare Smart Card system. The cost to acquire and implement a joint Smart Card program is anticipated to be \$2,000,000 (\$1.2 million METRO/\$800,000 Monterey). Staff recommends that METRO request the earmark of Federal ITS funds in the amount of \$1.2 million for METRO and \$800,000 for MST for the acquisition and implementation of a fare Smart Card system.

- Staff further recommends that METRO urge Members of Congress to complete action and enact a FY 2008 Transportation Appropriations Bill prior to the commencement of the fiscal year on October 1, 2007 so that funds will be available for use for van replacement and the Smart Card system at the earliest possible time.

### III. DISCUSSION

In 2007, Congress will appropriate funds for federal FY 2008. The federal formula funds that METRO receives to offset operating and capital expenses are derived from the annual appropriations bill. Therefore, it is important that Congress appropriate at the levels authorized in the new authorization bill, the Safe, Accountable, Efficient, Flexible, Transportation Equity Act-A Legacy for Users (SAFETEA-LU).

In prior years, under Republican leadership, the transportation appropriations process has resulted in proposals being developed which would limit funding for California transit systems. Staff recommends that the 2007 Legislative Program include a provision that METRO continue to vigorously resist efforts to single out specific states for lower transit funding or places a minimum allocation level to all states which would redirect funds away from more populous states like California.

It is likely that federally mandated ADA Paratransit costs will increase in future years. Staff recommends that METRO advocate for supplemental federal capital and operating funds to assist in supporting the costs of the ADA-mandated complimentary Paratransit.

In order to accommodate the funding levels envisioned in the new authorization bill, it will be necessary for appropriation levels to rise. Therefore, staff recommends that METRO advocate for an increase in funding levels to achieve the authorized level of \$10.3 billion in 2009.

While there has been much discussion of the process of earmarking funds in appropriations bills at the federal level, it is likely that the Section 5309 Discretionary Bus Program funds will continue to be delivered to transit systems on an earmarked project basis in 2007. Earmarked Discretionary Capital funding will be needed to replace vans used for ParaCruz Service. Staff recommends that METRO advocate for an earmark of \$840,000 be included in the FY2008 Transportation Appropriations Bill. METRO and Monterey-Salinas Transit (MST) have developed a proposal for the acquisition and implementation of a fare Smart Card system. This system would allow riders to use either transit system with the same fare media, and allow for the implementation of a wider variety of fare products. The cost to acquire and implement a joint Smart Card program is anticipated to be \$2,000,000 (\$1.2 million METRO/\$800,000 Monterey). Staff recommends that METRO and MST request that funds from the Federal Intelligent Transportation Systems (ITS) program be earmarked to support the Smart Card program implementation. Staff recommends that METRO urge Members of Congress to complete action and enact a FY 2008 Transportation Appropriations Bill prior to the commencement of the federal fiscal year on October 1, 2007 so that funds will be available for use for van replacement and for the implementation of the Smart Card system at the earliest possible time. Staff recommends that METRO request that Representatives Farr and Eshoo, as well as Senators

Feinstein and Boxer, support the dedication of \$840,000 in Section 5309 bus funds for replacement vans for the ParaCruz service and the earmark of Federal ITS funds in the amount of \$1.2 million for METRO and \$800,000 for Monterey-Salinas Transit for the acquisition and implementation of a fare Smart Card system.

In order to effectively advocate for the goal contained in the proposed 2007 Federal Legislative Program, it will take the concerted efforts of members of the Board of Directors, staff, other community leaders and citizens to communicate our needs to our members of Congress as well as the continued efforts of Carolyn Chaney in Washington DC.

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

Funding necessary for travel to Washington, DC and other APTA Legislative Committee meetings is included in the 2006/2007 METRO operating budget. Additionally, funds necessary to support the services of contracted legislative advocates are included in the METRO budget.

#### **V. ATTACHMENTS**

**Attachment A:** Proposed Santa Cruz Metropolitan Transit District 2007 Federal Legislative Program

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT 2007 FEDERAL LEGISLATIVE PROGRAM

### Federal Goals:

1. Support the appropriation of federal transit funds at the maximum amount provided in the Safe, Accountable, Flexible, Efficient, Transportation Equity Act- A Legacy for Users (SAFETEA-LU) and support the continuation of the guarantee and firewall provisions contained in the Act. Resist efforts to single out specific states for lower transit funding levels.
2. Support efforts to obtain funding for operating and capital costs to meet the increasing service requirements of ADA Paratransit (ParaCruz).
3. Advocate for and achieve an Earmark in the Section 5309 Discretionary Bus Funding Program of the 2008 Transportation Appropriations Bill of \$840,000 for the replacement of 12 paratransit vans.
4. Advocate for and achieve a Joint Earmark, with Monterey-Salinas Transit (MST), in Federal Intelligent Transportation Systems (ITS) funds in the amount of \$1.2 million for METRO, and \$800,000 for MST, for the joint acquisition of a Smart Card System that would allow riders to use either transit system with the same fare media, and allow for the implementation of a wider variety of fare products.