



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

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

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

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

BOARD ROSTER

Director Ed Bottorff	City of Capitola
Vacant Director	City of Santa Cruz
Director Trina Coffman-Gomez	City of Watsonville
Vacant Director	City of Watsonville
Vacant Director	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Vacant Director	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Dan Rothwell	County of Santa Cruz
Vacant Director	County of Santa Cruz
Vacant Ex-Officio Director	UC Santa Cruz
Ex-Officio Director Alta Northcutt	Cabrillo College

Alex Clifford
Julie Sherman

METRO CEO/General Manager
METRO General Counsel

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

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

AMERICANS WITH DISABILITIES ACT

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

SECTION I: OPEN SESSION

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

1 CALL TO ORDER

2 SWEAR IN NEW DIRECTORS: Mike Rotkin (County Representative), one City of Watsonville Representative and two City of Santa Cruz Representatives

3 ROLL CALL

4 ANNOUNCEMENTS

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

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

5 EXITING DIRECTOR RESOLUTIONS

Bruce McPherson, Board Chair

6 BOARD OF DIRECTORS COMMENTS

7 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

This time is set aside for Directors and members of the general public to address any item not on the Agenda which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to Santa Cruz METRO will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report. Any Director may place matters brought up under Communications to the Board of Directors on a future agenda. In accordance with District Resolution 611-2-1, speakers appearing at a Board meeting shall be limited to three minutes in his or her presentation. Any person addressing the Board may submit written statements, petitions or other documents to complement his or her presentation. When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

7A. November 20, 2018 email: North Coast Rail Trail Statement

7B. December 31, 2018 email: Support METRO Requests

- 8 WRITTEN COMMUNICATIONS FROM MAC (see Agenda Item 15)**
- 9 LABOR ORGANIZATION COMMUNICATIONS**
- 10 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

CONSENT AGENDA

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

- 11-01 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTHS OF NOVEMBER AND DECEMBER 2018**
Angela Aitken, CFO
- 11-02 ACCEPT AND FILE: MINUTES FROM THE NOVEMBER 16, 2018 BOARD OF DIRECTORS MEETING; DECEMBER 7, 2018 CAPITAL PROJECTS STANDING COMMITTEE MEETING; AND JANUARY 11, 2019 FINANCE, BUDGET & AUDIT AND PERSONNEL/HR STANDING COMMITTEE MEETINGS**
Alex Clifford, CEO/General Manager
- 11-03 ACCEPT AND FILE: MINUTES OF THE OCTOBER 17, 2018 METRO ADVISORY COMMITTEE (MAC) MEETING**
Alex Clifford, CEO/General Manager
- 11-04 ACCEPT AND FILE: QUARTERLY PROCUREMENT REPORT FOR 3RD QUARTER OF FY19**
Erron Alvey, Purchasing and Special Projects Director
- 11-05 APPROVE: CONSIDERATION OF A CONTRACT AMENDMENT WITH THE LAW FIRM OF HOWIE & SMITH, LLP IN AN AMOUNT NOT TO EXCEED \$75,000**
Julie A. Sherman, General Counsel
- 11-06 ACCEPT AND FILE: SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**
Angela Aitken, Liaison Officer and CFO
- 11-07 APPROVE: CONSIDERATION OF DECLARING VEHICLES AND/OR EQUIPMENT AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION**
Angela Aitken, CFO
- 11-08 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORTS AS OF:**
 - A. SEPTEMBER 30, 2018; AND,**
 - B. OCTOBER 31, 2018**Angela Aitken, CFO

11-09 APPROVE: CONSIDERATION OF AUTHORIZATION TO USE THE STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES CMAS CONTRACT FOR THE PURCHASE AND INSTALLATION OF A VIDEO SURVEILLANCE SYSTEM FROM OJO TECHNOLOGY IN AN AMOUNT NOT TO EXCEED \$199,686

Isaac Holly, IT and ITS Director

11-10 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 1ST CONTRACT AMENDMENT WITH LUMENATURE TO INCREASE THE CONTRACT TOTAL BY \$40,092 FOR ENERGY-EFFICIENT LIGHTING RETROFIT

Eddie Benson, Maintenance Manager

REGULAR AGENDA

12 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR ANDREA EUSSE-GIL AND ERIK BERG (10 years); CAROLYN BOWERS, GUSTAVO CORTES, TODD MITCHELL AND BONNIE FARRIS (15 years)

Bruce McPherson, Board Chair

13 RESOLUTION OF APPRECIATION, RETIREE: JUAN FLORES, TOM HILTNER AND JOHN VANDEVEER

Bruce McPherson, Board Chair

14 CEO ORAL REPORT

Alex Clifford, CEO/General Manager

15 ORAL METRO ADVISORY COMMITTEE (MAC) SEMI-ANNUAL REPORT

Michael Pisano, 2018 MAC Chair

16 FINAL REVISED METROBASE PHASE II (OPERATIONS BUILDING) LIFE OF PROJECT BUDGET AND PROJECT COMPLETION

Alex Clifford, CEO/General Manager

17 APPROVE: CY19 STATE AND FEDERAL LEGISLATIVE AGENDA

Alex Clifford, CEO/General Manager

18 ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2018

Angela Aitken, CFO

19 APPROVE: AUTHORIZING THE CEO TO ENTER INTO A THREE (3) YEAR LICENSE AGREEMENT WITH FLIXBUS FOR ACCOMMODATING THE USE OF A STOP TWICE PER DAY AT THE PACIFIC STATION TRANSIT CENTER

Ciro Aguirre, COO

20 ORAL UPDATE ON ITS CONTRACT OPTIONS

Isaac Holly, IT and ITS Director

- 21 10-YEAR (FISCAL YEAR 2020-29) STRATEGIC BUSINESS PLAN UPDATE**
Barrow Emerson, Planning and Development Director
- 22 APPROVE: CONSIDERATION OF (1) NOMINATING DIRECTORS TO SERVE AS BOARD OFFICERS, (2) NOMINATING DIRECTORS TO POSITIONS ON VARIOUS BOARD COMMITTEES, (3) NOMINATING DIRECTORS TO FILL FOUR (4) POSITIONS ON THE SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCIC) AND (4) NOMINATING REPRESENTATIVES AND ALTERNATES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION (SCCRTC)**
Bruce McPherson, Board Chair
- 23 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**
Julie Sherman, General Counsel
- 24 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, FEBRUARY 22, 2019 AT 9:00 AM, AT THE CAPITOLA CITY COUNCIL CHAMBERS, 420 CAPITOLA AVENUE, CAPITOLA, CA**
Bruce McPherson, Board Chair
- 25 RECESS TO CLOSED SESSION**

SECTION II: CLOSED SESSION

- 26 CONFERENCE WITH LABOR NEGOTIATORS (GOVERNMENT CODE SECTION 54957.6)**

Agency Negotiators: Alex Clifford, CEO/General Manager
Julie Sherman, General Counsel

Employee Organizations: UTU, Local 23
UTU, Local 23 – ParaCruz Operations
SEIU, Local 521

SECTION III: RECONVENE TO OPEN SESSION

- 27 REPORT OF CLOSED SESSION ITEMS**
Julie Sherman, General Counsel
- 28 ADJOURNMENT**
Bruce McPherson, Board Chair

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Communications to the Board

From: [Brian Peoples](#)
To: [Gina Pye](#)
Subject: North Coast Rail Trail Statement
Date: Tuesday, November 20, 2018 4:22:02 AM

Hi Gina,

Can you please include the following statement by Trail Now and North Coast Farmers/Property-owners about the railline.

NORTH COAST FARMERS / PROPERTY-OWNERS STATEMENT

North Coast Farmers / Property Owners have a long history in this community, dating back to the 1800s. We have farmed the lands on the North Coast of Santa Cruz County since the early 1900s, back when the Cement Plant was built in 1906. We take pride in the our heritage as members of Santa Cruz County and the work we have done to protect the coast line as a beautiful resource for our community. We believe building a world-class trail along the North Coast will not only help ensure the sustainment of this valuable resource, but will provide a great opportunity for more members of our community to visit this great resource.

Our families have operated and owned properties on the North Coast of Santa Cruz County when the first railroad tracks were laid to support the new Cement Plant. We are excited how these old unused railroad tracks can become a great opportunity for our community as a world-class trail. An interesting fact discovered during the Environmental Impact Report (EIR) analysis is that the location of the railroad tracks today is different than where they were when first built. In fact, this turned out to be somewhat of an issue with developing a trail plan because the property owned by the RTC is not actually in the same location of the original purchase by the railroad company. We are hopeful that this does not complicate the plans to move forward with a world-class trail.

The Santa Cruz County Regional Transportation Commission is our neighbors and we want to support their plans to develop a world-class trail. Having said that, we want to express to the Board that we have major concerns with how RTC Staff is performing their work – specifically their efforts to work collaboratively with their neighbors and community members. Simply put, they have been unwilling to work with us on a win-win solution. We have provided all the inputs and comments requested upon us at the public meetings. We have clearly stated to them that our goal is to get a world-class trail built by the 2020 deadline. We have actively requested to meet with them to come to an agreement on a plan that works for all of us.

If you think about it, we are the first community members who are being asked to work

Communications to the Board

with RTC staff on building the trail. TODAY – WE SAY the RTC Staff has not been a good neighbor.

The EIR has many assessments and charts. Based on the EIR, our proposed alternative plan meets all the environmental requirements and will meet the 2020 deadline. We are committed to working with the RTC on getting the trail built and are hopeful that they are supportive a trail plan that meets all of our needs.

Remember, we are the first of your neighbors that you are working with to build your trail. It is important to be respectful of your community, individual property rights and the businesses that maybe impacted by your plans for a trail. We are asking that the RTC support a collaborative effort to achieve our goals of a world-class trail.

Thank you - North Coast Farmers and Property owners.

Best regards,

Brian Peoples
Executive Director
Trail Now

Communications to the Board

From: Rick Longinotti <longinotti@baymoon.com>

Sent: Monday, December 31, 2018 12:37 PM

To: Regional Transportation Commission <info@scrtc.org>; Guy Preston <gpreston@scrtc.org>; John Leopold <john.leopold@co.santa-cruz.ca.us>; ebottorff167@yahoo.com; Zach Friend <zach.friend@santacruzcounty.us>; Ryan Coonerty <ryan.coonerty@santacruzcounty.us>; Greg Caput <greg.caput@co.santa-cruz.ca.us>; bruce.mcpherson@co.santa-cruz.ca.us; Jacques Bertrand <jbertrand@ci.capitola.ca.us>; Sandy Brown <sbrown@cityofsantacruz.com>; Randy Johnson <rlj12@comcast.net>; trina.coffman@cityofwatsonville.org; Cynthia Chase <cchase@cityofsantacruz.com>; Andy Schiffrin <aschiffr@gmail.com>; virginia.johnson@co.santa-cruz.ca.us; patrick.mulhearn@santacruzcounty.us; Michael Rotkin <openup@ucsc.edu>

Cc: Alex Clifford <AClifford@scmttd.com>; Barrow Emerson <BEmerison@scmttd.com>

Subject: Support METRO requests

Dear Commissioners,

The Campaign for Sustainable Transportation unanimously approved the following letter at our last meeting.

Thanks for your consideration,
Rick Longinotti, Co-Chair

Dear Commissioners,

On November 16, 2016, the METRO Board of Directors unanimously supported five recommendations for adoption by the Regional Transportation Commission. The Campaign for Sustainable Transportation (CFST) also supports the five METRO recommendations listed in italics below.

1. Support Bus Rapid Transit Lite operational improvements in the Soquel Ave/Dr.-Freedom Blvd corridor.

This corridor should be a priority for investment since it includes the major destinations of Downtown Santa Cruz, Dominican Hospital complex, Cabrillo College, as well as key activity centers: Soquel Village; Aptos Village; and Freedom Blvd. We recommend that the RTC set a goal of a bus priority lane on this corridor to be implemented in the long term, so that current improvements might contribute to the long term vision.

2. Support pursuit of a Bus-on-Shoulder facility on State Route 1.

We want to call your attention to the fact that a Bus-on-Shoulder facility is not dependent on the construction of auxiliary lanes. The design for auxiliary lanes includes paving enough width on Hwy 1 to accommodate four lanes in each direction—far more than what is necessary for a shoulder. We recommend allocating the Measure D funds for Highway 1 improvements to the minimal paving that Bus-on-Shoulder would require. The savings from not building the auxiliary lanes could go to reconstruction of overpasses and bridges that constrain the bus shoulder.

Communications to the Board

3. Commit to a public transit service and facility in the Rail Corridor and begin implementation planning by conducting in the near term a comprehensive alternatives analysis to determine the most appropriate mode of public transit for the Rail Corridor and to support efforts to secure funding from federal and other sources, and adding a full analysis of operations funding sources as part of the alternatives analysis.

We support a detailed and thorough analysis of the possible modes on the corridor, including automated transit vehicles.

4. Support mass transit use in the rail corridor in which mass transit would run adjacent to bike and pedestrian facilities, but not under the “rail-banking” concept.

As we understand it, there are significant legal constraints to using the corridor for a purpose other than rail transit. We urge you to preserve the active status of the rail line in order to protect future transit options on the corridor and embark on the comprehensive alternatives analysis, including integrating transit on the corridor within the local and regional transit network.

5. Support an RTC policy that would commit to funding METRO [from current funding sources] at current percentage levels in perpetuity.

It is important that METRO service not be diminished by redirection of funding towards a new transit project on the rail corridor. In addition, we believe that METRO is the appropriate agency to operate whatever transit emerges on the rail corridor.

We note the obvious, that transit on the rail corridor, Bus-on-Shoulder, and bus prioritization on Soquel/Freedom are alternatives to widening Highway 1. We note that the California Environmental Quality Act requires consideration of alternatives to a project. We request that the RTC not approve a Highway 1 project with an EIR that does not take into account these alternatives.



DATE: January 25, 2019
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
**SUBJECT: ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL
DETAIL FOR THE MONTHS OF NOVEMBER & DECEMBER 2018**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the preliminary approved Check Journal Detail for the months of November & December 2018

II. SUMMARY

- This staff report provides the Board with a preliminary approved Check Journal Detail for the months of November and December 2018.
- The Finance Department is submitting the check journals for Board acceptance and filing.

III. DISCUSSION/BACKGROUND

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

All invoices submitted for the months of November and December 2018 have been processed, checks issued and signed by the Chief Financial Officer.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None. The check journal is a presentation of invoices paid in November and December 2018 for purposes of Board review, agency disclosure, accountability and transparency.

V. ALTERNATIVES CONSIDERED

N/A

VI. ATTACHMENTS

Attachment A: Check Journal Detail for the Month of November 2018

Attachment B: Check Journal Detail for the Month of December 2018

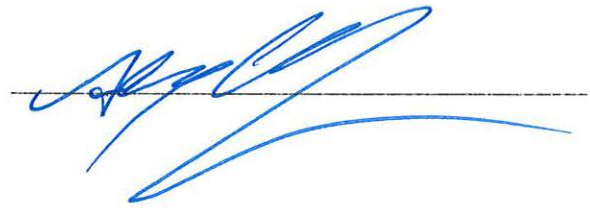
Prepared by: Holly Alcorn, Accounting Specialist

VII. APPROVALS:

Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



Attachment A

DATE 12/06/18 14:30

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

PAGE 1

DATE: 11/01/18 THRU 11/30/18

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
63671	11/05/18	1,102.87 003151	ABC BUS INC		89632	INVENTORY ORDER	292.18		
63672	11/05/18	225.00 003405	ANIMAL DAMAGE MANAGEMENT INC		89694	INVENTORY ORDER	810.69		
63673	11/05/18	2,714.88 001D	AT&T		89618	OCT 18 PEST VERNON	225.00		
63674	11/05/18	320.00 002035	BOWMAN & WILLIAMS INC		89723	9/10-10/09 INTERNET	891.27		
63675	11/05/18	425.30 088	BRULIN & COMPANY INC.		89724	9/13-10/12 PT TO PT	1,823.61		
63676	11/05/18	484.69 001159	CATTO'S GRAPHICS, INC.		89728	AUG 18 CHARGING STAT	320.00		
63677	11/05/18	54.35 130	CITY OF WATSONVILLE UTILITIES		89631	INVENTORY ORDER	425.30		
63678	11/05/18	171.40 E957	CLIFFORD, ALEX		89677	PARK N' RIDE SIGN	484.69		
63679	11/05/18	269.50 367	COMMUNITY TELEVISION OF		89644	9/12-10/18 WATER WTC	54.35		
63680	11/05/18	75.46 002063	COSTCO		89667	MEETING REIMBURSEMENT	171.40		
63681	11/05/18	18,343.48 003116	CUMMINS PACIFIC LLP		89655	09/28 BOD MTG CVG	269.50		
63682	11/05/18	1,080.00 003381	DAN BOYLE & ASSOCIATES INC.		89720	BOD MEETING SUPPLIES	75.46		
63683	11/05/18	5,526.31 003274	EAST BAY TIRE CO.		89633	RPR VEH #2811	20,372.96		
63684	11/05/18	13,495.55 432	EXPRESS SERVICES INC.		89753	CORRECTION	-1,014.74		
					89754	CORRECTION	-1,014.74		
					89703	TRANSIT OPS ANALYSIS	1,080.00		
					89680	TIRES	1,035.83		
					89681	TIRES	1,528.11		
					89732	TIRES	509.37		
					89733	TIRES	981.20		
					89616	TEMP W/E 10/07/18	1,471.80		
					89619	TEMP W/E 09/30/18	1,216.00		
					89620	TEMP W/E 09/30/18	972.80		
					89621	TEMP W/E 07/29/18	1,031.39		
					89623	TEMP W/E 09/23/18	949.13		
					89624	TEMP W/E 09/16/18	1,211.74		
					89625	TEMP W/E 09/09/18	1,012.40		
					89626	TEMP W/E 09/02/18	1,021.89		
					89627	TEMP W/E 08/26/18	819.41		
					89670	TEMP W/E 09/30/18	936.47		
					89671	TEMP W/E 10/07/18	522.45		
					89721	TEMP W/E 10/07/18	747.23		
					89745	TEMP W/E 9/30/18	256.00		
					89746	TEMP W/E 10/7, 9/30	1,208.88		
					89725	SEPT 18 SECURITY	1,589.76		
					89678	10/1-10/15 FUEL	40,375.56		
					89711	10/1-10/15 FUEL PC	3,216.17		
					89747	10/16-11/15 SKY-RIV	11,248.03		
					89749	6/16-7/15/17 MISS PM	66.29		
					89750	10/13-11/12 SKY-OCN	57.40		
					89635	INVENTORY ORDER	57.26		
					89637	INVENTORY ORDER	38.22		
					89638	INVENTORY ORDER	798.02		
					89639	INVENTORY ORDER	46.02		
					89712	INVENTORY ORDER	122.44		
							212.26		

Attachment A

DATE 12/06/18 14:30

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

PAGE 2

DATE: 11/01/18 THRU 11/30/18

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
63690	11/05/18	916.79 282	GRAINGER			89734	INVENTORY ORDER	78.10	
						89693	RPR PLUMBING WTC	21.10	
						89702	SAFETY SUPPLIES	85.88	
63691	11/05/18	67.26 546	GRANITEROCK COMPANY			89706	INVENTORY ORDER	809.81	
63692	11/05/18	72.57 166	HOSE SHOP, THE INC			89643	RPR CONCRETE SMC	67.26	
						89679	RPR VEH #1207	57.46	
						89717	MAINTENANCE SUPPLIES	6.39	
						89718	MAINTENANCE SUPPLIES	8.72	
63693	11/05/18	39,383.04 003404	INSIGHT STRATEGIES INC			89612	SEPT 18 BOD CONSULT	5,250.00	
						89613	SEPT 18 BOD CONSULT	844.18	
						89614	OCT 18 BOD CONSULT	31,500.00	
						89615	OCT 18 BOD CONSULT	1,788.86	
						89673	CORE CREDIT	-4,340.00	
63694	11/05/18	4,383.06 003223	JASPER WELLER LLC			89674	RPR VEH #1205	8,723.06	
63695	11/05/18	1,063.08 1117	KELLEY'S SERVICE INC.			89685	INVENTORY ORDER	113.66	
						89686	INVENTORY ORDER	444.92	
						89697	INVENTORY ORDER	390.84	
						89705	INVENTORY ORDER	113.66	
63696	11/05/18	43.43 036	KELLY-MOORE PAINT CO., INC.			89716	MAINTENANCE SUPPLIES	43.43	
63697	11/05/18	5,211.81 003391	MARK THOMAS & COMPANY INC			89611	SEPT 18 DESIGN SVCS	5,211.81	
63698	11/05/18	1,162.08 406	MESITI-MILLER ENGINEERING, INC 0			89748	9/25 PIPE PROTECTION	1,162.08	
63699	11/05/18	2,178.25 003361	MILLER MAXFIELD INC			89656	RECRUITING AD	2,178.25	
63700	11/05/18	456.14 041	MISSION UNIFORM			89640	CUSTODIAL SUPPLIES	30.00	
						89641	LAUNDRY SERVICE	30.50	
						89642	LAUNDRY SERVICE	34.50	
						89683	CUSTODIAL SUPPLIES	50.00	
						89684	LAUNDRY SERVICE	260.14	
						89698	CUSTODIAL SUPPLIES	10.50	
						89699	CUSTODIAL SUPPLIES	10.50	
						89700	CUSTODIAL SUPPLIES	30.00	
63701	11/05/18	1,197.50 002940	OJO TECHNOLOGY, INC.			89657	RPR CAM - PROG/CONFI	1,197.50	
63702	11/05/18	814.20 009	PACIFIC GAS & ELECTRIC			89663	9/7-10/7/18 PARACRUZ	767.27	
						89729	9/25-10/24 RIVER GAS	46.93	
63703	11/05/18	1,370.95 023	PACIFIC TRUCK PARTS, INC.			89695	INVENTORY ORDER	416.06	
						89726	INVENTORY ORDER	1,618.58	
						89727	CORE CREDIT	-663.69	
63704	11/05/18	1,533.86 043	PALACE ART & OFFICE SUPPLY			89628	OFFICE SUPPLIES	215.70	
						89629	OFFICE SUPPLIES	-103.90	
						89664	OFFICE SUPPLIES	163.03	
						89665	OFFICE SUPPLIES	465.13	
						89666	OFFICE SUPPLIES	541.96	
						89707	OFFICE SUPPLIES	206.40	
						89730	OFFICE SUPPLIES	45.54	
63705	11/05/18	250.50 481	PIED PIPER EXTERMINATORS, INC.			89658	OCT 18 PEST METRO MK	55.50	
						89672	OCT 18 PEST BETTY'S	60.00	
						89675	10/12 PEST PARACRUZ	95.00	

Attachment A

DATE 12/06/18 14:30

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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63706	11/05/18	196.93 002927		PRAXAIR DISTRIBUTION, INC.		89676	OCT 18 PRST SMC KIOS	40.00	
63707	11/05/18	64.31 882		PRINT SHOP SANTA CRUZ	7	89634	NITROGEN/ACETYLENE	196.93	
63708	11/05/18	1,414.79 107A		PROBUILD COMPANY LLC		89692	PRINTING - BUS CARDS	64.31	
						89645	OIL DISPENSER MOUNT	49.15	
						89646	RPR - BENCH PARTS	22.60	
						89647	SMALL TOOLS	748.11	
						89648	RPR - BENCH PARTS	33.89	
						89649	RPR - BENCH PARTS	107.99	
						89650	RPR - ROOF MATERIALS	87.39	
						89651	RPR - ROOF MATERIALS	50.24	
						89652	RPR - BUS STOP	34.56	
						89713	MAINTENANCE SUPPLIES	77.46	
						89714	RPR PLUMBING MAINT	35.39	
						89715	MAINTENANCE SUPPLIES	168.01	
63709	11/05/18	66.66 003024		RICOH USA, INC CA		89722	10/14-11/13 CONT PC	66.66	
63710	11/05/18	267.66 215		RICOH USA, INC. TX		89622	11/3-12/2 COPY LEASE	267.66	
63711	11/05/18	650.04 003154		ROMAINE ELECTRIC CORP		89654	INVENTORY ORDER	650.04	
63712	11/05/18	163.19 135		SANTA CRUZ AUTO PARTS, INC.		89687	INVENTORY ORDER	102.32	
						89688	INVENTORY ORDER	1.35	
						89689	INVENTORY ORDER	59.52	
63713	11/05/18	432.00 002700		SANTA CRUZ COUNTY ENVIRONMENTAL		89630	PAC STATION SITE MIT	432.00	
63714	11/05/18	10,671.23 079		SANTA CRUZ MUNICIPAL UTILITIES		89735	9/7-10/4 1200 RIV IRR	203.51	
						89736	9/7-10/4 GOLF CL IRR	11.25	
						89737	9/7-10/4 PACIFIC ISL	55.30	
						89738	9/7-10/4 CEDAR-WALNU	1,050.60	
						89739	9/7-10/4 1200A RIVER	291.35	
						89740	9/7-10/4 PACIFIC	3,921.19	
						89741	9/7-10/4 1200B RIVER	3,281.30	
						89742	9/7-10/4 GOLF CLUB	1,357.48	
						89743	9/7-10/4 VERNON	486.85	
						89744	9/7-10/4 VERNON IRR	12.40	
63715	11/05/18	45.00 001292		SANTA CRUZ RECORDS MNGMT INC		89617	OCT 18 SHRED SVC	45.00	
63716	11/05/18	1,021.93 115		SNAP-ON INDUSTRIAL		89636	TOOLS	333.07	
						89709	TOOLS - SHOP	654.68	
63717	11/05/18	263.73 001232		SPECIALIZED AUTO AND		89731	SMALL TOOLS - SHOP	34.18	
						89690	SMOG VEH #1107 PC	87.89	
						89691	SMOG VEH #1110 PC	87.95	
						89704	SMOG VEH# 1106 PC	87.89	
63718	11/05/18	4,076.01 003285		THE AFTERMARKET PARTS CO LLC		89653	INVENTORY ORDER	3,942.13	
						89708	INVENTORY ORDER	38.64	
						89751	CORRECTION	47.62	
63719	11/05/18	177.47 003082		ULINE INC		89752	CORRECTION	47.62	
						89661	OFFICE SUPPLIES	25.80	
63720	11/05/18	308.94 434		VERIZON WIRELESS		89662	OFFICE SUPPLIES	151.67	
63721	11/05/18	9,731.80 001043		VISION SERVICE PLAN	0	89660	9/2-10/1 TELECOM PC	308.94	
						89719	NOVEMBER 18 VISION	9,731.80	

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63722	11/05/18	239.26 147	ZEE MEDICAL SERVICE CO.	89701			SAFETY SUPPLIES	239.26	
63723	11/12/18	218.10 002941	AA SAFE & SECURITY CO	89782			KEYS	218.10	
63724	11/12/18	72.05 003151	ABC BUS INC	89832			INVENTORY ORDER	72.05	
63725	11/12/18	490.00 382	AIRTEC SERVICE INC.	89783			10/15 HVAC INSP SMC	280.00	
				89871			10/19/18 A/C SERVICE	210.00	
63726	11/12/18	796.11 E437	AITKEN, ANGELA	89795			TRAVEL REIMBURSEMENT	796.11	
63727	11/12/18	650.00 E930	ALMANZA, CANDIS	89764			11/16 TRAVEL ADVANCE	650.00	
63728	11/12/18	20.29 002861	AMERICAN MESSAGING SVCS, LLC	89756			NOV 18 PAGER RENTAL	20.29	
63729	11/12/18	731.46 003362	APOLLO VIDEO TECHNOLOGY LLC	89836			VEH SURVEILLANCE	668.00	
				89837			VEH SURV - SALES TAX	63.46	
63730	11/12/18	4,392.80 001D	AT&T	89801			9/19-10/18 DAVENPORT	164.68	
				89802			9/19-10/18 OCEAN	280.69	
				89820			9/19-10/18 MAIN LINE	3,806.22	
				89827			9/19-10/18 ELEV OPS	141.21	
				89814			GAS CAP KEYS	5.86	
63731	11/12/18	5.86 003393	BRASS KEY LOCKSMITH INC	89834			PRINTER SUPPLIES	1,106.22	
63732	11/12/18	1,106.22 914	CALTRONICS BUSINESS SYSTEMS	89840			OCT 18 PROF SVC	5,250.00	
63733	11/12/18	5,250.00 001324	CAPITALEGE ADVOCACY, INC.	89788			BUS STOP SIGNS	281.87	
63734	11/12/18	281.87 001159	CATTO'S GRAPHICS, INC.	89461			RPR VEH #505	298.95	
63735	11/12/18	287.45 002929	CHEVROLET OF WATSONVILLE LLC	89462			CREDIT	-298.95	
				89822			RPR VEH #505	287.45	
63736	11/12/18	1,608.72 130	CITY OF WATSONVILLE UTILITIES	89784			10/18/18 SOLID WASTE	936.30	
				89785			9/17-10/15 WATER WTC	517.03	
				89786			9/17-10/15 WATER WTC	81.06	
63737	11/12/18	26,498.00 001124	CLEAN ENERGY	89787			9/17-10/15 WATER WTC	74.33	
				89796			LNG 10/12	5,292.78	
				89797			LNG 10/8/18	7,530.64	
				89798			LNG 10/4/18	6,281.09	
				89799			LNG 10/2/18	7,393.49	
63738	11/12/18	36,161.25 003116	CUMMINS PACIFIC LLP	89777			INVENTORY ORDER	3,132.70	
				89853			RPR VEH #1205	16,674.22	
				89854			RPR VEH #1210	16,328.04	
				89868			INVENTORY ORDER	26.29	
63739	11/12/18	6,754.73 003274	EAST BAY TIRE CO.	89759			TIRES	319.26	
				89778			TIRES	1,018.74	
				89779			TIRES	2,071.65	
				89790			TIRES	509.37	
				89852			TIRES	509.37	
				89867			TIRES	1,035.83	
				89869			TIRES	254.68	
				89870			TIRES	1,035.83	
63740	11/12/18	9,947.28 432	EXPRESS SERVICES INC.	89761			TEMP W/E 10/21/18	256.00	
				89771			TEMP W/E 10/14/18	1,324.80	
				89775			TEMP W/E 10/14/18	899.10	
				89776			TEMP W/E 10/14/18	240.00	
				89839			TEMP W/E 10/21/18	838.35	

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63741	11/12/18	75.00 E961		GARCIA, JAIME P		89877	DMV EXAM	75.00	
63742	11/12/18	64.06 647		GENFARE A DIV OF SPX CORP		89877	INVENTORY ORDER	64.06	
63743	11/12/18	2,414.97 282		GRAINGER		89765	MAINTENANCE SUPPLIES	131.10	
						89766	MAINTENANCE SUPPLIES	77.87	
						89767	MAINTENANCE SUPPLIES	139.46	
						89768	MAINTENANCE SUPPLIES	6.05	
						89769	MAINTENANCE SUPPLIES	4.24	
						89770	MAINTENANCE SUPPLIES	73.19	
						89772	MAINTENANCE SUPPLIES	145.81	
						89773	MAINTENANCE SUPPLIES	233.38	
						89774	MAINTENANCE SUPPLIES	210.51	
						89800	INVENTORY ORDER	659.38	
						89807	SAFETY - GLOVES	177.76	
						89808	SAFETY SUPPLIES	68.42	
						89809	FLOURESCENT LIN LAMP	155.20	
						89810	MAINTENANCE SUPPLIES	151.68	
						89811	FLOURESCENT LIN LAMP	180.92	
63744	11/12/18	2,269.00 001144		HARTFORD FLOOD INSURANCE CO		89831	12/14-12/13/19 FLOOD	2,269.00	
63745	11/12/18	14,773.33 001745		HARTFORD LIFE AND ACCIDENT INS		89885	NOV 18 LTD	10,596.18	
						89886	NOV LIFE AD&D	4,177.15	
63746	11/12/18	69.00 E984		HILL, CAYIA		89841	10/23-11/1 REIMBURSE	69.00	
63747	11/12/18	948.19 E021		HILTNER, THOMAS		89794	TRAVEL REIMBURSEMENT	948.19	
63748	11/12/18	52.05 1117		KELLEY'S SERVICE INC.		89812	INVENTORY ORDER	52.05	
63749	11/12/18	1,851.57 036		KELLY-MOORE PAINT CO., INC.		89804	INVENTORY ORDER	1,851.57	
63750	11/12/18	2,118.89 001233		KIMBALL MIDWEST		89851	NON INVENTORY ORDER	2,118.89	
63751	11/12/18	21,773.92 003017		MANSFIELD OIL CO OF GAINSVILLE		89829	10/22/18 DIESEL	21,773.92	
63752	11/12/18	860.86 E1020		MENGISTU, WONDIMU		89793	TRAVEL REIMBURSEMENT	860.86	
63753	11/12/18	693.00 406		MESITI-MILLER ENGINEERING, INC 0		89757	10/25 PIPE PROTECTIO	693.00	
63754	11/12/18	603.02 041		MISSION UNIFORM		89818	MAINTENANCE SUPPLIES	50.00	
						89819	LAUNDRY SERVICE	226.41	
						89856	CUSTODIAL SUPPLIES	30.00	
						89858	CUSTODIAL SUPPLIES	10.50	
						89859	CUSTODIAL SUPPLIES	10.50	
						89860	CUSTODIAL SUPPLIES	50.00	
						89861	LAUNDRY SERVICE	195.11	
						89878	LAUNDRY SERVICE	30.50	
63755	11/12/18	78.55 003326		NIDAL HALABI & NADA ALGHARIB		89857	NAME BADGES	78.55	
63756	11/12/18	126.81 004		NORTH BAY FORD LINC-MERCURY		89821	INVENTORY ORDER	48.99	
63757	11/12/18	88.27 002323		NORTHERN SAFETY CO., INC.		89833	RPR VEH #802-ADD INV	77.82	
63758	11/12/18	766.00 003383		NUZ INC DBA GOOD TIMES		89842	INVENTORY ORDER	88.27	
						89828	ADVERTISING - HIRING	766.00	

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63759	11/12/18	22,886.27 009		PACIFIC GAS & ELECTRIC		89844	9/27-10/28 PACIFIC	3,228.39	
						89845	9/27-10/28 1200 RIVE	3,704.69	
						89846	9/24-10/23 GOLF CLUB	6,842.22	
						89847	9/24-10/23 1122 RIVE	2,260.20	
						89848	9/24-10/23 VERNON	6,850.77	
63760	11/12/18	630.97 023		PACIFIC TRUCK PARTS, INC.		89813	INVENTORY ORDER	52.39	
						89863	INVENTORY ORDER	587.78	
						89864	CORE CREDIT	-9.20	
						89755	OFFICE SUPPLIES	68.30	
						89792	OFFICE SUPPLIES	592.63	
						89803	CREDIT MEMO	-18.68	
						89865	OFFICE SUPPLIES	191.40	
						89866	OFFICE SUPPLIES	11.03	
						89879	OFFICE SUPPLIES	204.00	
63762	11/12/18	90.00 187		POLAR RADIATOR SERVICE INC		89849	RPR COOLANT SYSTEM	90.00	
63763	11/12/18	1,625.65 107A		PROBUILD COMPANY LLC		89805	RPR BENCH PARTS	1,615.04	
						89806	RPR ROOF SUPPLIES	10.61	
63764	11/12/18	3,041.75 001379		SAFETY-KLEEN INC		89758	10/19 HAZ WASTE DISP	3,041.75	
63765	11/12/18	506.60 135		SANTA CRUZ AUTO PARTS, INC.		89815	INVENTORY ORDER	46.82	
						89816	INVENTORY ORDER	20.01	
						89817	RPR VEH #805	439.77	
63766	11/12/18	156.92 788		SCMTD PETTY CASH - FINANCE		89826	REPLENISHMENT	156.92	
63767	11/12/18	421.19 002459		SCOTT'S VALLEY WATER DISTRICT		89762	8/4-10/4 FIRE SVT	18.75	
						89763	8/4-10/4 WATER SVT	307.31	
						89843	OCT 18 REC WATER SVT	95.13	
63768	11/12/18	6,729.98 003419		SEASCAPE RESORT LTD		89838	BOD WORKSHOP	6,729.98	
63769	11/12/18	15,000.00 003365		SHUTTLE BUS LEASING CORP		89789	10/22-11/21 LEASE	15,000.00	
63770	11/12/18	1,800.00 001277		SJB GLOBALNET, INC.		89835	OCT 18 IT SUPPORT	1,800.00	
63771	11/12/18	3,944.74 003108		SOUND WAVES INSULATION INC		89760	INVENTORY ORDER	3,944.74	
63772	11/12/18	237.50 001232		SPECIALIZED AUTO AND		89823	SMOG INS VEH #1120PC	87.95	
						89824	SMOG INS VEH #805	49.85	
						89825	SMOG INS VEH #505	49.85	
						89855	SMOG INSP VEH #1213	49.85	
63773	11/12/18	121.49 366		TENNANT COMPANY		89876	INVENTORY ORDER	121.49	
63774	11/12/18	3,145.00 002137		TERRY W BOYD		89872	RETENTION BILLING	3,145.00	
63775	11/12/18	1,251.70 003231		THE HON COMPANY LLC DBA ATHC		89880	DESK - PURCHASING	1,251.70	
63776	11/12/18	4,496.04 003285		THE AFTERMARKET PARTS CO LLC		89781	BRAKE SHOES	804.87	
						89850	INVENTORY ORDER	20.62	
						89862	INVENTORY ORDER	3,251.54	
						89874	INVENTORY ORDER	383.25	
						89875	INVENTORY ORDER	35.76	
63777	11/12/18	137.96 007		UNITED PARCEL SERVICE		89830	SHIPPING SERVICE	137.96	
63778	11/12/18	169.43 002829		VALLEY POWER SYSTEMS, INC.		89780	INVENTORY ORDER	39.29	
63779	11/12/18	997.82 003105		AT&T MOBILITY		89791	INVENTORY ORDER	130.14	
63780	11/14/18	1,588.00 154		DEPARTMENT OF MOTOR VEHICLES		89888	9/24-10/23 BUS WIFT	997.82	
						89983	4710, 3974, 4709, 4708	1,588.00	MANUAL

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63848	11/19/18	4710, 3974, 4709, 4708	690.50	ABC BUS INC		89923	INVENTORY ORDER	690.50	
63849	11/19/18		385.00	ACTION AUTO GLASS DBA FOR AT&T		89961	RPR VEH #1105 PC	385.00	
63850	11/19/18		573.33			89963	OCT 18 POINT2POINT	573.33	
63851	11/19/18		70.94	B & H FOTO & ELECTRONICS CORP		90016	HEADSET SUPPLY - CS	70.94	
63852	11/19/18		194.51	BAUER, DONNA		89911	REIMBURSEMENT	194.51	
63853	11/19/18		445.00	BOWMAN & WILLIAMS INC		89942	SEPT 18 PROF SVCS	445.00	
63854	11/19/18		123.01	BRUBECK, DELEE		89910	REIMBURSEMENT	123.01	
63855	11/19/18		17,853.54	CAL TIP		89972	OCT 18 CODE=5100	17,853.54	
63856	11/19/18		5,250.00	CAPITALEGE ADVOCACY, INC.		89929	NOV 18 PROF SERVICES	5,250.00	
63857	11/19/18		4,845.20	CAPITOL CLUTCH & BRAKE, INC.		89939	INVENTORY ORDER	4,845.20	
63858	11/19/18		2,808.00	CITY OF SANTA CRUZ/PARKING		90015	1/1-6/30 PARKING -CS	2,808.00	
63859	11/19/18		237.49	CITY OF SANTA CRUZ FINANCE RRF		90000	LANDFILL -WASTE DISP	237.49	
63860	11/19/18		12,955.38	CLASSIC GRAPHICS		89940	BUS REPAINT - #2228	6,477.69	
						89941	BUS REPAINT - #2216	6,477.69	
63861	11/19/18		50,276.91	CLEAN ENERGY		89900	10/24/18 LNG	6,635.20	
						89938	OCT 18 LNG MTHLY INS	14,842.00	
						89947	10/10 LNG	7,188.13	
						89948	10/16 LNG	7,437.75	
						89949	10/18 LNG	6,784.69	
						89950	10/22 LNG	7,389.14	
63862	11/19/18		646.81	CLIFFORD, ALEX		89986	TRAVEL REIMBURSEMENT	646.81	
63863	11/19/18		421.71	COAST PAPER & SUPPLY INC.		89931	CUSTODIAL SUPPLIES	292.79	
						89933	CUSTODIAL SUPPLIES	128.92	
63864	11/19/18		2,890.00	COASTAL LANDSCAPING INC. DBA		89996	NOV 18 LANDSCAPING	2,890.00	
63865	11/19/18		1,064.70	EAST BAY TIRE CO.		89894	FLAT REPAIR PARACRUZ	28.87	
						89922	TIRES	28.87	
63866	11/19/18		5,346.45	ELECTRONIC DATA MAGNETICS INC.		89984	PARACRUZ PASSES - \$2	1,035.83	
63867	11/19/18		6,028.50	ENVIRONMENTAL LOGISTICS INC		90018	\$4 PASSES - PARACRUZ	1,782.15	
						89976	NON-HAZ WASTE DISP	3,564.30	
63868	11/19/18		8,505.84	EXPRESS SERVICES INC.		89974	TEMP W/E 10/21/18	3,232.00	
						90007	TEMP W/E 10/21/18	2,796.50	
						90008	TEMP W/E 10/14, 10/7	541.08	
						90009	TEMP W/E 10/21/18	841.68	
						90010	TEMP W/E 09/30/18	979.20	
						90011	TEMP W/E 10/14/18	340.68	
						90012	TEMP W/E 11/11/18	979.20	
						90013	TEMP W/E 10/28/18	583.20	
						90014	TEMP W/E 11/04/18	1,458.00	
63869	11/19/18		181.76	FERGUSON ENTERPRISES INC. #795		89970	RPR MAINT PLUMBING	1,458.00	
63871	11/19/18		160.87	FLYERS ENERGY LLC		89998	CREDIT MEMO	181.76	
						89999	ASM BUTTON	-160.87	
						89969	10/16-10/31 FUEL	160.87	
						89926	NOV 18 SERVICES	3,439.78	
						89927	NOV 18 VAULT SERVICE	298.00	
								9,163.57	

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63872	11/19/18	003286	325.00	GARY RICHARD SNYDER		89953	RPR BIKE RACK	325.00	
63873	11/19/18	003286	750.00	GENFARE A DIV OF SPX CORP		89985	PEM/TVM RESTRUCTURE	750.00	
63874	11/19/18	003286	280.00	GOVERNMENT FINANCE OFFICERS		90021	12/1-11/30/19 MBRSHIP	280.00	
63875	11/19/18	003286	31.21	GRAINGER		89930	INVENTORY ORDER	31.21	
63876	11/19/18	003122	57.78	INDUSTRIAL SAFETY SUPPLY CO		89962	SAFETY GEAR-RAINBOOT	57.78	
63877	11/19/18	003264	1,485.80	KAADY CHEMICAL LLC		89925	BUS WASH - INV ORDER	1,485.80	
63878	11/19/18	003284	1,897.52	KEISH ENVIRONMENTAL PC CORP		89980	OCT 18 OUTFALL MIT	1,897.52	
63879	11/19/18	003284	903.44	KELLEY'S SERVICE INC.		89891	INVENTORY ORDER	115.23	
						89892	INVENTORY ORDER	520.53	
						89893	RPR SHOP AIR COMPRES	83.59	
						89936	INVENTORY ORDER	153.28	
						89937	INVENTORY ORDER	30.81	
						89991	MAINTENANCE SUPPLIES	236.58	
63880	11/19/18	0036	236.58	KELLY-MOORE PAINT CO., INC.		89909	NOV 18 LEASE	23,627.38	
63881	11/19/18	003366	23,627.38	KEY GOVERNMENT FINANCE INC		89909	NOV 18 LEASE	157.62	
63882	11/19/18	003059	157.62	MAILFINANCE INC		89928	POSTAGE MTR LEASE	294.00	
63883	11/19/18	003249	294.00	MAXIMUM OIL SERVICE LLC		89992	WASTE P/U-ANTIFREEZE	3,980.50	
63884	11/19/18	003368	3,980.50	MDC SYSTEMS CORP		90006	SEMI-ANN TEST/CALIB	2,066.00	
63885	11/19/18	003273	2,066.00	MGP XI REIT LLC		89965	DEC 2018 RENT	1,329.75	
63886	11/19/18	001052	1,329.75	MID VALLEY SUPPLY INC.		89971	CUSTODIAL SUPPLIES	30.50	
63887	11/19/18	0041	92.50	MISSION UNIFORM		89901	LAUNDRY SERVICE	10.50	
						89904	CUSTODIAL SUPPLIES	10.50	
						89913	CUSTODIAL SUPPLIES	10.50	
						89914	CUSTODIAL SUPPLIES	10.50	
						89944	LAUNDRY SERVICE	30.50	
63888	11/19/18	003061	400.00	NEOFUNDS BY NEOPOST DBA		89912	###-###-###-1598	400.00	
63889	11/19/18	002721	109.98	NEXTEL COMMUNICATIONS/SPRINT		89890	9/26-10/25 TVM WIREL	109.98	
63890	11/19/18	003326	558.47	NIDAL HALABI & NADA ALGHARIB		89932	OFFICE NAME SIGNS	558.47	
63891	11/19/18	009	6,850.77	PACIFIC GAS & ELECTRIC		89968	9/24-10/23 VERNON	6,850.77	
63892	11/19/18	0043	1,898.77	PALACE ART & OFFICE SUPPLY		89902	OFFICE SUPPLIES	58.10	
						89903	OFFICE SUPPLIES	9.55	
						89905	OFFICE SUPPLIES	57.65	
						89907	OFFICE SUPPLIES	130.05	
						89951	OFFICE SUPPLIES	36.40	
						89952	CREDIT MEMO	-36.40	
						89973	OFFICE SUPPLIES	1,574.34	
						90017	OFFICE SUPPLIES	156.78	
						90020	CREDIT MEMO	-87.70	
63893	11/19/18	00481	358.00	PIED PIPER EXTERMINATORS, INC.		89993	NOV 18 PEST -OPS CRK	105.00	
						89994	NOV 18 PEST - OPS	62.50	
						89995	NOV 18 PEST - VERNON	190.50	
63894	11/19/18	001149	380.93	PREFERRED PLUMBING, INC.		89978	RPR PLUMBING SMC	380.93	
63895	11/19/18	107A	283.82	PROBUILD COMPANY LLC		89977	RPR - VERNON EAVES	283.82	
63896	11/19/18	0019	125.64	RAYNE OF SANTA CRUZ, INC.		89935	SALT - BUS WASHERS	125.64	
63897	11/19/18	001153	593.25	REPUBLIC ELEVATOR COMPANY INC		89979	NOV 18 ELEV MAINT	593.25	
63898	11/19/18	003024	110.17	RICOH USA, INC CA		89889	NOV 18 SERVICES OPS	110.17	
63899	11/19/18	00215	394.16	RICOH USA, INC. TX		89982	8/1-10/31 COPIER SMC	394.16	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
63900	11/19/18	284.72 536		RIVERSIDE LIGHTING & ELECTRIC		90001	RPR SUPPLIES - TOOLS	173.88	
						90002	MAINTENANCE SUPPLIES	118.21	
						90003	CREDIT MEMO	-118.21	
						90004	MAINT SUPPLY - LIGHT	17.31	
						90005	MAINT SUPPLIES - SMC	93.53	
63901	11/19/18	33.50 045		ROYAL WHOLESALE ELECTRIC		89981	MAINTENANCE SUPPLIES	33.50	
63902	11/19/18	502.93 135		SANTA CRUZ AUTO PARTS, INC.		89895	INVENTORY ORDER	82.29	
						89915	INVENTORY ORDER	183.92	
						89945	INVENTORY ORDER	125.49	
						89946	INVENTORY ORDER	48.61	
						89956	INVENTORY ORDER	62.62	
63903	11/19/18	326.06 002459		SCOTTS VALLEY WATER DISTRICT		89966	8/4-10/4 SVT WATER	307.31	
						89967	8/4-10/4 SVT WATER	18.75	
63904	11/19/18	15,000.00 003365		SHUTTLE BUS LEASING CORP		89906	11/22-12/21 ARTIC LE	15,000.00	
63905	11/19/18	1,800.00 001277		SJB GLOBALNET, INC.		89908	NOV 18 IT SUPPORT	1,800.00	
63906	11/19/18	16,288.68 001075		SOQUEL III ASSOCIATES	7	89964	DEC 2018 RENT	16,288.68	
63907	11/19/18	359.80 003415		TRANSFOR CORPORATION		89934	WHEELCHAIR STRAPS	359.80	
63908	11/19/18	9,499.07 003285		THE AFTERMARKET PARTS CO LLC		89896	RPR VEH #9829	2,102.80	
						89897	RPR VEH #2803	929.00	
						89898	INVENTORY ORDER	253.78	
						89916	INVENTORY ORDER	52.17	
						89917	INVENTORY ORDER	2,547.74	
						89918	INVENTORY ORDER	-184.59	
						89919	INVENTORY ORDER	180.73	
						89920	INVENTORY ORDER	-180.73	
						89921	INVENTORY ORDER	1,017.06	
						89957	INVENTORY ORDER	96.31	
						89958	INVENTORY ORDER	2,501.12	
						89959	INVENTORY ORDER	180.73	
63909	11/19/18	1,104.31 002829		VALLEY POWER SYSTEMS, INC.		89960	INVENTORY ORDER	2.95	
						89966	INVENTORY ORDER	13.15	
						89954	INVENTORY ORDER	52.61	
						89955	INVENTORY ORDER	1,038.55	
63910	11/19/18	442.46 003294		VARIDESK LLC		89924	SIT-STAND DESK ADD	442.46	
63911	11/19/18	308.88 434		VERIZON WIRELESS	0	90019	10/2-11/1 TELECOM PC	308.88	
63912	11/19/18	2,975.00 001353		VISION COMMUNICATIONS		89943	RADIO INSTALL - PC	2,975.00	
63913	11/19/18	225.00 001165		VU, THANH DR. MD	7	89987	DMV EXAM	75.00	
						89988	DMV EXAM	75.00	
63914	11/19/18	244.40 147		ZEE MEDICAL SERVICE CO.		89989	DMV EXAM	75.00	
						89990	FIRST AID SUPPLIES	157.51	
63915	11/21/18	693.00 733		CLAREMONT EAP		89997	FIRST AID SUPPLIES	86.89	
63916	11/21/18	36,398.20 002939		PREFERRED BENEFIT		90061	DEC 18 EAP	693.00	
63917	11/21/18	212,521.42 002917		SANTA CRUZ METRO TRANSIT W/C		90032	NOV 18 DENTAL INS	36,398.20	
						90022	CASE# ADJ 11099722	27,695.00	
						90023	OCT 18 W/C REPLENISH	55,899.01	
						90024	NOV 18 MONTHLY FEE	4,927.41	

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63918M11	11/29/18	002050	-1,560.00	DO NOT USE - ACTS, INC. 10/15 EXCEL LEVEL 3		90204	10/15 EXCEL LEVEL 3	-1,560.00	**VOID
			887,148.80	ACCOUNTS PAYABLE		90056	CLAIM # 2007158662	124,000.00	
TOTAL			887,148.80				TOTAL CHECKS	181	887,148.80

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
63920	12/03/18	003151	465.24	ABC BUS INC		90103	INVENTORY ORDER	3.71	
						90158	INVENTORY ORDER	35.89	
						90159	INVENTORY ORDER	219.81	
						90209	INVENTORY ORDER	205.83	
63921	12/03/18	E930	256.57	ALMANZA, CANDIS		90253	TRAVEL REIMBURSEMENT	256.57	
63922	12/03/18	192	876.51	ALWAYS UNDER PRESSURE		90040	MAINTENANCE SUPPLIES	876.51	
63923	12/03/18	003405	225.00	ANIMAL DAMAGE MANAGEMENT INC		90224	SEMI-MONTHLY PEST	225.00	
63924	12/03/18	002689	70.14	B & B SMALL ENGINE CORP		90116	MAINTENANCE SUPPLIES	70.14	
63925	12/03/18	003199	350.01	B & H FOTO & ELECTRONICS CORP		90230	WIFI UPGRADE - VERNO	459.97	
						90231	PORTABLE HD - SAFETY	59.99	
						90232	CREDIT MEMO - HEADSE	-169.95	
63926	12/03/18	002802	5,608.86	BATTERY SYSTEMS CORP		90092	BATTERIES	2,804.43	
						90123	BATTERIES	2,804.43	
63927	12/03/18	003393	46.72	BRASS KEY LOCKSMITH INC		90091	KEYS, VEH# 504,505	46.72	
63928	12/03/18	616	10,400.00	BROWN ARMSTRONG ACCOUNTANCY		90219	2018 AUDIT PROGRESS	10,400.00	
63929	12/03/18	002931	1,005.00	CALACT		90137	2019 MEMBERSHIP	1,005.00	
63930	12/03/18	M022	88.90	CAPELLA, KATHLEEN	0	90098	DEC 18 RETIREE SUP	88.90	
63931	12/03/18	001124	12,484.54	CLEAN ENERGY		90170	10/26/18 LNG	5,357.36	
						90173	10/30/18 LNG	7,127.18	
63932	12/03/18	075	43.70	COAST PAPER & SUPPLY INC.		90120	CUSTODIAL SUPPLIES	43.70	
63933	12/03/18	163	499.26	COMMUNITY PRINTERS, INC.		90076	50 SEIU MOU'S	499.26	
63934	12/03/18	367	385.00	COMMUNITY TELEVISION OF		90237	10/26 MEETING COVERA	385.00	
63935	12/03/18	508	3,585.50	COMPLETE COACH WORKS INC		90033	RPR VEH # 9801	3,585.50	
63936	12/03/18	700	852.00	CPS - HUMAN RESOURCE SERVICES		90025	HR TRAINING - EXAMS	284.00	
						90026	HR TRAINING - EXAMS	284.00	
						90027	HR TRAINING - EXAMS	284.00	
63937	12/03/18	003120	220.00	CSMFO MEMBERSHIP		90166	2019 MEMBERSHIP	110.00	
63938	12/03/18	003116	27,417.68	CUMMINS PACIFIC LLP		90167	2019 MEMBERSHIP	110.00	
						90161	CREDIT MEMO	-1,601.76	
						90162	RPR VEH #1303	16,666.00	
						90163	CREDIT MEMO	-109.25	
						90164	INVENTORY ORDER	4,012.01	
						90211	INVENTORY ORDER	587.63	
						90212	RPR VEH #1003	2,897.25	
						90213	INVENTORY ORDER	4,701.00	
						90214	RPR VEH #2803	101.64	
63939	12/03/18	002567	160.00	DEPARTMENT OF JUSTICE		90070	OCT 18 FINGERPRINTS	160.00	

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63940	12/03/18	2,205.00	916	DOCTORS ON DUTY MEDICAL CLINIC	90256	DOT EXAM/VACCINES	93.00	
					90257	DOT EXAM/DRUG TEST	120.00	
					90258	DOT EXAM	32.50	
					90259	DOT EXAM/DRUG TEST	75.00	
					90260	DOT EXAM/VACCINES	93.00	
					90261	DOT EXAM/DRUG TEST	32.50	
					90262	DOT EXAM/DRUG TEST	52.50	
					90263	DOT EXAM/VACCINES	93.00	
					90264	DOT EXAM/VACCINES	93.00	
					90265	DOT EXAM/DRUG TEST	32.50	
					90266	DOT EXAM/DRUG TEST	75.00	
					90267	DOT EXAM	32.50	
					90268	DOT EXAM/VACCINES	93.00	
					90269	DOT EXAM/VACCINES	93.00	
					90270	DOT EXAM/VACCINES	93.00	
					90271	DMV EXAM/DRUG TEST	75.00	
					90272	DOT EXAM/VACCINES	93.00	
					90273	DOT EXAM/DRUG TEST	32.50	
					90274	DOT EXAM	32.50	
					90275	DOT EXAM/VACCINES	93.00	
					90276	DOT EXAM/DRUG TEST	75.00	
					90277	DOT EXAM/VACCINES	93.00	
					90278	DOT EXAM/DRUG TEST	75.00	
					90279	DOT EXAM/DRUG TEST	75.00	
					90280	DOT EXAM/DRUG TEST	32.50	
					90281	DMV EXAM/DRUG TEST	120.00	
					90282	DOT EXAM/DRUG TEST	120.00	
					90283	DOT EXAM/DRUG TEST	152.50	
					90284	DOT EXAM/DRUG TEST	32.50	
63941	12/03/18	953.44	003131	DYNAMIC SYSTEMS INC	90225	7/31/18 - 7/31/19 IT	953.44	
63942	12/03/18	9,045.30	003274	EAST BAY TIRE CO.	90029	TIRES	2,071.65	
					90106	TIRES	413.10	
					90107	TIRES	1,068.60	
					90108	TIRES	1,018.74	
					90109	TIRES	1,068.60	
					90110	TIRES	509.37	
					90111	TIRES	460.18	
					90179	TIRES	1,068.60	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
63943	12/03/18	50.00 298	ERGOMETRICS& APPLIED PERSONNEL		90180	TIRES	981.20	
63944	12/03/18	11,382.30 432	EXPRESS SERVICES INC.		90181	TIRES	385.26	
					90055	OPERATOR TEST - PC	50.00	
					90043	TEMP W/E 10/07/18	567.80	
					90044	TEMP W/E 11/11	721.44	
					90045	TEMP W/E 10/28/18	979.20	
					90046	TEMP W/E 11/11/18	905.76	
					90047	TEMP W/E 10/28/18	1,324.80	
					90052	TEMP W/E 11/04/18	721.44	
					90053	TEMP W/E 11/04/18	1,399.32	
					90054	TEMP W/E 11/04/18	979.20	
					90065	TEMP W/E 10/28/18	243.20	
					90221	TEMP W/E 11/11/18	1,059.84	
					90233	TEMP W/E 11/04/18	512.00	
					90234	TEMP W/E 10/28/18	741.15	
					90235	TEMP W/E 11/04/18	680.40	
					90236	TEMP W/E 11/11/18	546.75	
63945	12/03/18	800.00 002295	FIRST ALARM		90165	NIGHT SECURITY - OPS	800.00	
63946	12/03/18	1,609.69 002962	FIS		90238	OCT 18 TVM BANK FEE	1,609.69	
63947	12/03/18	14,777.69 002952	FLYERS ENERGY LLC		90031	10/16-10/31 FUEL	11,565.84	
					90183	11/1-11/15 FUEL	3,211.85	
63948	12/03/18	821.64 T327	GARCIA, DAVID		90242	TRAVEL REIMBURSEMENT	821.64	
63949	12/03/18	110.48 647	GENFARE A DIV OF SPX CORP		90210	INVENTORY ORDER	110.48	
63950	12/03/18	55.00 E508	GILBERT, MARTIN		90255	REIMBURSEMENT	55.00	
63951	12/03/18	1,113.96 117	GILLIG LLC		90175	INVENTORY ORDER	1,199.00	
					90176	CREDIT MEMO - CORE	-1,201.75	
					90177	INVENTORY ORDER	932.91	
					90178	INVENTORY ORDER	183.80	
63952	12/03/18	44.45 M041	GOUVEIA, ROBERT	0	90071	DEC 18 RETIREE SUP	44.45	
63953	12/03/18	1,235.81 282	GRAINGER		90125	NON INVENTORY ORDER	20.97	
					90127	INVENTORY ORDER	272.77	
					90128	EMPLOYEE TOOLS	45.90	
					90129	RPR - WTC HANDICAP	94.27	
					90130	EMPLOYEE TOOLS	6.04	
					90131	FAC TRUCK TOOL BOXES	326.66	
					90132	CREDIT MEMO	-326.66	
					90133	FAC TRUCK TOOL BOXES	653.33	
					90134	OFFICE SUPPLIES	25.05	

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63954	12/03/18	1,106.90	001097	GREENWASTE RECOVERY, INC.	90138	STORM WATER TESTING	117.48	
					90188	OCT 18 WASTE AIR FRE	51.88	
					90189	OCT 18 WASTE FRE BOW	51.88	
					90190	OCT 18 WASTE BIG BAS	51.88	
					90191	OCT 18 WASTE MT HERM	21.72	
					90193	OCT 18 WASTE BLDR CR	155.64	
					90194	OCT 18 WASTE GRN VLY	51.88	
					90195	OCT 18 WASTE LOMOND	51.88	
					90196	OCT 18 WASTE PC	319.01	
					90197	OCT 18 WASTE SOQ COT	10.38	
					90198	OCT 18 WASTE SOQ COT	10.38	
					90199	OCT 18 WASTE FREEDOM	51.88	
					90200	OCT 18 WASTE SVT	278.49	
63955	12/03/18	27,812.00	003109	HANSON BRIDGETT LLP	90243	OCT 18 RETAINER	24,000.00	
					90244	M#: 032117.006001	711.00	
					90245	M#: 032117.006003	62.00	
					90246	M#: 032117.006004	341.00	
					90247	M#: 032117.006006	1,891.00	
					90248	M#: 032117.006010	152.50	
					90249	M#: 032117.008001	462.00	
					90250	M#: 032117.008002	192.50	
63956	12/03/18	173.71	166	HOSE SHOP, THE INC	90182	HOSES-NON INVENTORY	173.71	
63957	12/03/18	558.13	T326	HUGHES, DEBRA	90201	TRAVEL REIMBURSEMENT	558.13	
63958	12/03/18	323.57	003327	IO, RODNEY H	90104	RPR VEH #803	323.57	
63959	12/03/18	6,992.50	003402	KAUFMAN DOLOWICH VOLLUCK	90227	SEP 18 - CL# QE-0073	910.00	
					90228	OCT 18 - CL# QE-0073	6,082.50	
63960	12/03/18	210.48	1117	KELLEY'S SERVICE INC.	90079	INVENTORY ORDER	132.41	
					90124	INVENTORY ORDER	78.07	
63961	12/03/18	654.36	167	KEYSTON BROTHERS	90215	ULPHOSTERY	654.36	
63962	12/03/18	116.85	001233	KIMBALL MIDWEST	90096	NON-INVENTORY ORDER	116.85	
63963	12/03/18	93.21	E635	KINSLow, DEBBIE	90030	REIMBURSEMENT	93.21	
63964	12/03/18	1,955.00	852	LAW OFFICES OF MARIE F. SANG	90057	CL# 2009210141, 8396	578.00	
					90058	CL# 2001103388, 3414	306.00	
					90059	CL# 2010226708	459.00	
					90060	CL# 17001199	612.00	
63965	12/03/18	21,339.21	003017	MANSFIELD OIL CO OF GAINSVILLE	90241	11/7 DIESEL	21,339.21	
63966	12/03/18	893.16	041	MISSION UNIFORM	90039	CUSTODIAL SUPPLIES	30.00	
					90093	LAUNDRY SERVICE	195.11	

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63967	12/03/18	328.00 003115	OFFICE TEAM			90094	CUSTODIAL SUPPLIES	50.00	
63968	12/03/18	3,684.43 009	PACIFIC GAS & ELECTRIC			90115	CUSTODIAL SUPPLIES	30.00	
						90126	CUSTODIAL SUPPLIES	30.00	
						90135	LAUNDRY SERVICE	195.11	
						90136	CUSTODIAL SUPPLIES	50.00	
						90186	UNIFORM NAME TAGS	26.16	
						90217	CUSTODIAL SUPPLIES	30.00	
						90239	LAUNDRY SERVICE	206.78	
						90240	CUSTODIAL SUPPLIES	50.00	
						90216	TEMP W/E 11/09/18	328.00	
						90036	10/3-11/1 SVT	68.48	
						90037	9/27-10/28 OPS	3,704.69	
						90038	9/27-10/28 VERNON	3,228.39	
						90168	CM FOR DUPLICATE INV	-3,228.39	
						90169	CM FOR DUPLICATE INV	-3,704.69	
						90192	10/03-11/01 SVT WTC	2,903.58	
						90202	10/08-11/06 PARACRUZ	712.37	
						90097	INVENTORY ORDER	209.54	
			PACIFIC TRUCK PARTS, INC.	209.54 023		90185	OFFICE SUPPLIES	63.78	
63970	12/03/18	63.78 043	PALACE ART & OFFICE SUPPLY			90254	TRAVEL REIMBURSEMENT	877.35	
63971	12/03/18	877.35 E152	PENA, LEONARDO			90072	DEC 18 RETIREE SUP	44.45	
63972	12/03/18	44.45 M109	PEREZ, CHERYL			90048	RPR PLUMBING WTC	579.90	
63973	12/03/18	579.90 001149	PREFERRED PLUMBING, INC.			90041	CREDIT MEMO	-61.29	
63974	12/03/18	1,206.46 107A	PROBUILD COMPANY LLC			90042	MAINTENANCE SUPPLIES	35.47	
						90049	MAINTENANCE SUPPLIES	603.13	
						90050	MAINTENANCE SUPPLIES	10.24	
						90051	MAINTENANCE SUPPLIES	47.72	
						90114	MAINTENANCE SUPPLIES	64.84	
						90117	SMC - MAINT SUPPLIES	65.11	
						90118	MAINTENANCE SUPPLIES	45.89	
						90119	MAINTENANCE SUPPLIES	10.31	
						90155	MAINTENANCE SUPPLIES	354.78	
						90218	MAINTENANCE SUPPLIES	30.26	
			RICOH USA, INC CA	379.62 003024		90064	8/12-11/11 COPIER	107.04	
63975	12/03/18					90203	11/14-12/13 COPIER	272.58	
63976	12/03/18	267.66 215	RICOH USA, INC. TX			90229	12/3-1/2 LEASE SMC	267.66	
63977	12/03/18	88.90 M085	ROSSI, DENISE			90073	DEC 18 RETIREE SUP	88.90	
63978	12/03/18	44.45 M030	ROWE, RUBY		0	90074	DEC 18 RETIREE SUP	44.45	

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CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
63979	12/03/18	1,000.00	RUDDICK, SHONOA		90252	TRAVEL ADVANCE	1,000.00	
63980	12/03/18	68.70	SANTA CRUZ AUTO PARTS, INC.		90078	INVENTORY ORDER	68.70	
63981	12/03/18	1,738.19	SANTA CRUZ MUNICIPAL UTILITIES		90062	9/13-10/10 PARACRUZ	1,738.19	
63982	12/03/18	320.00	SANTA CRUZ RECORDS MNGMT INC		90034	10/31 SHRED SERVICE	320.00	
63983	12/03/18	182.84	SCWTD PETTY CASH - OPS		90187	REPLENISHMENT	182.84	
63984	12/03/18	2,500.00	SHAW / YODER / ANTWIH, INC.		90028	NOV 18 LEG REPRESENT	2,500.00	
63985	12/03/18	1,100.00	SOLORIO, RINA		90251	TRAVEL ADVANCE	1,100.00	
63986	12/03/18	49.85	SPECIALIZED AUTO AND		90095	SMOG VEH # 803	49.85	
63987	12/03/18	662.12	STATE ELECTRIC GENERATOR		90223	RPR COOLING SYSTEM	662.12	
63988	12/03/18	480.64	SWAGelok NORTHERN CALIFORNIA		90172	INVENTORY ORDER	480.64	
63989	12/03/18	1,065.38	THE AFTERMARKET PARTS CO LLC		90099	INVENTORY ORDER	281.72	
					90100	INVENTORY ORDER	176.84	
					90101	INVENTORY ORDER	16.64	
					90102	INVENTORY ORDER	186.63	
					90156	RPR VEH #1302, #1003	140.28	
					90184	INVENTORY ORDER	263.27	
63990	12/03/18	646.02	TYCO FIRE & SECURITY MGMT INC		90222	12/1-2/28 QTRLY ALRM	646.02	
63991	12/03/18	9,671.58	U.S. BANK		90077	***-*****-5056	9,671.58	
63992	12/03/18	131.24	UNITED PARCEL SERVICE		90157	SHIPPING SERVICE	45.73	
					90208	SHIPPING SERVICE	85.51	
63993	12/03/18	324,326.51	UNITED STATES TREASURY		90285	12/31/15 94-2376658	324,326.51	
63994	12/03/18	96.00	UPS STORE #1128		90066	FINGERPRINTING	32.00	
					90067	FINGERPRINTING	32.00	
					90068	FINGERPRINTING	32.00	
63995	12/03/18	6,329.78	VALLEY POWER SYSTEMS, INC.		90171	INVENTORY ORDER	1,566.65	
					90174	INVENTORY ORDER	217.93	
					90206	INVENTORY ORDER	3,879.39	
63996	12/03/18	1,669.86	VERITECH, INC.		90105	INVENTORY ORDER	1,669.86	
63997	12/03/18	1,133.72	VERIZON WIRELESS	0	90035	10/2-11/1 POINT2POLIN	221.48	
					90205	11/13-12/12 BUS WIFI	912.24	
63998	12/03/18	2,267.16	VU, THANH DR. MD	7	90081	DMV EXAM	92.16	
					90082	DMV EXAM	75.00	
					90083	DMV EXAM	75.00	
					90084	DMV EXAM	75.00	
					90085	DMV EXAM	75.00	
					90086	DMV EXAM	75.00	
					90087	DMV EXAM	75.00	

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63999	12/03/18	275.00 003316	WATER TECH SPECIALTIES INC		90088	DMV EXAM	75.00	
64000	12/03/18	1,079.39 001506	WESTERN STATES OIL CO.		90089	DMV EXAM	75.00	
64001	12/03/18	56.00 003290	WORKFORCEQA LLC		90090	DMV EXAM	75.00	
64002	12/03/18	44.45 M088	YAGI, RANDY	0	90112	DMV EXAM	75.00	
64004	12/06/18	369.00 154	DEPARTMENT OF MOTOR VEHICLES		90121	DMV EXAM	75.00	
64005	12/06/18	390.00 154	DEPARTMENT OF MOTOR VEHICLES		90122	DMV EXAM	75.00	
64006	12/06/18	390.00 154	DEPARTMENT OF MOTOR VEHICLES		90139	DMV EXAM	75.00	
64007	12/06/18	462.00 154	DEPARTMENT OF MOTOR VEHICLES		90140	DMV EXAM	75.00	
64008	12/10/18	490.00 382	AIRTEC SERVICE INC.		90141	DMV EXAM	75.00	
64009	12/10/18	1,138.11 192	ALWAYS UNDER PRESSURE		90142	DMV EXAM	75.00	
64010	12/10/18	15.34 002861	AMERICAN MESSAGING SVCS, LLC		90143	DMV EXAM	75.00	
64011	12/10/18	3,478.98 001D	AT&T		90144	DMV EXAM	75.00	
					90145	DMV EXAM	75.00	
					90146	DMV EXAM	75.00	
					90147	DMV EXAM	75.00	
					90148	DMV EXAM	75.00	
					90149	DMV EXAM	75.00	
					90150	DMV EXAM	75.00	
					90151	DMV EXAM	75.00	
					90152	DMV EXAM	75.00	
					90153	DMV EXAM	75.00	
					90154	DMV EXAM	75.00	
					90220	DMV EXAM	75.00	
					90063	OCT 18 CHEMICAL TEST	275.00	
					90080	INVENTORY ORDER	1,079.39	
					90069	DOT DRUG TESTING	56.00	
					90075	DEC 18 RETIREE SUP	44.45	
					90396	REG VEH# 4204	369.00	
					90397	REG VEH# 4205	390.00	
					90398	REG VEH# 4206	390.00	
					90399	REG VEH# 2318	462.00	
					90333	11/14 RPR OPS BOILER	490.00	
					90317	INVENTORY ORDER	1,138.11	
					90393	DEC 18 FACILITY PGR	15.34	
					90314	10/19-11/18 PT TO PT	144.65	
					90315	10/19-11/18 MAIN LIN	9.20	
					90316	10/19-11/18 DAVENPOR	164.68	
					90363	10/10-11/9 INTERNET	891.27	

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64012	12/10/18	4,927.41	ATHENS INSURANCE SERVICE, INC.		90368	10/13-11/12 PT TO PT	1,823.61	
64013	12/10/18	164.53	B & B SMALL ENGINE CORP		90390	10/19-11/18 OCEAN-LG	280.69	
64014	12/10/18	113.32	BATTERIES PLUS #314		90391	10/19-11/18 DAVENPRT	164.88	
64015	12/10/18	2,811.25	BOWMAN & WILLIAMS INC		90311	NOV 18 TPA FEE	4,927.41	
					90290	MAINTENANCE SUPPLIES	164.53	
					90385	BATTERIES	113.32	
					90286	OCT 18 SVC - FIRE EG	1,006.25	
					90287	OCT 18 SVC - PAC AC	1,020.00	
					90401	OCT 18 EV CHARGING	707.50	
					90402	JUN 18 EV CHARGING	77.50	
64016	12/10/18	294.98	CALTRONICS BUSINESS SYSTEMS		90348	PRINTER SUPPLIES	294.98	
64017	12/10/18	355.06	CATTO'S GRAPHICS, INC.		90389	SIGNS - PARK & RIDE	355.06	
64018	12/10/18	702.00	CITY OF SANTA CRUZ/PARKING		90347	1/1-6/30 PARKING -CS	702.00	
64019	12/10/18	149.77	CITY OF SCOTT'S VALLEY		90313	9/15-11/15 SEWER SVT	149.77	
64020	12/10/18	1,703.50	CITY OF WATSONVILLE UTILITIES		90291	10/15-11/19 WTC	524.76	
					90292	10/15-11/19 WTC WATE	105.81	
					90293	11/19/18 WTC WASTE	936.30	
					90295	10/15-11/19 WTC WATE	82.28	
					90318	10/8-11/14 WATER WTC	54.35	
					90355	REPAINT VEH# 2221	6,477.69	
64021	12/10/18	6,477.69	CLASSIC GRAPHICS		90388	NOV 18 MAINTENANCE	14,842.00	
64022	12/10/18	14,842.00	CLEAN ENERGY		90336	INVENTORY ORDER	1,483.64	
64023	12/10/18	1,565.58	COAST PAPER & SUPPLY INC.		90374	INVENTORY ORDER	81.94	
64024	12/10/18	66.36	CREATIVE BUS SALES, INC.		90354	RPR VEH# 1501 PC	66.36	
64025	12/10/18	2,301.74	EAST BAY TIRE CO.		90308	TIRES	2,071.65	
					90309	TIRES	230.09	
64026	12/10/18	226.28	EDWARD J PARRAS	0	90289	RPR STEEL DOORS	226.28	
64027	12/10/18	40,831.98	FIRST ALARM		90392	OCT 18 SECURITY SVC	40,831.98	
64028	12/10/18	9,719.99	FLYERS ENERGY LLC		90339	11/1-11/15 FUEL	9,719.99	
64029	12/10/18	66.29	FRONTIER COMMUNICATIONS - 3025		90329	209-025-0541-0613025	66.29	
64030	12/10/18	57.26	FRONTIER COMMUNICATIONS - 6145		90330	209-091-6033-1126145	57.26	
64031	12/10/18	184.49	GENFARE A DIV OF SPX CORP		90307	INVENTORY ORDER	184.49	
64032	12/10/18	782.74	GILLIG LLC		90351	INVENTORY ORDER	543.90	
					90381	INVENTORY ORDER	238.84	
64033	12/10/18	1,898.78	GRAINGER		90341	SMALL TOOLS	64.40	
					90357	SAFETY SUPPLIES/CONE	196.54	
					90358	OFFICE SUPPLIES	4.52	
					90359	INVENTORY ORDER	10.10	

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64034	12/10/18	20,955.00	INDUSTRIYSAFE INC		90360	MAINTENANCE SUPPLIES	81.96	
64035	12/10/18	291.99	KELLEY'S SERVICE INC.		90361	SAFETY SUPPLIES/CONE	471.71	
64036	12/10/18	23,627.38	KEY GOVERNMENT FINANCE INC		90362	SMALL TOOLS	73.15	
64037	12/10/18	466.23	MISSION UNIFORM		90369	MAINTENANCE SUPPLIES	72.95	
					90370	MAINTENANCE SUPPLIES	91.01	
					90371	INVENTORY ORDER	535.34	
					90379	SAFETY SUPPLIES	18.82	
					90380	SAFETY SUPPLIES	88.62	
					90384	MAINTENANCE SUPPLIES	189.66	
					90400	10/5/18-10/4/19 SUB	20,955.00	
					90342	INVENTORY ORDER	75.78	
					90343	RPR VEH# 504	216.21	
					90377	DEC 18 LEASE	23,627.38	
					90340	CUSTODIAL SUPPLIES	10.50	
					90356	LAUNDRY SERVICE	30.50	
					90372	LAUNDRY SERVICE	345.23	
					90373	CUSTODIAL SUPPLIES	50.00	
					90394	CUSTODIAL SUPPLIES	30.00	
					90288	TEMP W/E 11/16/18	1,640.00	
64038	12/10/18	1,640.00	OFFICE TEAM		90310	INVENTORY ORDER	910.36	
64039	12/10/18	910.36	PACIFIC TRUCK PARTS, INC.		90364	OFFICE SUPPLIES	186.96	
64040	12/10/18	186.96	PALACE ART & OFFICE SUPPLY		90365	NOV 18 PEST METRO MK	55.50	
64041	12/10/18	155.50	PIED PIPER EXTERMINATORS, INC.		90366	NOV 18 PEST BETTY'S	60.00	
					90367	NOV 18 PEST SMC	40.00	
					90344	RPR VEH# 2238	2,749.10	
64042	12/10/18	2,749.10	POLAR RADIATOR SERVICE INC		90331	MAINTENANCE SUPPLIES	60.52	
64043	12/10/18	86.77	PROBULD COMPANY LLC		90332	MAINTENANCE SUPPLIES	26.25	
					90334	VERNON ELEV TEST	744.00	
64044	12/10/18	2,139.00	REPUBLIC ELEVATOR COMPANY INC		90335	SMC ELEVATOR TEST	1,395.00	
64045	12/10/18	3,500.10	ROMAINE ELECTRIC CORP		90375	INVENTORY ORDER	3,500.10	
64046	12/10/18	136.05	SANTA CRUZ AUTO PARTS, INC.		90337	INVENTORY ORDER	39.29	
					90338	INVENTORY ORDER	28.58	
					90376	INVENTORY ORDER	28.58	
					90378	INVENTORY ORDER	39.60	
64047	12/10/18	12,188.41	SANTA CRUZ MUNICIPAL UTILITIES		90294	10/11-11/9 WATER PC	651.89	
					90319	10/5-11/5 GOLF IRR	11.25	
					90320	10/5-11/5 VERNON IRR	12.40	
					90321	10/5-11/5 SMC	4,329.25	

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64048	12/10/18	28.89 003421	SPECIALTY DISTRIBUTORS		90322	10/5-11/5 OCEAN FRAN	1,050.60	
64049	12/10/18	674.83 001976	SPORTWORKS NORTHWEST, INC.		90323	10/5-11/5 GOLF CLUB	1,446.94	
64050	12/10/18	7,798.60 003285	THE AFTERMARKET PARTS CO LLC		90324	10/5-11/5 1200A RIVE	306.17	
					90325	10/5-11/5 1200 RIVER	228.80	
					90326	10/5-11/5 PACIFIC IS	55.30	
					90327	10/5-11/5 VERNON	546.13	
					90328	10/5-11/5 1200B RIVE	3,549.68	
					90306	RPR VEH# 1003	28.89	
					90382	INVENTORY ORDER	674.83	
					90296	INVENTORY ORDER	37.09	
					90297	INVENTORY ORDER	4,568.71	
					90298	INVENTORY ORDER	34.28	
					90299	INVENTORY ORDER	676.87	
					90300	INVENTORY ORDER	62.68	
					90301	RPR VEH# 9806	105.68	
					90302	INVENTORY ORDER	14.53	
					90303	RPR VEH# 9806	1,312.67	
					90304	RPR VEH# 9806	0.96	
					90305	INVENTORY ORDER	383.25	
					90345	INVENTORY ORDER	264.62	
					90346	INVENTORY ORDER	337.26	
					90395	PARACRUZ ID PATCHES	1,687.00	
64051	12/10/18	1,687.00 002207	TY CUSTOM DESIGN	0	90350	SHIPPING SERVICE	12.70	
64052	12/10/18	12.70 007	UNITED PARCEL SERVICE		90352	INVENTORY ORDER	3,577.24	
64053	12/10/18	6,854.05 002829	VALLEY POWER SYSTEMS, INC.		90353	INVENTORY ORDER	1,985.27	
					90383	INVENTORY ORDER	1,291.54	
					90386	SAFETY SUPPLIES	179.99	
64054	12/10/18	179.99 147	ZEE MEDICAL SERVICE CO.		90443	KEYS	19.67	
64055	12/17/18	19.67 002941	AA SAFE & SECURITY CO		90470	INVENTORY ORDER	34.68	
64056	12/17/18	34.68 003151	ABC BUS INC		90407	10/24-11/23 BUS WIFT	999.62	
64057	12/17/18	999.62 003105	AT&T MOBILITY		90418	RPR BUS STOP SOLAR	56.66	
64058	12/17/18	150.36 002363	BATTERIES PLUS #314		90419	BATTERIES	37.04	
					90444	RPR BUS STOP SOLAR	56.66	
64059	12/17/18	1,349.00 478	BEE CLENE INC	0	90420	CARPET CLEAN-VERNON	399.00	
					90421	CARPET CLEAN - SMC	500.00	
					90422	CARPET CLEAN - PC	125.00	
					90475	CARPET CLEAN - OPS	325.00	
64060	12/17/18	16,924.00 694	CALIFORNIA TRANSIT ASSOC.		90471	2019 MEMBERSHIP DUES	16,924.00	

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64061	12/17/18	15,100.47	CALTIP		90494	NOV 18 CODE=5100	15,100.47	
64062	12/17/18	1,844.84	CDW GOVERNMENT, INC.		90482	11/29-11/28/19 LIC	1,844.84	
64063	12/17/18	42,403.29	CLEAN ENERGY		90428	RPR LNG TRANSPR PUMP	460.50	
					90486	11/15/18 LNG	6,087.45	
					90487	11/13/18 LNG	7,748.84	
					90488	11/9/18 LNG	6,112.44	
					90489	11/7/18 LNG	7,690.54	
					90490	11/5/18 LNG	7,761.72	
					90491	11/01/18 LNG	6,541.80	
64064	12/17/18	62.74	CREATIVE BUS SALES, INC.		90434	RPR VEH# 1117 PC	62.74	
64065	12/17/18	4,381.71	CUMMINS PACIFIC LLP		90403	11/18-10/19 INSITE	1,050.00	
64066	12/17/18	2,471.77	EAST BAY TIRE CO.		90472	INVENTORY ORDER	3,331.71	
64067	12/17/18	2,236.50	ENVIRONMENTAL LOGISTICS INC		90430	TIRES	509.37	
64068	12/17/18	1,251.45	EXPRESS SERVICES INC.		90431	TIRES	1,962.40	
64069	12/17/18	298.00	GARDA CL WEST, INC.		90413	11/19 HAZ WASTE DISP	2,236.50	
64070	12/17/18	1,382.50	GILLIG LLC		90452	TEMP W/E 11/25/18	352.35	
64071	12/17/18	5,819.06	GOLDEN BAY FENCE PLUS IRON INC		90453	TEMP W/E 11/18/18	899.10	
64072	12/17/18	275.60	GRAFFITI SHIELD INC		90409	DEC 18 SERVICES	298.00	
64073	12/17/18	381.18	HANDI-MAN MARINE		90480	INVENTORY ORDER	691.25	
64074	12/17/18	15,222.15	HARTFORD LIFE AND ACCIDENT INS		90485	INVENTORY ORDER	691.25	
64075	12/17/18	3,023.88	HUNT & SONS, INC.		90468	RETENTION BILLED	5,819.06	
64076	12/17/18	118.07	KELLEY'S SERVICE INC.		90406	INVENTORY ORDER	275.60	
64077	12/17/18	548.30	KINSLOW, DEBBIE		90404	INVENTORY ORDER	124.73	
64078	12/17/18	173.96	MARK THOMAS & COMPANY INC		90405	DRINK HOLDERS	256.45	
64079	12/17/18	150.00	MENDOZA-GARCIA, JESSE		90496	DEC 18 LTD	10,672.12	
64080	12/17/18	308.28	MISSION UNIFORM		90497	DEC 18 SUPP LIFE/ADD	4,550.03	
					90432	INVENTORY ORDER	1,812.38	
					90433	INVENTORY ORDER	1,211.50	
					90439	INVENTORY ORDER	78.07	
					90484	INVENTORY ORDER	40.00	
					90469	TRAVEL REIMBURSEMENT	548.30	
					90454	SEP 18 PMC DESIGN SV	173.96	
					90463	DMV PHYSICAL	150.00	
					90423	CUSTODIAL SUPPLIES	10.50	
					90436	LAUNDRY SERVICE	206.78	
					90437	CUSTODIAL SUPPLIES	50.00	
					90462	CUSTODIAL SUPPLIES	10.50	
					90474	LAUNDRY SERVICES	30.50	

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64081	12/17/18	109.98	NEXTEL COMMUNICATIONS/SPRINT		90408	10/26-11/25 TVM WIRE	109.98	
64082	12/17/18	20.00	NIDAL HALABI & NADA ALGHARIB		90450	ENGRAVING OPERATORS	20.00	
64083	12/17/18	185.00	OJO TECHNOLOGY, INC.		90483	RPR SEC CAMERA WTC	185.00	
64084	12/17/18	11,827.61	PACIFIC GAS & ELECTRIC		90414	10/25-11/26 RIV GAS	103.21	
					90456	10/24-11/25 1122 RIV	2,270.77	
					90457	10/29-11/28	2,556.36	
					90458	10/24-11/25 GOLF CLU	6,897.27	
64085	12/17/18	231.59	PALACE ART & OFFICE SUPPLY		90424	OFFICE SUPPLIES	37.69	
					90426	OFFICE SUPPLIES	18.68	
					90435	OFFICE SUPPLIES	72.98	
					90440	OFFICE SUPPLIES	68.45	
					90451	OFFICE SUPPLIES	33.79	
64086	12/17/18	1,630.00	PEDALERS EXPRESS	7	90442	OCT 18 COURIER SVC	1,630.00	
64087	12/17/18	190.50	PIED PIPER EXTERMINATORS, INC.	7	90459	OCT 18 PEST VERNON	190.50	
64088	12/17/18	184.21	PRINT SHOP SANTA CRUZ		90427	PRINTING - ENVELOPES	184.21	
64089	12/17/18	205.50	PROBUILD COMPANY LLC		90412	CREDIT MEMO	-35.39	
					90446	MAINTENANCE SUPPLIES	51.11	
					90447	MAINTENANCE SUPPLIES	20.71	
					90448	MAINTENANCE SUPPLIES	44.12	
					90449	MAINTENANCE SUPPLIES	49.63	
					90460	MAINTENANCE SUPPLIES	75.32	
64090	12/17/18	1,771.05	PYE, GINA		90465	TRAVEL REIMBURSEMENT	1,275.03	
					90466	REIMBURSEMENT	267.32	
64091	12/17/18	163.26	RIVERSIDE LIGHTING & ELECTRIC		90415	LIGHT BULBS - EMERG	228.70	
					90416	INVENTORY ORDER	76.56	
					90417	LIGHT FIXTURES	57.64	
64092	12/17/18	5,000.00	ROBERT MARIN &		90429	RPR FELTON FAIR STOP	5,000.00	
64093	12/17/18	44.39	RUDDICK, SHONOA		90464	TRAVEL REIMBURSEMENT	44.39	
64094	12/17/18	33.79	SANTA CRUZ AUTO PARTS, INC.		90438	INVENTORY ORDER	33.79	
64095	12/17/18	28.10	SANTA CRUZ ELECTRONICS, INC.		90425	OFFICE SUPPLIES	28.10	
64096	12/17/18	995.00	SANTANA PAVING AND GRADING INC		90476	RPR BUS STOP 1839	995.00	
64097	12/17/18	81.47	SCOTT'S VALLEY WATER DISTRICT		90455	11/30 SVT REC WATER	81.47	
64098	12/17/18	75.00	SNAP-ON INDUSTRIAL		90481	RPR EMPLOYEE TOOLS	75.00	
64099	12/17/18	4,638.39	THE AFTERMARKET PARTS CO LLC		90478	INVENTORY ORDER	3,430.06	
					90479	INVENTORY ORDER	778.96	
					90492	RPR VEH# 2222	57.52	
					90493	RPR VEH# 2222	371.85	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
64100	12/17/18	200.00	THE BUS COALITION INC		90495	1/14/19 BOARD MTG	200.00	
64101	12/17/18	42.36	UNITED PARCEL SERVICE		90473	FREIGHT	42.36	
64102	12/17/18	2,000.00	USPS-HASLER		90410	TMS# 191952	2,000.00	
64103	12/17/18	146.62	VISION COMMUNICATIONS		90441	INVENTORY ORDER	146.62	
64104	12/17/18	9,885.46	VISION SERVICE PLAN		90411	DEC 18 VISION INSUR	9,885.46	
64105	12/17/18	275.00	WATER TECH SPECIALTIES INC		90477	MONTHLY MAINT - OPS	275.00	
64106	12/21/18	36.35	AA SAFE & SECURITY CO		90563	SMC KEYS - GOVEA	36.35	
64107	12/21/18	840.00	AIRTEC SERVICE INC.		90597	OPS HVAC SERVICE	840.00	
64108	12/21/18	1,464.60	AT&T		90519	NOV 18 POINT2POINT	573.33	
					90569	11/10-12/09 INTERNET	891.27	
64109	12/21/18	4,927.41	ATHENS INSURANCE SERVICE, INC.		90621	DEC 18 TEA FEE	4,927.41	
64110	12/21/18	44.35	B & B SMALL ENGINE CORP		90557	MAINTENANCE SUPPLIES	44.35	
64111	12/21/18	4,304.97	BATTERY SYSTEMS CORP		90651	BATTERIES	4,304.97	
64112	12/21/18	274.06	CAIG LABORATORIES INC.		90650	INVENTORY ORDER	274.06	
64113	12/21/18	974.40	CALTRONICS BUSINESS SYSTEMS		90526	PRINTER SUPPLIES	974.40	
64114	12/21/18	276.00	CARLON'S FIRE EXTINGUISHER		90560	SVT FIRE EXT SERVICE	48.50	
					90561	PC FIRE EXT SERVICE	92.00	
					90562	WTC FIRE EXT SERVICE	135.50	
64115	12/21/18	5,451.58	CASEY PRINTING, INC		90505	HEADWAYS PRINTING	5,451.58	
64116	12/21/18	1,997.09	CATTO'S GRAPHICS, INC.		90546	BUS STOP SIGNS WINTE	1,628.37	
					90634	BUS STOP SIGNS	368.72	
64117	12/21/18	1,805.71	CDW GOVERNMENT, INC.		90609	OFFICE - MONITORS	1,805.71	
64118	12/21/18	883.96	CLIFFORD, ALEX		90599	REIMBURSEMENT	272.45	
					90600	TRAVEL REIMBURSEMENT	611.51	
64119	12/21/18	2,890.00	COASTAL LANDSCAPING INC. DBA		90516	DEC 18 LANDSCAPING	2,890.00	
64120	12/21/18	269.50	COMMUNITY TELEVISION OF		90636	11/16 BOARD MTG COV	269.50	
64121	12/21/18	2,802.69	CUMMINS PACIFIC LLP		90550	RPR VEH# 1003	932.38	
					90551	INVENTORY ORDER	57.70	
					90647	INVENTORY ORDER	1,434.26	
64122	12/21/18	5,000.00	DAVID G JENSEN S3 INC		90648	INVENTORY ORDER	378.35	
64123	12/21/18	128.00	DEPARTMENT OF JUSTICE		90635	LEADERSHIP COACHING	5,000.00	
64124	12/21/18	780.58	DEPARTMENT OF TOXIC SUBSTANCE		90632	NOV 18 FINGERPRINTS	128.00	
64125	12/21/18	14,810.52	DEPT OF INDUSTRL RELATIONS-SIP		90570	7/18-9/18 425 FRONT	780.58	
64126	12/21/18	4,881.65	EAST BAY TIRE CO.		90610	FY19 WC ASSESSMENT	14,810.52	
					90498	TIRES	185.68	
					90499	TIRES	2,453.00	
					90500	TIRES	460.18	
					90501	TIRES	509.37	

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64127	12/21/18	16,027.83 432	EXPRESS SERVICES INC.			90529	TIRES	1,018.74	
						90642	TIRES	254.68	
						90613	TEMP W/E 9/16, 9/23	2,880.00	
						90614	TEMP W/E 9/30	1,600.00	
						90615	TEMP W/E 10/07	1,600.00	
						90616	TEMP W/E 10/14	1,600.00	
						90617	TEMP W/E 10/21	1,600.00	
						90618	TEMP W/E 10/28	1,600.00	
						90619	TEMP W/E 11/04/18	1,600.00	
						90620	TEMP W/E 11/11	1,600.00	
						90631	TEMP W/E 09/30	1,152.00	
						90633	TEMP W/E 12/09	795.83	
						90503	HEADWAYS PRINTING	987.39	
						90504	TRANSIT POSTER PRINT	306.29	
						90506	HOLIDAY CARD PRINTIN	107.44	
						90521	NOV 18 OPS SEC PAT	800.00	
						90587	NOV 18 SECURITY	39,699.31	
						90595	11/12 ALARM SERV CAL	152.50	
						90502	11/16-11/30 FUEL	8,343.93	
						90541	11/15-11/30 FUEL	2,557.52	
						90641	20909160331126145	57.26	
						90544	DEC 18 VAULT SVCS	9,163.57	
						90649	FREIGHT INV 90140275	314.99	
						90525	VTA ELEC WHEELS	3,919.89	
						90555	INVENTORY ORDER	480.70	
						90646	2019 HASSTUS SUP CON	80,241.00	
						90539	RPR VEH# 708/INV PTS	53.50	
						90542	SAFETY SUPPLIES	91.83	
						90543	RPR PLUMBING	196.42	
						90576	NOV 18 WASTE AIRPRT	51.88	
						90577	NOV 18 WASTE BLD CRK	155.64	
						90578	NOV 18 WASTE MT HRMN	21.72	
						90579	NOV 18 WASTE BIG BAS	51.88	
						90580	NOV 18 WASTE PARACRU	319.01	
						90581	NOV 18 WASTE LOMOND	51.88	
						90582	NOV 18 WASTE FREE/BO	51.88	
						90583	NOV 18 WASTE FREEDOM	51.88	
64128	12/21/18	1,401.12 039	FEDEX OFFICE						
64129	12/21/18	8.67 001172	FERGUSON ENTERPRISES INC. #795						
64130	12/21/18	40,651.81 002295	FIRST ALARM						
64131	12/21/18	10,901.45 002952	FLYERS ENERGY LLC						
64132	12/21/18	57.26 003418	FRONTIER COMMUNICATIONS - 6145						
64133	12/21/18	9,163.57 001302	GARDA CL WEST, INC.						
64134	12/21/18	314.99 647	GENFARE A DIV OF SPX CORP						
64135	12/21/18	4,400.59 117	GILLIG LLC						
64136	12/21/18	80,241.00 002123	GIRO, INC.						
64137	12/21/18	341.75 282	GRAINGER						
64138	12/21/18	1,086.14 001097	GREENWASTE RECOVERY, INC.						

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64139	12/21/18	31,894.05 003109	31,894.05	HANSON BRIDGETT LLP		90584	NOV 18 WASTE KINGS V	278.49	
						90585	NOV 18 WASTE GRN VAL	51.88	
						90602	NOV 18 RETAINER	24,000.00	
						90603	M# 302117.006001	2,686.00	
						90604	M# 032117.006003	4,314.10	
						90605	M# 032117.006010	406.45	
						90606	M# 032117.006011	186.00	
						90607	M# 032117.006012	186.00	
						90608	M# 032117.008001	115.50	
64140	12/21/18	49.13 166	49.13	HOSE SHOP, THE INC		90568	MAINTENANCE SUPPLIES	49.13	
64141	12/21/18	4,382.32 003223	4,382.32	JASPER WELLS LLC		90643	INVENTORY ORDER	8,722.32	
64142	12/21/18	1,101.72 1117	1,101.72	KELLEY'S SERVICE INC.		90644	CORE CREDIT	-4,340.00	
						90524	CREDIT MEMO	-173.19	
						90527	INVENTORY ORDER	79.71	
						90528	INVENTORY ORDER	311.37	
64143	12/21/18	208.39 036	208.39	KELLY-MOORE PAINT CO., INC.		90574	MAINT SUPPLY - PAINT	208.39	
64144	12/21/18	268.54 001233	268.54	KIMBALL MIDWEST		90656	VTA VEHICLE PARTS	268.54	
64145	12/21/18	1,037.00 852	1,037.00	LAW OFFICES OF MARIE F. SANG	7	90612	CLM# 1999103213	1,037.00	
64147	12/21/18	427.84 003293	427.84	MAKAI SOLUTIONS		90553	SHOP HOIST PARTS	427.84	
64148	12/21/18	18,932.40 003017	18,932.40	MANSFIELD OIL CO OF GAINSVILLE		90652	DIESEL FUEL	18,932.40	
64149	12/21/18	2,066.00 003273	2,066.00	MGP XI REIT LLC		90640	JAN 19 RENT	2,066.00	
64150	12/21/18	2,115.69 001052	2,115.69	MID VALLEY SUPPLY INC.		90564	CUSTODIAL SUPPLIES	1,862.23	
64151	12/21/18	1,187.50 003361	1,187.50	MILLER MAXFIELD INC		90598	SMC MAINT SUPPLIES	253.46	
64152	12/21/18	125.53 041	125.53	MISSION UNIFORM		90637	NOV 18 SERVICES	1,187.50	
64153	12/21/18	200.00 003061	200.00	NEOFUNDS BY NEOPOST DBA		90517	CUSTODIAL SUPPLIES	30.00	
64154	12/21/18	57.91 003326	57.91	NIDAL HALABI & NADA ALGHARIB		90657	LAUNDRY SERVICE	95.53	
64155	12/21/18	2,624.00 003115	2,624.00	OFFICE TEAM		90522	****-****-****-1598	200.00	
64156	12/21/18	1,475.00 364	1,475.00	OVERHEAD DOOR CO. OF SALINAS		90589	NAMEPLATES	57.91	
64157	12/21/18	3,680.21 009	3,680.21	PACIFIC GAS & ELECTRIC		90592	TEMP W/E 11/30/18	1,640.00	
64158	12/21/18	582.31 043	582.31	PALACE ART & OFFICE SUPPLY		90593	TEMP W/E 11/23/18	984.00	
						90575	RPR GOLF CL BAY DOOR	1,475.00	
						90586	10/29-11/28 1200 RIV	3,680.21	
						90540	OFFICE SUPPLIES	27.15	
						90547	OFFICE SUPPLIES	265.30	
						90548	OFFICE SUPPLIES	153.80	
						90556	OFFICE SUPPLIES	42.06	
						90558	OFFICE SUPPLIES	94.00	

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64159	12/21/18	3,320.25	PASSPORT SOFTWARE INC		90655	ANNUAL ACA REPORTING	3,320.25	
64160	12/21/18	408.50	PIED PIPER EXTERMINATORS, INC.		90511	DEC 18 METRO MK PEST	55.50	
					90512	DEC 18 OPS PEST CTRL	62.50	
					90513	DEC 18 BETTY'S PEST	60.00	
					90514	DEC 18 SMC PEST CTRL	40.00	
64161	12/21/18	37,331.70	PREFERRED BENEFIT		90591	DEC 18 PEST ADMIN	190.50	
64162	12/21/18	321.55	PRINT SHOP SANTA CRUZ	7	90639	PRINTING SERVICE	37,331.70	
64163	12/21/18	491.84	PROBUILD COMPANY LLC		90515	DEC 18 DENTAL	321.55	
					90565	MAINTENANCE SUPPLIES	6.38	
					90566	MAINTENANCE SUPPLIES	133.20	
					90567	MAINTENANCE SUPPLIES	274.33	
					90572	CREDIT MEMO	-32.76	
					90573	MAINTENANCE SUPPLIES	94.31	
64164	12/21/18	536.55	QUEST DIAGNOSTIC INC.		90629	MAINTENANCE SUPPLIES	16.38	
					90630	DRUG TEST	332.15	
					90596	DEC 18 ELEV MAINT	204.40	
64165	12/21/18	593.25	REPUBLIC ELEVATOR COMPANY INC		90594	CARPET CLEAN-PARACRU	593.25	
64166	12/21/18	600.00	RICHARD HOWARD		90559	DEC 18 MAINT CONTRAC	600.00	
64167	12/21/18	110.17	RICOH USA, INC CA		90533	INVENTORY ORDER	110.17	
64168	12/21/18	1,237.25	ROMAINE ELECTRIC CORP		90534	INVENTORY ORDER	348.23	
					90611	INVENTORY ORDER	889.02	
64169	12/21/18	1,107.00	SAGE SOFTWARE, INC.		90530	1/4/19-1/3/20 SUPPOR	1,107.00	
64170	12/21/18	277.50	SANTA CRUZ AUTO PARTS, INC.		90531	INVENTORY ORDER	16.92	
					90532	INVENTORY ORDER	129.22	
					90536	INVENTORY ORDER	12.29	
					90537	INVENTORY ORDER	53.77	
64171	12/21/18	24,433.92	SANTA CRUZ METRO TRANSIT W/C		90590	CREDIT MEMO	86.53	
					90312	CM - FOR PMT IN ERR	-21.23	
64172	12/21/18	2,500.00	SHAW / YODER / ANTIWIL, INC.		90658	NOV 18 REPLENISHMENT	-4,927.41	
64173	12/21/18	15,000.00	SHUTTLE BUS LEASING CORP		90549	DEC 18 LEG SERVICES	29,361.33	
64174	12/21/18	1,800.00	SJB GLOBALNET, INC.		90545	DEC 18 LEG SERVICES	2,500.00	
64175	12/21/18	105.00	SNAP-ON INDUSTRIAL		90538	12/22-1/21 ARTIC LEA	15,000.00	
64176	12/21/18	16,288.68	SOQUEL III ASSOCIATES		90645	DEC 18 IT SUPPORT	1,800.00	
64177	12/21/18	128,780.00	SYNCHROMATICS CORPORATION		90601	JAN 19 RENT	105.00	
64178	12/21/18	1,428.82	THE AFTERMARKET PARTS CO LLC		90654	CAD/AVL MILLESTONE 1	16,288.68	
					90523	INVENTORY ORDER	128,780.00	
					90554	INVENTORY ORDER	59.17	
							1,369.65	

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64179	12/21/18	3,000.00	THE BUS COALITION INC		90638	2019 DUES-A CLIFFORD	3,000.00	
64180	12/21/18	1,532.19	THERMO KING OF SALINAS, INC		90552	INVENTORY ORDER	1,532.19	
64181	12/21/18	160.00	UPS STORE #1128		90624	FINGERPRINTING	32.00	
					90625	FINGERPRINTING	32.00	
					90626	FINGERPRINTING	32.00	
					90627	FINGERPRINTING	32.00	
					90628	FINGERPRINTING	32.00	
64182	12/21/18	530.32	VERIZON WIRELESS	0	90571	11/2-12/1 POINT2POIN	221.40	
					90588	11/2-12/1 TELECOM PC	308.92	
64183	12/21/18	891.80	WORKIN.COM, INC.		90622	JOB PLACEMENT ADS	574.60	
					90623	JOB PLACEMENT ADS	317.20	
64184	12/21/18	144.78	ZEE MEDICAL SERVICE CO.		90507	FIRST AID SUPPLIES	51.59	
					90508	SAFETY SUPPLIES	31.30	
					90509	SAFETY SUPPLIES	23.84	
					90510	FIRST AID SUPPLIES	38.05	
64185M12/21/18		67.34	RUDDICK, SHONOA TRAVEL REIMBURSEMENT		90694	TRAVEL REIMBURSEMENT	67.34	MANUAL
TOTAL		1,411,137.69	ACCOUNTS PAYABLE			TOTAL CHECKS	264	1,411,137.69

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DATE: January 25, 2019
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: **ACCEPT AND FILE MINUTES FROM THE NOVEMBER 16, 2018 BOARD OF DIRECTORS MEETING, DECEMBER 7, 2018 CAPITAL PROJECTS STANDING COMMITTEE MEETING AND JANUARY 11, 2019 FINANCE, BUDGET & AUDIT AND PERSONNEL/HR COMMITTEE MEETINGS**

I. RECOMMENDED ACTION

That the Board of Directors Accept and File the Minutes of the November 16, 2018 Board of Directors Meeting, the December 7, 2018 Capital Projects Standing Committee Meeting and the January 11, 2019 Finance, Budget and Audit & Personnel/HR Committee Meetings

II. SUMMARY

- Staff is providing minutes from the Santa Cruz Metropolitan Transit District (METRO) Board of Directors Regular Meeting of November 16, 2018, the Capital Projects Standing Committee Meeting of December 7, 2018 and the January 11, 2019 Finance, Budget and Audit & Personnel/HR Committee Meetings.
- Each meeting staff will provide minutes from the previous METRO Board and Committee meetings.

III. DISCUSSION/BACKGROUND

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

IV. FINANCIAL CONSIDERATIONS/IMPACT

None.

V. ALTERNATIVES CONSIDERED

None.

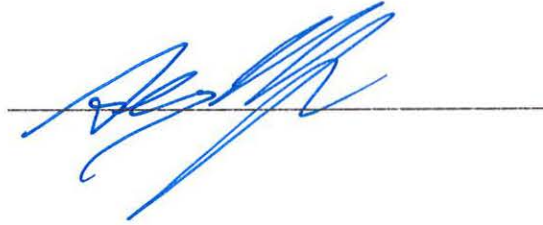
VI. ATTACHMENTS

- Attachment A:** Draft minutes for the Board of Directors Regular Meeting of November 18, 2018
- Attachment B:** Draft minutes for the Board of Directors Capital Projects Standing Committee Meeting of December 7, 2018
- Attachment C:** Draft minutes for the Board of Directors January 11, 2019 Finance, Budget and Audit Committee Meeting
- Attachment D:** Draft minutes for the Board of Directors January 11, 2019 Personnel/HR Committee Meeting

Prepared by: Gina Pye, Executive Assistant

VII. APPROVALS

Alex Clifford, CEO/General Manager



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Attachment A



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA MEETING MINUTES*
NOVEMBER 16, 2018 – 9:00 AM
WATSONVILLE CITY COUNCIL CHAMBERS
275 MAIN STREET
WATSONVILLE, CA 95076**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, November 16, 2018 at the Watsonville City Council Chambers, 275 Main Street, Watsonville, CA.

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

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SECTION I: OPEN SESSION

CALL TO ORDER at 9:12 AM by Chair McPherson.

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

Director Ed Bottorff	City of Capitola
Director Cynthia Chase	City of Santa Cruz
Director Trina Coffman-Gomez	City of Watsonville
Director Jimmy Dutra	City of Watsonville
Director Norm Hagen	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Dan Rothwell	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Alta Northcutt	Cabrillo College
Ex-Officio Director Davon Thomas	UCSC

Ex-Officio Director Thomas and Directors Bottorff, Dutra and Leopold were absent.

STAFF PRESENT:

Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

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

Angela Aitken, SCMTD	Dawn Crummie, SCMTD	Ginger Dykar, SCCRTC
Debbie Kinslow, SCMTD	Rachel Moricom, SCCRTC	Daniel Zaragoza, SCCRTC

Attachment A

ANNOUNCEMENTS

Chair McPherson introduced Carlos Landaverry and his Spanish Language interpretation services. Mr. Landaverry announced his services in Spanish for the assembly. Chair McPherson also announced that the meeting is being televised by Community Television of Santa Cruz County with technician, Mr. Lynn Dunton. Today's City of Watsonville technician is Mindy Esqueda.

BOARD OF DIRECTORS COMMENTS

The Unified Corridor Investment Study (UCIS) discussion at last evening's Santa Cruz County Regional Transportation Commission (RTC) meeting was summarized by attending Directors. They stressed no decisions were made; the next meeting is scheduled for December 6th. A decision is anticipated at the RTC's January 17 meeting.

ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

Brian Peoples, representing TrailNow, also referenced the RTC meeting and spoke of the teamwork required to fix the roads and make METRO a valued asset.

WRITTEN COMMUNICATIONS FROM MAC

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

LABOR ORGANIZATION COMMUNICATIONS

Hearing none, Chair McPherson moved to the next item.

ADDITIONAL DOCUMENTATION - distributed and available at the back of the room

- Agenda Item 12, Attachment E, experienced intermittent printing issues. Fresh copies were distributed. CEO Clifford noted METRO hopes to replace the problematic machine in the near future.
- News Clips

At CEO Clifford's request, Chair McPherson approved pulling Item 17, noting this agenda item will be brought back at the December 14 board meeting.

CONSENT AGENDA

- 9-01 RECOMMENDED ACTION ON TORT CLAIMS
- 9-02 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF OCTOBER 2018
- 9-03 ACCEPT AND FILE MINUTES OF THE OCTOBER 26, 2018 BOARD OF DIRECTORS MEETING AND NOVEMBER 9, PERSONNEL/HR COMMITTEE MEETING
- 9-04 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF GRANT APPLICATIONS, ACTIVE GRANTS AND FUTURE OPPORTUNITIES JULY – SEPTEMBER 2018
- 9-05 ACCEPT AND FILE: METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST AND SEPTEMBER 2018
- 9-06 ACCEPT AND FILE: METRO SYSTEM RIDERSHIP REPORTS FOR THE FOURTH QUARTER OF FY18

Attachment A

- 9-07 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTACT WITH GIRO, IN. FOR HASTUS SOFTWARE MAINTENANCE AND SUPPORT
- 9-08 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO CLAREMONT BEHAVIORAL SERVICES FOR EMPLOYEE ASSISTANCE PROGRAM SERVICES NOT TO EXCEED \$26,000
- 9-09 APPROVE: CONSIDERATION OF RESOLUTION APPROVING THE FY19 REVISED CAPITAL BUDGET

There was no public comment.

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR LIND

MOTION PASSED WITH 8 AYES (Directors Chase, Coffman-Gomez, Hagen, Lind, Mathews, McPherson, Rothwell and Rotkin) Directors Bottorff, Dutra and Leopold were absent.

REGULAR AGENDA

10. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR THOMAS HILTNER (20 YEARS), ROBERT KRAUSE (10 YEARS) ANDREW KEARNEY (10 YEARS) NATHANAEL ABREGO (10 YEARS) AND RUBEN VALDEZ (10 YEARS)

Chair McPherson announced and congratulated those employees absent and present.

Chair McPherson expressed his appreciation for Mr. Hiltner's years of service and applauded his successes. Vice Chair Rotkin presented the certificate to Mr. Hiltner.

Tom Hiltner made a few comments reflecting on his years in the community and with METRO; adding, he will return with additional comments in January when his retirement is announced.

Nathanael Abrego spoke of his experience with METRO. He is happy to provide the ParaCruz service and wants to be able to tell his passengers that we will do everything we can to make their lives easier. He said the last few years have been difficult, due to Operator understaffing, resulting in staff stress and exhaustion. This has been spiritually taxing due to the decisions they must make between eating lunch or getting their client to their doctor appointment. It is important for our community that we provide quality service that they can trust in.

Director Coffman-Gomez requested longevity award recipient bios at future board meetings, highlighting the employee's depth of experience with METRO.

11. ORAL CEO UPDATE

Acknowledging Mr. Abrego's comments, CEO Clifford said METRO continues to struggle with hiring ParaCruz Operators. (We are currently short four ParaCruz Operators.) We continue creative recruiting; working hard to draw in applicants.

COO Aguirre added our efforts are yielding results: There is a new class in session. The most current recruitment resulted in 13 applicants.

CEO Clifford spoke on a variety of subjects, including:

Dawn Crummie, HR Deputy Director, is temporarily filling the role of Acting HR Director. We are beginning a new recruitment, as our last round was unsuccessful. Angela Aitken has returned to her capacity as CFO.

Attachment A

Senator Frazier has asked that the Transportation Development Act (TDA) law be reviewed as things have changed since the Act was adopted. In the last few years, waiver requests have been granted on fare box recovery. CEO Clifford is a member of the new Committee working on this project.

The California Air Resources Board (CARB) has issued a new revision (with minimal changes) of its Innovative Clean Transit (ICT), zero emissions regulation. We are looking for the CARB board to take a pause, examine how technology is/has evolved, and perhaps take action to revise its schedule to meet technology. CEO Clifford was able to chat extensively with a major player involved in the CARB legislation while attending the CalACT Conference in Napa this week.

If planning and bus branding efforts are successful, VTA CEO, Nuria Fernandez, will participate in a joint press release on December 14th at 8:00AM at the Scotts Valley Transit Center to celebrate the articulated bus purchase and hybrid diesel vehicles. The regular board meeting will follow at 9:00AM, immediately following the event.

Promotions:

- Ed Cummins, promoted to Maintenance Supervisor
- Jose Raygoza-Ramirez promoted to Mechanic II

There was no public comment.

12. **ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF AUGUST 31, 2018**

Angela Aitken, CFO, spoke to the presentation, noting METRO hopes to fill some vacant positions in the near future pending the final results of the Prop 6 ballot measure.

Director Rotkin requested a slide be added that reflects diesel costs if these costs track differently than gasoline.

Public comment:

Brian Peoples, said TrailNow has been asking RTC if Measure D can be bonded. He wondered if this is a question for METRO to ask.

ACTION: MOTION TO ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR COFFMAN-GOMEZ

MOTION PASSED WITH 8 AYES (Directors Chase, Coffman-Gomez, Hagen, Lind, Mathews, McPherson, Rothwell and Rotkin) Directors Bottorff, Dutra and Leopold were absent

13. **ORAL UPDATE ON IMPLICATIONS OF PROP 6 ELECTION RESULTS**

Barrow Emerson, Planning and Development Director, provided the following information:

We are waiting to confirm the final results of Prop 6. Once confirmed, we will plan another board work session and consider topics such as filling positions, revisiting the fare structure issue, developing a strategy for improving service and continued attention to replacing almost 60% of our obsolete fleet.

CEO Clifford added that he remains cautiously optimistic until the final outcome is announced before proceeding with hiring, etc. The anticipated positions include an additional Mechanic, Bus Operator, Financial Analyst, Marketing Director and two Customer Service Representatives.

Attachment A

Director Rotkin wants METRO to be more assertive in protecting METRO's future and financial resources to make public transportation a viable alternative throughout the county; e.g., bus stops are needed to protect our riders from the rain. What would be required if we were to begin looking at implementing a dedicated ¼ cent sales tax to support METRO?

Director comments included: A cohesive transportation component once the UCIS is moving forward; analyzing route frequency; new route implementation as a result of new employer locations such as Kaiser and the Enterprise building in Scotts Valley.

Public Comment:

Mr. Peoples thinks collaborating with Silicon Valley businesses could help. He disagreed with Director Rotkin's tax measure proposal.

Jack Carroll, citizen, suggested METRO implement free bus fare(s). Director Rotkin explained how METRO's fare box recovery affects federal funding.

Eduardo Montesino, representing the Bus Operators and Paratransit, said the community is ripe for more services and suggested METRO reach out to the community to gauge the potential of a sales tax or bond measure to provide better service and address the loss of ridership due to loss of connectivity. Referring to Jarrett Walker's recent presentation, CEO Clifford suggested micro transit may address our rural routes. He noted transit nationwide is experiencing a loss of ridership. The strategic planning process will continue. Rather than exploring bonds (which makes sense for facilities), METRO is exploring alternative options; e.g., the recent leasing of Paul Revere buses.

Ex-Officio Northcutt noted that Cabrillo students are looking at zip car and other alternatives to work in conjunction with METRO service.

14. **ACCEPT: REPORT ON UCSC ARTICULATED BUS PILOT PROJECT**

Barrow Emerson, Planning and Development Director, is recommending articulated buses be added to the fixed routes serving UCSC on a permanent basis.

Chair McPherson and Director Rotkin thanked Larry Pageler for his support, knowledge and assistance in making this happen.

Eddie Benson, Maintenance Manager, will return to the Board with a pricing list of additional maintenance and capital costs resulting from this project; e.g., maintenance costs; purchase of additional lifts, special tools, etc.

Larry Pageler provided additional information regarding routes between downtown and campus, noting October is the busiest month of the year, averaging 15,000 rides per day on METRO. Enrollment is up this year.

Several Directors expressed support for improving Watsonville student retention rates without a transportation barrier.

Public comment:

In response to Mr. People's question, Mr. Barrow noted the annual cost for the bus and Operator is approximately \$120,000 per year.

ACTION: MOTION TO ACCEPT AND FILE THE REPORT ON THE UCSC ARTICULATED BUS PILOT PROJECT AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR ROTHWELL

MOTION PASSED WITH 8 AYES (Directors Chase, Coffman-Gomez, Hagen, Lind, Mathews, McPherson, Rothwell and Rotkin) Directors Bottorff, Dutra and Leopold were absent

11-02A.5

Attachment A

15. ACCEPT AND FILE: UNIFIED CORRIDOR INVESTMENT STUDY UPDATE

Barrow Emerson, Planning and Development Director, welcomed Ginger Dykar and Grace Blakeslee from RTC. Speaking of the study, he reminded the assembly that the three corridors are separate and serve a different population.

Ms. Dykar said RTC staff is recommending an environmental review, which would include alternative analysis and preliminary design to pursue transit on the rail right of way. Additionally, the BRT could be examined.

CEO Clifford, referencing funding to METRO on page 15.7, noted the highlighted lines are in jeopardy; excess of \$9M could be in jeopardy. We are recommending a full-blown alternatives analysis examining rail and where the funds will come from. METRO is not anti-rail; we are pro mass transportation.

Discussion among Directors, METRO and RTC staff ensued regarding a proposal/recommendation to present to the RTC, which would hold METRO funding safe as we proceed and maintain percentages from the three different funding sources. These funds would complement the modality of transportation through the corridor to the highest and best possible use.

Public comment:

Mr. Peoples said TrailNow would support buses on the corridor.

Bruce Sawhill, Friend of the Rail representative, and Barry Scott, Aptos resident, have long advocated for rail, but if something else would come along that is less expensive, they'd listen. They would insist on electric options and that METRO runs it all. They would like to see one integrated transportation agency with connectivity. He expressed concerns that METRO could suffer.

Jack Carroll would like to see economic equity; versus RTC's goal of equitable access and UCIS defines this as geographic equity. He believes the train corridor would serve 1% of the population at a cost of \$15 round trip plus bus fare plus a possible tax increase. He asked if we can lower the fares and increase the frequency.

ACTION: MOTION TO:

1) That METRO support BRT light operational improvements in the Soquel Avenue/Drive Freedom Blvd. corridor and ensure we investigate possible parking restrictions and other local traffic adjustments to improve the corridor.

2) Support pursuit of a bus on shoulder on Highway 1.

3) Commit to comprehensive transit service facility in the rail corridor and begin implementation planning by conducting in the near term a comprehensive alternatives analysis to determine the most appropriate mode of public transit for the rail corridor and support efforts to secure funding from federal and other sources and adding a full analysis of operations funding sources as part of the alternative analysis.

4) Support mass transit using rail corridor in which mass transit would run adjacent to bike and pedestrian facilities, but not under the rail banking concept.

5) Recommend an RTC policy be created that would commit to funding METRO with TDA-LFT, TDA-STA and TDA-SGR at current percentages in perpetuity.

6) Support METRO CEO in writing a letter to the RTC communicating this motion/recommendation.

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR MATHEWS

Attachment A

Board of Directors Meeting Minutes
November 16, 2018
Page 7 of 7

MOTION PASSED WITH 8 AYES (Directors Chase, Coffman-Gomez, Hagen, Lind, Mathews, McPherson, Rothwell and Rotkin) Directors Bottorff, Dutra and Leopold were absent

16. CONSIDERATION AND APPROVAL OF THE CPS HR CONSULTING SEIU CLASSIFICATION STUDY AND NEW POSITIONS DESCRIPTIONS

Angela Aitken, CFO, spoke to the staff report and asked that the Board approve the position descriptions in concept today as METRO continues to meet with SEIU.

There was no public comment:

ACTION: MOTION TO APPROVE THE CPS HR CONSULTING SEIU CLASSIFICATION STUDY AND NEW POSITIONS DESCRIPTIONS IN CONCEPT AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR LIND

MOTION PASSED WITH 8 AYES (Directors Chase, Coffman-Gomez, Hagen, Lind, Mathews, McPherson, Rothwell and Rotkin) Directors Bottorff, Dutra and Leopold were absent

AGENDA ITEM 17 PULLED AT CEO CLIFFORD'S REQUEST AND APPROVED BY THE BOARD: CONSIDERATION & APPROVAL OF THE FINAL CPS HR CONSULTING MANAGEMENT TOTAL COMPENSATION STUDY RESULTS

Chair McPherson announced the next meeting: Friday, December 14, 2018 at 9:00AM at the Scotts Valley City Chambers, One Civic Center Drive, Scotts Valley, CA and adjourned the meeting at 11:32AM.

Respectfully submitted,

Gina Pye
Executive Assistant

11-02A.7

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Attachment B



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
CAPITAL PROJECTS STANDING COMMITTEE
MEETING MINUTES*
DECEMBER 7, 2018 – 1:00 PM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

The Capital Projects Standing Committee convened a meeting as referenced above. *Minutes are “summary” minutes, not verbatim minutes. The Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz Metro’s Administrative offices at 110 Vernon Street, Santa Cruz, California.

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COMMITTEE ROSTER

Director Ed Bottorff	City of Capitola
Director Cynthia Chase	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

MEETING TIME: 1:00PM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

- 1 CALL TO ORDER**
Meeting was called to order at 1:06PM by Committee Chair Chase.
- 2 ROLL CALL:** The following Directors were **present**, representing quorum:
Director Ed Bottorff **City of Capitola**
Director Cynthia Chase **City of Santa Cruz**
Director Bruce McPherson was absent.

METRO EMPLOYEES IN ATTENDANCE WERE:

Joan Jeffries, SEIU

Jason Burns, METRO

MEMBERS OF THE PUBLIC IN ATTENDANCE WERE:

None

Attachment B

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

Hearing none, the meeting continued to the next agenda item.

4 ORAL AND WRITTEN COMMUNICATIONS TO THE CAPITAL PROJECTS STANDING COMMITTEE

Hearing none, the meeting continued to the next agenda item.

5 UPDATE ON PACIFIC STATION RELATED STUDIES

Barrow Emerson, Planning and Development Director, provided a "FINAL REPORT" submitted by Dan Boyle and Associates entitled, "Santa Cruz Metropolitan Transit District (METRO) Downtown Santa Cruz Operations Analysis" (see attached) and spoke to the staff report.

There is a lot of detail design yet to be finalized to address a few issues that were raised in the staff report. It all hinges on financial viability. Specific staff recommendations are to:

- A. Hold in abeyance decisions about moving forward with detailed planning activities until Summer 2019, pending completion of studies that will identify possible METRO financial responsibilities related to the station; and,
- B. Recommend to the City of Santa Cruz that they preserve the opportunity for a right-turn pocket from Front Street to Laurel Street for UCSC bound buses.

Director Bottorff expressed his disappointment with the delay in receiving the Boyle report as it does not permit adequate review time by the Committee. He had anticipated receiving it in August 2018. As he believes this to be a viable project, Director Bottorff proposed postponing any decision on Item A above, which would allow all three committee members to review and discuss this at a committee meeting to be held before the January 25, 2019 Board Meeting. He would prefer not to wait until summer to proceed. He then asked to hear from the City representatives present.

Bonnie Lipscomb, Director of Economic Development, said the City has no issues with Item B above. They, too, would prefer to make a decision on Item A above before summer.

There was no public comment.

After discussion between Directors, METRO staff and attending City representatives, regarding environmental issues, building assessment, funding options, etc., the following direction was provided to METRO staff:

Postpone this decision to the January 11 committee meeting. At that meeting, METRO staff will provide a structural and environmental assessment update, including any available contamination origination documents and an outline of recent activities and anticipated future steps with timeline. The committee determined Item B above was no longer needed as the City representatives stated it has been communicated to the project sponsor as part of proposed development conditions.

7 ADJOURNMENT

Committee Chair Chase adjourned the meeting at 1:43 PM

Respectfully submitted,

Gina Pye, Executive Assistant



***Santa Cruz Metropolitan Transit District
(METRO)
Downtown Santa Cruz Operations
Analysis***

FINAL REPORT

Submitted by: Dan Boyle & Associates, Inc.

in association with:

Phillip Boyle & Associates

September 14, 2018

Attachment B

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DRAFT

Attachment B

Downtown Santa Cruz Data Operations Analysis Executive Summary

The purpose of this study is to evaluate the relative accuracy of METRO's assumptions with regard to the number of bus bays needed at Pacific Station, the transit center located in downtown Santa Cruz. The methodology for this study involved:

- Data gathering, reviews of previous studies related to transit operations in downtown Santa Cruz, field observation, and discussions with METRO and City staff members.
- A peer comparison with transit systems of similar size and operating environments (including the presence of a large university) via a six-question survey emailed to peer agencies.
- An assessment of the potential for Automatic Vehicle Location (AVL) technology to reduce the number of required bays.
- An analysis of all bus arrivals, holdover times, and departures at Pacific Station, based on current schedules. The project team measured the holdover time for each trip, assigned buses to the holdover lot or to a lane at Pacific Station, and calculated how many buses were in the holdover lot and in each lane for each minute of a typical weekday.

METRO values the central location for the system's major transit hub with access from and egress to streets on both sides. The holdover lot is also valued for the flexibility it provides, especially given the variation in running times on routes throughout the day and the year. METRO bus operators are well aware of the benefits and shortcomings of Pacific Station. City staff from the Economic Development Department recognize the importance of transit for a healthy downtown and cited Council actions to reduce parking requirements in downtown. The City's major issue regarding Pacific Station is understanding how much space is truly needed.

METRO is unique among its peers in having abundant holdover space immediately adjacent to Pacific Station. Most peers are constrained by available space within the transit center, and all peers noted, either in response to an "ideal world" question or in comments, that more bays or layover locations in or near the transit center would be very helpful for flexibility and future growth.

This analysis was intended to answer four key questions. The questions and their answers are summarized below.

- Do all bus routes that currently serve downtown need to serve downtown? The answer is yes. UCSC students form a compact commuter shed, with over 70 percent living west of San Lorenzo according to UCSC data on residence locations. The number of students living elsewhere is not sufficient to justify a route to UCSC that bypasses downtown. Pacific Station is also a logical terminus for longer routes serving south county locations.

Attachment B

- Are there efficient and effective ways to serve downtown other than with a single major transit center? There is no workable alternative in Santa Cruz. Typical alternatives are multiple transit centers at the edges of downtown connected by a very frequent shuttle and on-street “super-stops.” Denver is an example of multiple transit centers connected by a free shuttle on a downtown transit mall that operates every five minutes, but its downtown is orders of magnitude larger than downtown Santa Cruz, making the expense of a frequent shuttle difficult to justify. On-street “super-stops” are rare in downtowns because of the impact on parking availability.
- Is an off-street terminal is needed and what is its appropriate size? The answer is yes, an off-street terminal is needed. Off-street terminals are common in downtowns similar to Santa Cruz, as shown by the peer analysis. Based on existing schedules and changes to where certain buses hold over, this analysis recommends 22-24 bays in Pacific Station, including 4-6 bays for holdover buses and 4 bays for future system growth.
- Can Automatic Vehicle Location (AVL) technology facilitate “hot-berthing” and thus reduce the number of required bays? The answer is no. AVL is unlikely to help with hot-berthing for two reasons: (1) METRO already does hot-berthing within Lanes 1 and 4 today; (2) extending this concept to include all lanes would force passengers to cross lanes and create unnecessary safety hazards.

An AVL system would provide a critical benefit of more accurate data on running times and thus allow for the creation of realistic schedules based on this data. To the extent that holdover times are now greater because of uncertainty about running times, an AVL system could also result in less holdover time. Based on comments from METRO operators and staff, a separate summer schedule that would take into account the increased congestion during the summer season is worth considering.

The proposal to allow holdovers in Lane 1 would be easier to implement with sawtooth bays that allow buses to pull out easily even if there is a bus in the bay directly in front. While not part of the scope of this study, a deal between METRO and the City to swap land in exchange for the City building a new Pacific Station with updated design features and passenger amenities can be easily envisioned.

From this analysis, we find that a transit center with 22-24 bays would allow for existing needs and a future service expansion of 4 bays.

Attachment B

Chapter One: Data Review

1.1 Introduction

The project team gathered data and previous studies related to transit operations in downtown Santa Cruz, observed operation in the field, and discussed issues with Metro and City staff members. What we heard and saw matched information and data from previous studies. This chapter summarizes the results of the data review task. The review begins with previous studies related to Pacific Station, summarizes downtown traffic studies, examines details regarding transit operation at Pacific Station, and offers observations gleaned from transit data and previous studies, including the most recent on-board survey of Metro customers.

1.2 Previous Studies Related to Pacific Station

The 2016 *Pacific Station Design: Alternate Tarmac Preliminary Feasibility Study* explored opportunities for a new location for the downtown transit center to consider shared needs of the City of Santa Cruz and METRO. These changes proposed a new entry/exit pattern using perpendicular streets (Front Street and Cathcart Street) to replace the current use of parallel streets (Front Street and Pacific Avenue) that allows two-way bus movements through Pacific Station and the holdover area. An alternate design that moves the proposed Front Street driveway to the intersection of Front and Soquel Streets was also presented; this would be a diagonal driveway entering and exiting the intersection with a separate signal. METRO responded to this study with several concerns, including bus flow issues in the reduced space, loss of holdover space, difficult turns, and the need to stagger bus arrivals. In addition, the future use of articulated buses would create additional complications in bus flow. It was mutually agreed upon that this potential site would not work for the City or for METRO.

A site at 75 River Street was proposed as a replacement for or supplement to Pacific Station. A METRO review found numerous problems with this proposal and it is no longer under consideration.

1.3 Downtown Studies

The City of Santa Cruz revised its downtown plan to generally allow for greater density within the southern portion of downtown, surrounding Pacific Station. Regarding public transportation, the plan states:

Buses must be able to continue to circulate north and south on Pacific Avenue between Cathcart and Laurel Streets, and along Front Street. No city buses will travel on Pacific Avenue north of Cathcart Street.

As part of this Plan update, the City conducted an Environmental Impact Report (EIR) that included a traffic analysis. In the FEIR for the downtown plan amendment, the City stated that the amendment would have no impact on policies, plans, or programs regarding public transit. Traffic studies related to the plan amendment forecast improved level-of-service throughout the downtown area, including the streets around Pacific Station.

Attachment B

1.4 Specifics on Pacific Station

Several internal METRO documents were reviewed to understand the design and operation of Pacific Station. Key points include:

- There are currently 14 bays in Pacific Station serving 19 METRO and MST routes plus Greyhound and FLIX, with 11 additional bays for holdover and future system growth in the adjacent holdover lot (former Greyhound station) immediately north of the transit center. METRO estimates that seven holdover bays are currently needed for short-term holdover because there are times when more than one bus per route is at the station at the same time. The long-term assumption is that four additional bays will be needed for system growth, resulting in a total need of 25 bays.
- The number of daily weekday boardings at Pacific Station is approximately 9,000, according to current METRO estimates. Buses operating between downtown Santa Cruz and UCSC account for 48.6 percent of total system ridership. The busiest route (Route 16 – UCSC via Laurel East) accounts for 20.4 percent of system ridership¹.
- Of the four lanes within Pacific Station, Lanes 1 and 4 are the heaviest in terms of use. All buses serving the University of California Santa Cruz (UCSC) stop in Lane 1. This simplifies boarding for passengers bound for UCSC. Lanes 2 and 3 are lighter in use; better utilization of these lanes would help.
- A pulse in downtown is not mandatory because buses to and from campus are frequent. Leave times for routes to UCSC are:
 - :07-:22-:37-:52 Route 16
 - :15-:45 Route 15
 - :20-:50 Route 10
 - :20 Route 20
 - :25-:55 Route 19

The frequency of service to UCSC enhance the convenience of connecting with a UCSC-bound bus no matter what time the originating bus arrives.

- Only 20% of METRO trips include a transfer. This figure is taken from the most recent on-board survey in 2012. There is no current information regarding transfer patterns.
- There are 291 daily trips with a 10+ minute holdover at Pacific Station. Of these, 117 trips hold over for more than 20 minutes. Holdover times are typically higher when accurate data on trip running times is unavailable and/or when running times are highly variable due to traffic congestion or other factors. In later tasks, the project team will analyze these trips in greater detail. Bus operators make the decision to go to the holdover lot if they have more than 5 minutes to wait before their next trip.

¹ The source for both percentages is "Ridership by Route FY 17 & FY 18 w route names.xlsx" for the first nine months of FY 18

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- It has been suggested by AVL vendors that technological advances such as “hot-berthing” or laying buses over within Pacific Station using an Automatic Vehicle Locator (AVL) system and changeable message signs could possibly result in a maximum savings of a 25% reduction in number of bays. There is tension between two goals: customer legibility (changeable message signs indicating where the next bus on a given route will stop) and operational space efficiency (active holdover with independent pull-in and pull-out could require 100 feet or more space per bay, although well-designed sawtooth bus bays could reduce this spatial requirement).
- Through-routing is another means of reducing holdover time at Pacific Station or bypassing the transit center entirely. The former Route 12 did not stop at Pacific Station, but its low ridership led to its discontinuation. Because UCSC ridership comprises such a high total of overall METRO ridership, efficient through routes could be designed only if new concentrations of student housing were established east of downtown.

1.5 Previous Transit Studies and Data

METRO has transmitted to the project team extensive ridership data by route and month, along with pass and fare usage and UCSC student ridership. Together these data sources provide a comprehensive overview of ridership on the METRO system.

The most recent on-board survey in 2012 contained a demographic profile of METRO riders: over 80 percent of riders are without a private vehicle; 70 percent are low income; 60 percent are college-age; seniors account for less than five percent of riders; young people also account for less than five percent of riders. This is a typical profile for a university town. The Comprehensive Operational Analysis (COA) included a graphic showing where transit is most needed, and service is provided to these areas. The COA also provided a typology of the market for transit based on development patterns (heart of the city – other city – suburb – rural).

1.6 Summary

This high-level review of previous studies and current data provides the project team with a solid understanding of the current and recent environment for transit in Santa Cruz, especially in downtown. Later tasks analyze and answer four essential questions posed for this study in greater detail:

- Do all bus routes that currently serve downtown need to serve downtown?
- Are there efficient and effective ways to serve downtown other than with a single major transit center?
- Is an off-street terminal needed and what is its appropriate size?
- Can Automatic Vehicle Location (AVL) technology facilitate “hot-berthing” and thus reduce the number of required bays?

The summary section at the end of this report answers these questions.

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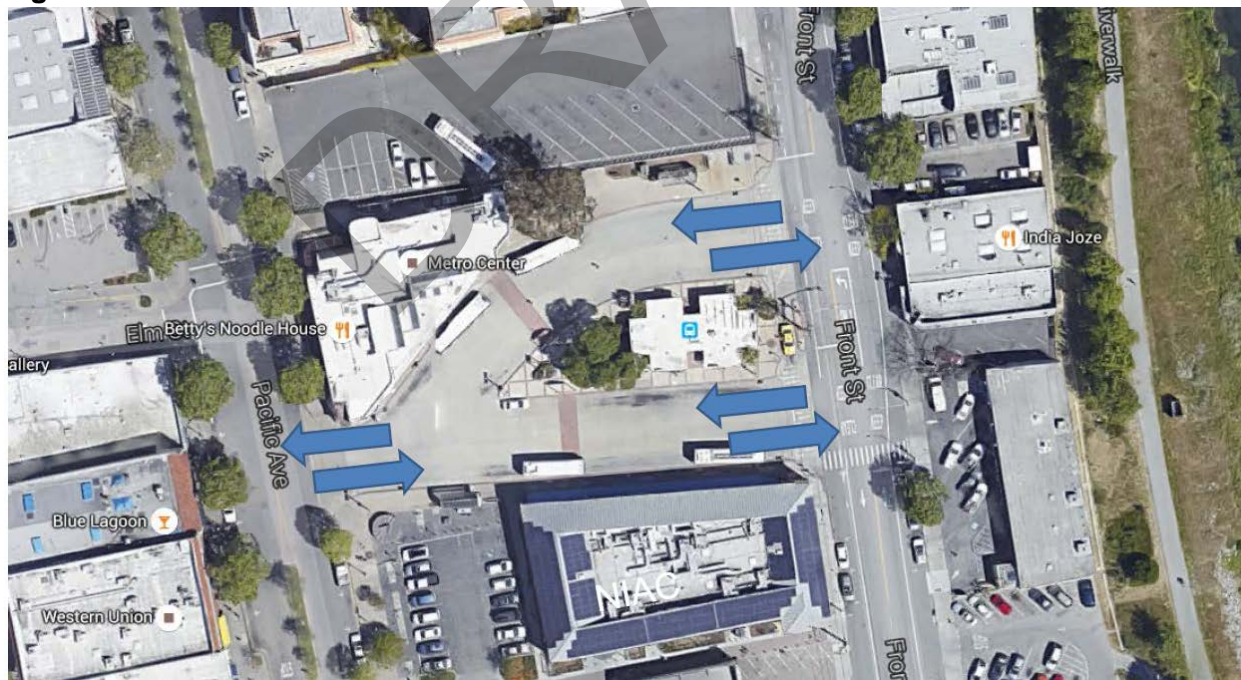
Chapter Two: Input from METRO and City Staff

2.1 Introduction

The City and METRO have spoken in general terms about Pacific Station in the context of ongoing and future developments in downtown. City staff would like to extend development south on Pacific Avenue, which presents an opportunity for a reconfiguration and/or relocation of Pacific Station. Chapter One reviewed studies that evaluated two alternative locations; neither of which was acceptable. METRO is able to continue its current level of operations (with minor improvements in various route frequencies) with its current 14 active bays along with approximately 7 holdover bays. These 21 active bays along with 4 bays held for future system expansion should meet METRO's operational needs in the mid to long term.

Figure 1 below shows the Pacific Station site in downtown, with access from both Pacific Avenue to the west and Front Street to the east. There are four bus lanes. The blue arrows show bus movements. The top left arrow denotes Lane 1 which curves in front of the Metro Center lobby where passengers can wait for their bus and purchase fare media, and also provides Greyhound ticket sales and luggage and freight holding. The right arrow immediately below denotes Lane 2. The lower left arrow denotes Lane 3. Buses in Lanes 2 and 3 stop at an island in the middle of Pacific Station. Lane 3 also serves several Greyhound buses throughout the day boarding and alighting passengers. The lower right arrow denotes Lane 4, with a covered passenger waiting area against the building. The lanes are connected by crosswalks to facilitate passenger transfers. The holdover lot is immediately north of Pacific Station.

Figure 1 Pacific Station



Lanes 1 and 4 have the most arrivals and departures in Pacific Station. All routes that serve UCSC stop in Lane 1. Routes serving areas south and east of downtown stop in Lane 4. There

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are no designated stops in Lanes 1 and 4 for specific routes. METRO occasionally receives complaints from passengers that they do not know where to catch the bus on the lane. Field observation indicated that most passengers understand the operation and know how to find their bus.

There is an alighting-only stop along Pacific Avenue in front of the Metro Center Building. University buses and some others drop off passengers at this stop, and then proceed to either the holdover lot or to a bay at Pacific Station for their next trip. This stop also serves ancillary services provided by Apple, Google, and other non-METRO related transportation providers and their services do board and alight at this stop.

This study will help to answer the four major questions cited at the end of the previous chapter. An important first step for the project team was to interview personnel from METRO's Operations, Planning, and Finance Departments and personnel from the City of Santa Cruz. The interviews were intended to provide an in-depth understanding of operating issues, scheduling impacts, previous studies, and operating and capital costs related specifically to Pacific Station. The City interviews explored plans for future development of Santa Cruz' downtown area. Combined with field observation, an informal discussion with bus operators in their break room, these efforts provided us with current knowledge of the various concerns surrounding Pacific Station.

2.2 METRO Staff

METRO staff cited several reasons why Pacific Station works well and should be retained as is. Much of the discussion focused on the value of the holdover lot to METRO:

- The lot is METRO's property and is paid for.
- Without the holdover lot, it is not feasible to stay out of the active bus lane if the holdover is more than 7 minutes. Adjacent streets do not provide enough red curb space for buses to park.
- Without the holdover lot, METRO would have to take apart all interlining, thus decreasing its operating efficiency, and would need to bring buses back to its JKS Operations Base at River St, (1.8 miles away) for operator breaks, thus increasing deadhead time. Travel time between these two locations can take in excess of 10 to 15 minutes due to significant recurring congestion at the intersection of Highways 1 and 9. This situation would contribute to late departures.
- Operation during the "peak of the afternoon peak" is a major concern. Up until 4 p.m. on most days, operation is generally smooth in and around Pacific Station. After 4 p.m., the holdover lot is crucial to successful operation.

Several other issues were discussed:

- A central location for the system's major transit hub with access from and egress to both streets provides operational flexibility for METRO. The design allows buses to pull through Pacific Station without the need to back up or to make a U-turn (difficult in such a constrained location).

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- METRO recently acquired articulated buses for service to and from UCSC on its busiest routes. Staff envisions additional articulated buses (replacing 40-foot buses as a way to meet growing demand in the future without increasing operating costs. Because they are bigger, fewer articulated buses can fit in each lane. This could create operational issues.
- Scheduling is a challenge, because buses are not equipped with automatic vehicle locators (AVL). Running times are established based on limited annual manual on-board surveys and operator input. Staff noted that holdovers have lengthened significantly, as increased regional traffic congestion has resulted in many buses running late. To maintain the schedule throughout the day, METRO schedules longer holdovers, with the recognition that actual holdover time will be less than scheduled in many cases. Summertime is especially challenging due to increased congestion. Schedules add more running time to Route 17 to San Jose in the summer, and this may be a useful strategy for other routes. AVL implementation will provide much more (and more accurate) data on running times for use in building appropriate schedules.
- Lanes 1 and 4 are the busiest lanes. At certain times of the day, these lanes are filled to capacity, with four or five buses loading passengers.
- Staff indicated that certain dedicated stops, such as the stop for Monterey-Salinas Transit Route 78, are “wasted space.” Route 78 has two trips per day at Pacific Station in Lane 3. It should be noted that FLIX buses will be added to Lane 3, joining METRO Route 35, MST Route 78, and Greyhound.
- METRO works very closely with UCSC, and its primary contact at the university also attended the meeting. A fee voted on by the students has funded METRO service to UCSC since 1972. Current enrollment is 18,000, with approximately half of the student body living on campus. UCSC does not provide parking permits for freshmen or sophomore students. UCSC have a legally binding agreement with the City to cap the number of daily vehicle trips at 27,000. METRO accounts for just over 25 percent of all trips to/from campus.
- The students form a compact commuter shed, with over 70 percent living west of San Lorenzo according to UCSC data. Some students are moving out to Live Oak and Capitola. UCSC faculty and staff pay for bus passes. There are eight or nine vanpools from Watsonville to the campus.
- One strategy to reduce the need for holdover time at Pacific Station is to design routes that do not pass through the station. The location of the commuter shed for UCSC, the most important destination in the METRO system, renders this strategy infeasible: there is simply not enough demand to/from UCSC from locations beyond downtown Santa Cruz to justify a direct route. In fact, METRO discontinued a route with this exact design due to poor productivity.
- Another strategy is to interline or through-route buses: a bus arrives at Pacific Station as one route and leaves as a different route. Interlined buses would still dwell in downtown

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to create a transfer window but this approach would reduce or possibly eliminate holdover time at Pacific Station. METRO does interline various routes throughout the day to enhance operational efficiency.

- The university routes operate via a long loop through UCSC with boardings and alightings along the loop. It is impossible to schedule holdover time along an active loop without seriously inconveniencing riders going to or coming from UCSC.
- The use of AVL technology to facilitate “hot-berthing,” where bays are assigned to routes dynamically in real time, could potentially reduce the number of bays needed. In previous projects, the DBA team has not found any agencies using AVL for this purpose. Its possible application to Pacific Station could move buses from the busiest lanes to Lanes 2 and 3 at peak times, but would require an increased use of crosswalks within Pacific Station with the potential for a resulting increase in bus-pedestrian accidents. Hot-berthing is addressed in greater detail in Chapter 4.
- Taking holdover time on-street near Pacific Station is another option. METRO Staff noted that before Pacific Station was open, METRO would park buses at Church Street and along Laurel and Cathcart Streets. These opportunities are no longer available nor would they be feasible given the increased vehicular and pedestrian traffic that now congests these areas. It would only add to the vehicular congestion and create potential safety issues with pedestrians.

2.3 METRO Bus Operators

The project team and a member of METRO’s Operations Planning Department met with METRO bus operators outside the supervisor’s office on Wednesday, May 2 between 10:30 a.m. and 2:00 p.m. Operators’ thoughts on Pacific Station are captured by four specific comments:

- Pacific Station is efficient, despite the state of disrepair.
- It would be hard to improve on Pacific Station’s location. Maybe lining up all the buses on the street would be more efficient. But this would compromise the significant number of bicycle riders that would now be pushed further into lanes of traffic since the bicycle lanes would be blocked.
- Pacific Station is not big enough for us anymore, especially with Monterey Salinas Transit and Greyhound. We need more active bays.
- There is nothing you can do to change Pacific Station. Tear it down and start over, with sawtooth angled bays like at Diridon Station.

Operators offered specific ideas for route assignments at Pacific Station:

- Swapping Routes 3 and 20 between Lanes 1 and 2;
- Moving Routes 40, 41, and 42 (nine trips on weekdays) from Lane 1 to Lane 2;
- Turning Route 3 around at the Arena if it could drop inbound passengers at Pacific Station;

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- Assigning each route to a specific bay;
- Adding a fifth bus in Lane 4.

Several disadvantages of current operations were noted:

- The exit from the holdover lot onto Front Street is difficult;
- While the holdover lot works well for buses in Lane 1, an operator in Lane 2 or Lane 4 needs to go around the block with three left turns to access the lot;
- It is difficult to see pedestrians walking within the holdover lot – the procedure is for operators to honk before backing up, but operators would prefer a monitor showing the view from a rear camera. Also, Pacific Station and the holdover lot are too dark at night.
- Parking buses in the holdover lot for break times could be better; it would be nice to have more space, especially with articulated buses, and possibly another spot to hold over since operators with 20-minute holdovers do not want to be in the bus lane at Pacific Station.

Operators expressed strong opinions about traffic. Highway 1 is the only reasonably fast choice, but it is getting more and more crowded. Others noted slow movements through downtown, with gridlock during summer months. The intersections at Pacific & Cathcart and Pacific & Laurel are especially difficult. One operator said that traffic flows reasonably well outside of summer and holidays.

Operators offered several suggestions regarding routes. Two suggestions were especially relevant to downtown:

- A beach circulator in the summer using smaller vehicles and connecting a park-and-ride lot with the beach and boardwalk, similar to the existing service that the Boardwalk provides between the County Building and the beach area, and the trolley service that the City provides between downtown and the beach area, and
- A year-round downtown circulator from Pacific Station up to Soquel Avenue (the heart of downtown) and Water Street and possibly extending east to 7th Avenue.

Other operational and schedule-related suggestions included greater use of buses in the midday to reduce the number of split shifts (additional service would require an added funding source), no interlining between UCSC routes and other routes because UCSC routes always run late, and a second yard in Watsonville.

2.4 City Staff

The DBA team met with staff members and consultants from the City of Santa Cruz Economic Development Department and Public Works/Planning Department on the afternoon of May 2. The city is passionate about downtown redevelopment and the opportunities it presents, in particular around increasing the number of housing units in downtown to support vibrant and diverse downtown environment, with opportunities for housing, employment, entertainment, shopping, dining, and culture. The City has \$7 million for affordable housing downtown, including 100 affordable housing units adjacent to the downtown transit center. In addition to the City's affordable housing project, the City is preparing for 500-600 new private and publicly

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funded housing units in the 10-year pipeline and reinvesting additional funding in a new wayfinding system and downtown beautification. More people living downtown translates to more eyes on the street, reduces vehicle miles traveled, promotes walkability, and helps retailers.

Transit and Transportation Demand Management (TDM) actions are integral parts of a successful downtown. The City already has a drive alone rate 20% below the national average, and correspondingly high rates of walking, biking, and transit use. A robust, efficient transit option is an important component of downtown development that helps to address mobility needs while reducing congestion and parking demand. The land use plan for downtown, and the housing goals established by the City Council, are in line with transit oriented development land use patterns and support transit usage. There is no seasonality in transit-oriented land use patterns; they provide everyday demand for goods and services, including transit.

The City's perspective on Pacific Station is one of economic use and increased mobility. Development costs including acquisition and construction are over three times higher in downtown than elsewhere, and the City seeks to maximize the retail, commercial and housing potential for downtown while maintaining a vibrant pedestrian experience, particularly along the Pacific Avenue street frontage. METRO's demands for space when the space is so valuable is a key component of the current project scope. As part of the City's commitment to affordable housing, it would like to develop the Pacific Avenue side of Pacific Station, ideally with a reconfigured transit center entering and exiting on Front Street. In exchange, the City would be willing to negotiate a land swap of city-owned and acquired parcels with METRO owned parcels. Plan B is to develop adjacent to the existing Pacific Station on existing city owned parcels, but Plan A is preferable for its ability to extend development south along Pacific Avenue and continue an active street frontage.

The City's goals for this study are to identify the right size for a downtown transit center, appropriate operational uses for the desirable spaces, and realistic expectations of future service needs.

2.5 Summary of Interviews

METRO staff cite several reasons why Pacific Station works well. METRO values the central location for the system's major transit hub with access from and egress to streets on both sides (Pacific Avenue and Front Street). The holdover lot is also valued for the flexibility it provides, especially given the variation in running times on routes throughout the day and the year and the lack of technology to collect accurate running time data. To maintain schedules throughout the day, METRO schedules longer holdovers, with the recognition that actual holdover time will be less than scheduled in many cases. Summertime is especially challenging due to increased congestion.

METRO bus operators are well aware of the benefits and shortcomings of Pacific Station, as summarized in the comment: Pacific Station is efficient, despite the state of disrepair.

City staff from the Economic Development Department recognize the importance of transit for a healthy downtown and cited Council actions to reduce parking requirements in downtown. Staff

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noted that transit-oriented development provides everyday demand for goods and services, including transit. The City's major goals regarding Pacific Station are to continue positive redevelopment and revitalization of downtown and to understand how much space is truly needed for an efficient and cost-effective transit system. Staff want to ensure that the downtown transit center is right-sized.

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Chapter Three: Peer Analysis

3.1 Introduction

The project team conducted a peer comparison with transit systems of similar size and operating environments (including the presence of a large university). Peer systems were identified by METRO and the City. The peer agencies include:

- Golden Gate Transit, San Rafael
- SLO Transit, San Luis Obispo
- Monterey-Salinas Transit
- Santa Barbara Metropolitan Transit District
- Unitrans, Davis
- Gold Coast Transit, Oxnard
- Santa Clara Valley Transportation Authority, San Jose (specifically for Diridon Transit Center, which is familiar because METRO Route 17 serves this location).

To encourage responses in a relatively short time frame, a streamlined survey of six questions was developed and emailed to a contact at each agency. The request was phrased as follows:

Please let me know:

1. *The number of bays in your downtown transit center (for VTA, use Diridon Station, since Metro serves that station and most people in City government are familiar with it).*
2. *The number of routes serving the Transit Center.*
3. *Whether routes are assigned to specific bays or a bus simply pulls up to the first bay.*
4. *Where buses lay over (in the bay or somewhere else in or near the transit center)*
5. *If any bays are reserved for layover or other purposes.*
6. *How many bays you wish you had in an ideal world?*

All agencies responded to the survey. Before presenting the results, the next section includes diagrams or aerial views of each transit center.

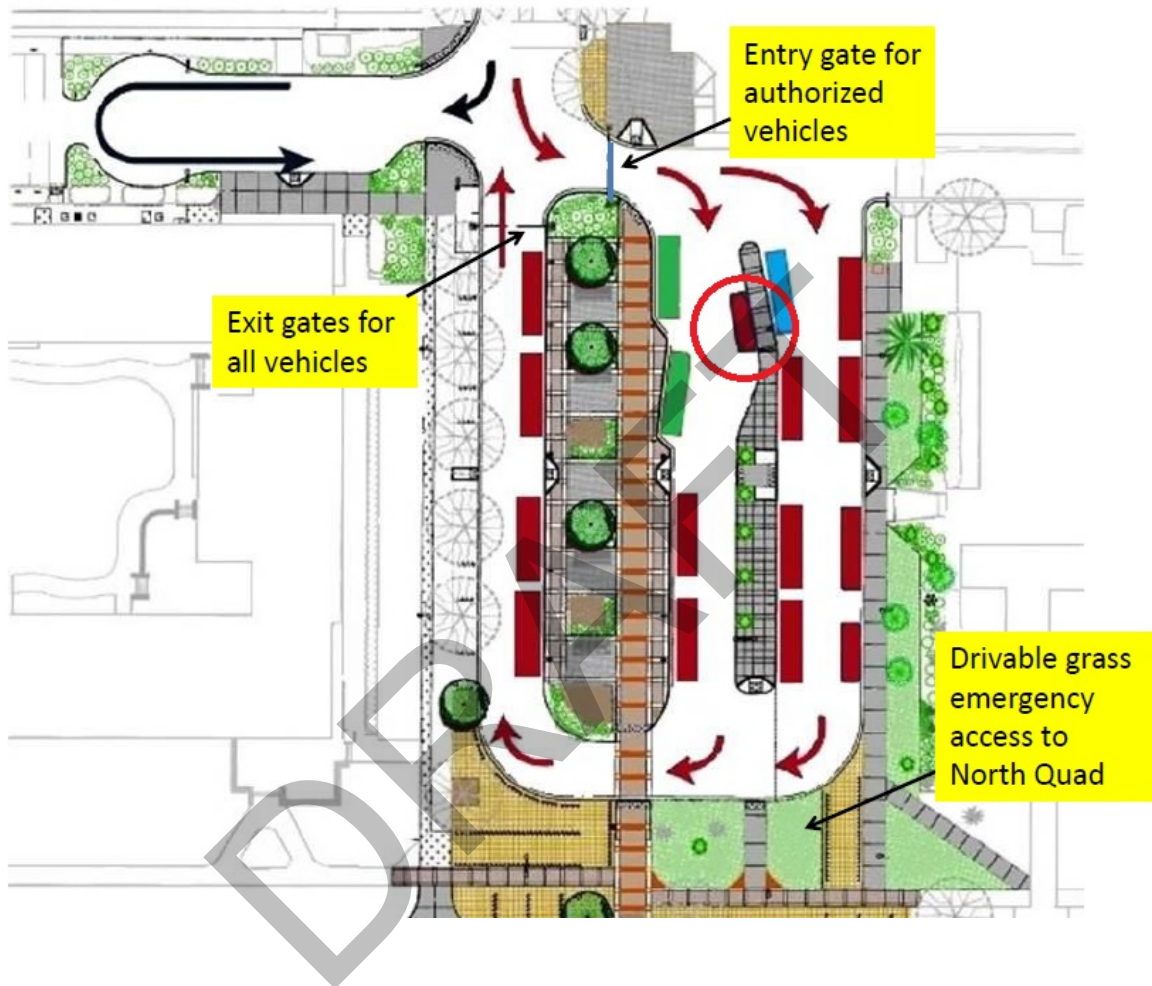
3.2 Diagrams of Transit Centers at Peer Agencies

Chapter 2 presented the aerial view of Pacific Station. Diagrams or aerial views of each peer transit center are shown here.

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Davis – Memorial Union Terminal

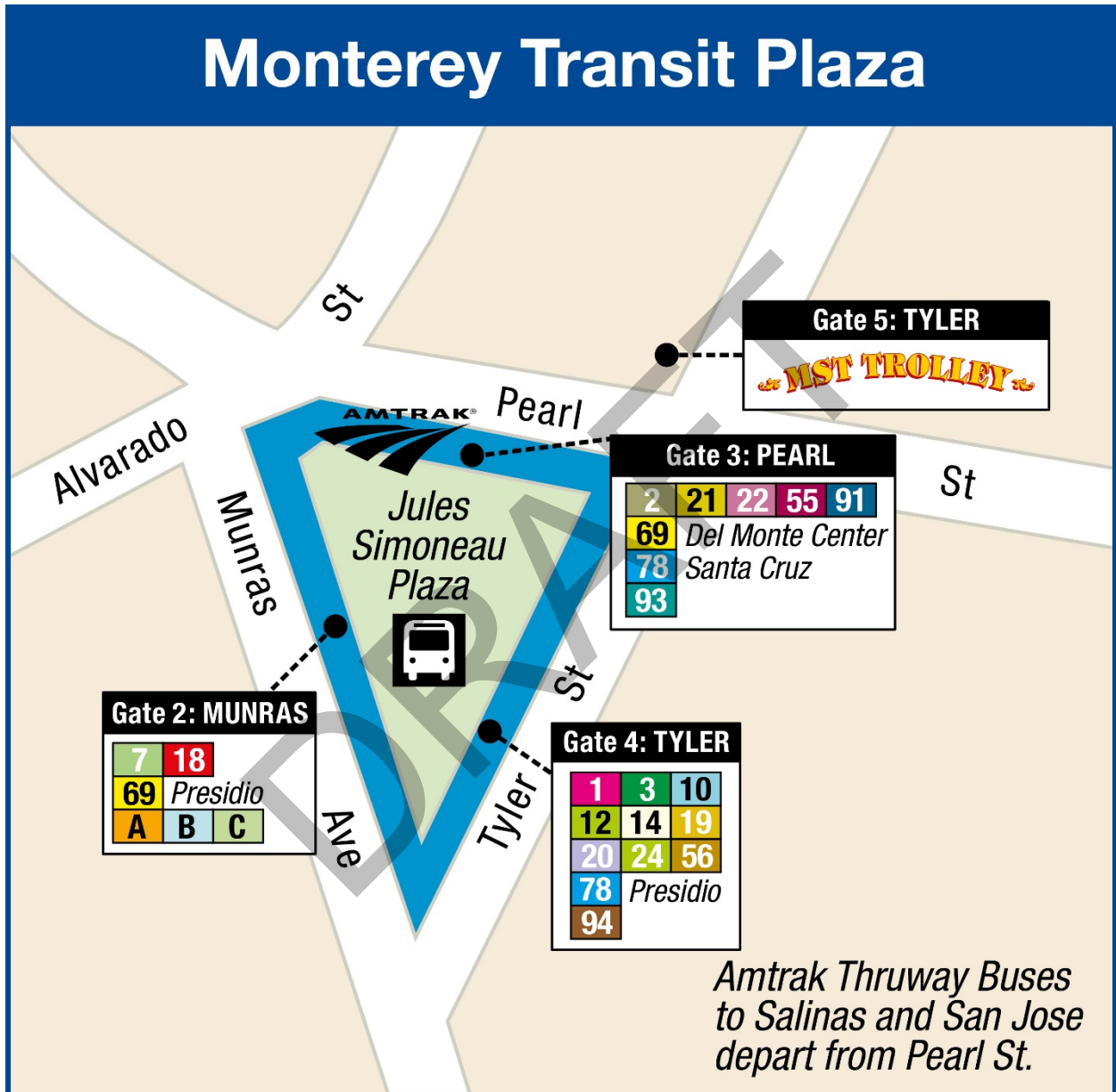
The Memorial Union Terminal is the larger of two transit centers on the University of California Davis campus. The u-shaped transit center has 17 bays for 14 routes, including four bays on the east curb side reserved for layover. Buses enter and exit via Howard Way.



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Monterey

The Monterey Transit Plaza is an on-street transit center with four “gates” along Pearl and Tyler Streets and Mumras Avenue in downtown Monterey, served by 27 routes. Two buses can fit in three of the gates, and one trolley in the fourth gate. Each route is assigned to a specific gate.



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Oxnard

The Oxnard Transit Center in downtown Oxnard has ten sawtooth bays around a central island served by 12 Gold Coast Transit routes. Each route is assigned to a specific bay. VCTC Intercity, Greyhound and Amtrak also serve the OTC but have parking spots on the east side of the transit center. Buses enter and exit via 4th Street.



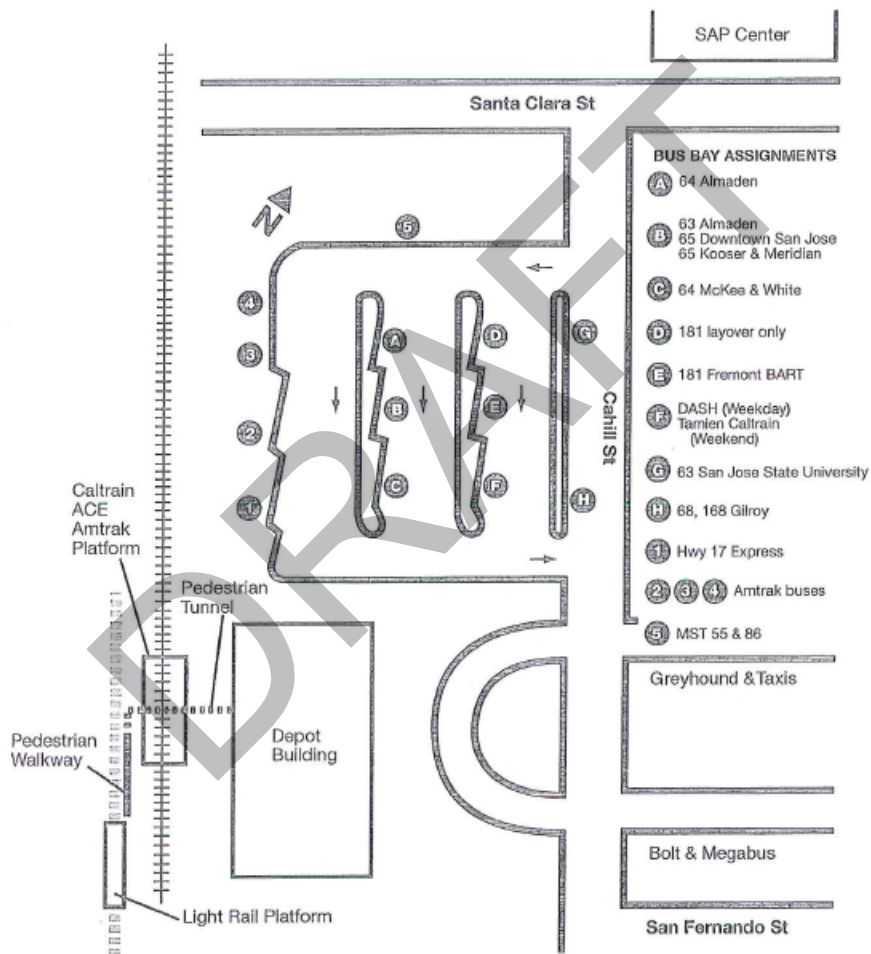
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San Jose – Diridon Transit Center

The Diridon Transit Center, located across the freeway from downtown San Jose, has nine sawtooth bays and room for other buses to stop and/or lay over around the perimeter. Ten bays are used for local buses. There is also room for three buses at the stop on Cahill Street. Twelve bus routes serve Diridon Transit Center. Each route is assigned to a specific bay, with one bay dedicated to layover for Route 181. Buses enter and exit via Cahill Street.

San Jose Diridon Transit Center

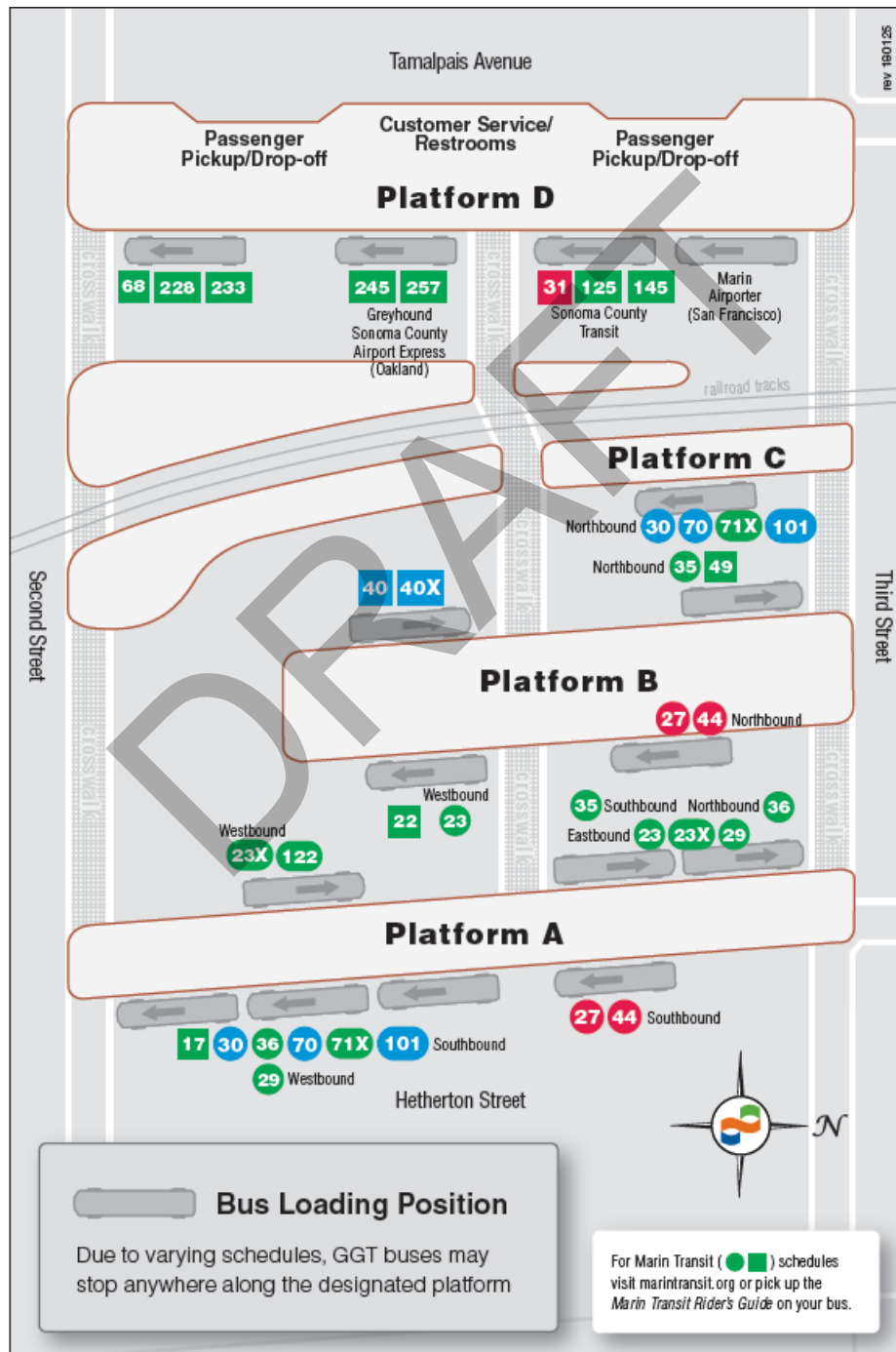
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San Rafael

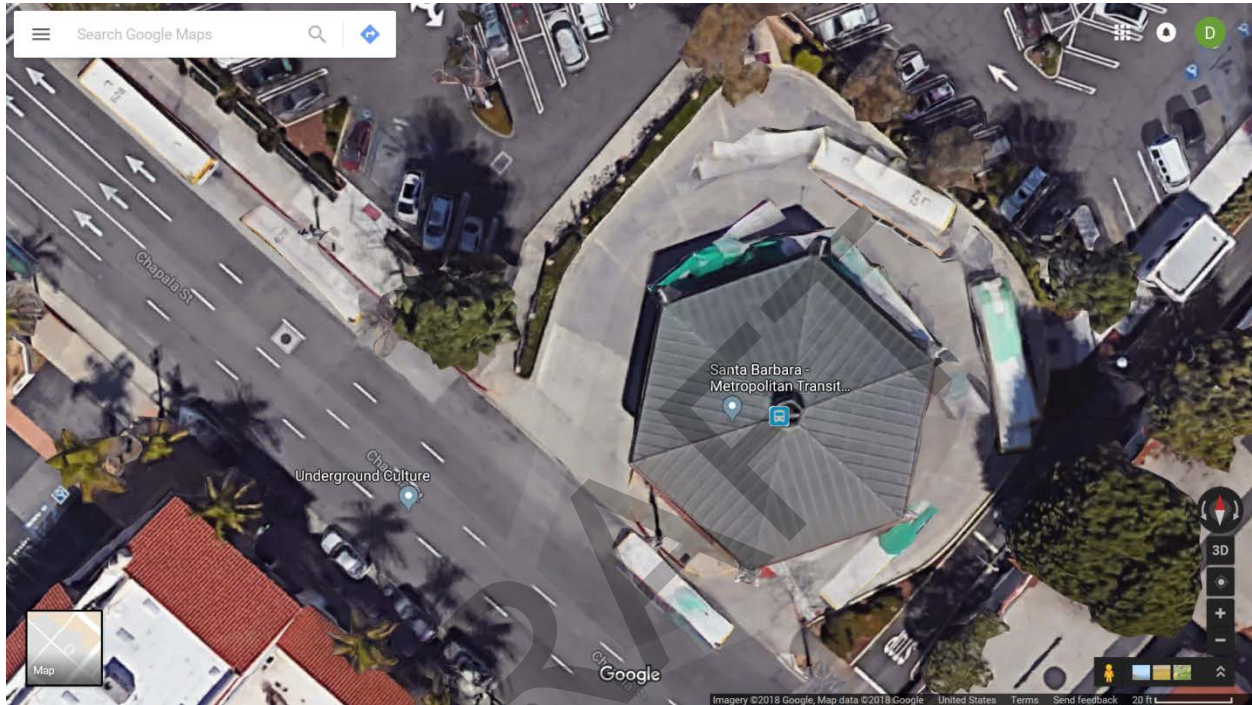
The San Rafael Transit Center in downtown San Rafael has 16 bays on four platforms (two single-sided and two double-sided platforms) served by 27 routes plus Greyhound. Each route is assigned to a specific bay, in some cases by direction, although Golden Gate Transit buses may stop anywhere along the assigned platform. Only one route holds over at this transit center, in a designated bay. Entry and egress are on both sides of the transit center (Third Street to the west and Second Street to the east).



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Santa Barbara

The Santa Barbara Transit Center in downtown Santa Barbara is circular in design, with seven stops (three on the inner circle for Routes 1, 2, and 3 and four on the outer circle for other routes) served by 16 routes. There is also an on-street stop on Chapala Street; not all routes enter the transit center. Layover is taken on-street near the Transit Center. Buses enter and exit via Chapala Street.



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3.3 Peer Results

Table 1 summarizes the results of the peer review.

Number of Bays. Two peers have more bays than Pacific Station (Davis and San Rafael). The average number of bays among peers is 11. The average number of bays in off-street facilities (excluding Monterey and San Luis Obispo) is 12. Pacific Station has 14 bays.

Number of Routes. Two peers have more routes serving the transit center than Pacific Station (Monterey and San Rafael). The average number of routes at the transit center is 17. Pacific Station has 19 METRO and MST routes plus Greyhound and the new FLIX service.

Number of Buses in Peak Hour. This number ranges from 14 to 42, and was derived from analyzing route schedules. The average is 29 and the median is 27.5. Pacific Station is near the middle of the range with 27.

Number of Buses with Holdover Time. Some transit centers are a mid-route stop for some routes. For this measure, buses that pass through a transit center without holdover time are removed from the total number of buses because through buses have much less of an impact on space needs. The average is 24 and the median is 23.5. Pacific Station is above average with 27.

Assigned Bays. Six of the seven peers assign routes to specific bays or stops, although at San Rafael Transit Center Golden Gate Bus routes will stop in any available stop in a given lane.

Layover Location/Bays Reserved for Layover. Four of the seven peers take layover in the active bay. Davis has four bays reserved for layover and San Rafael has one (most routes here are through routes). Santa Barbara takes layover on the street near the transit center.

Number of Bays in an Ideal World. Only one peer reported no need for additional bays. Four peers identified a need for a modest increase in number of bays (between one and three), while Monterey and Santa Barbara indicated a need for a significant increase.

Peak-hour Buses per Bay. This is a better measure of usage than the number of routes. This ratio ranges from 1.53 to 6.00, with an average of 3.33 and a median of 2.87. Pacific Station has 1.93.

Peak-hour Buses with Holdover Time per Bay, This measure removes through buses without holdover from the calculation. The average is 2.74 and the median is 2.13. Pacific Station has 1.93.

The analysis also examined peak-hour buses with holding time at the busiest bay or lane in each transit center where bay/lane assignments are known. Lane 1 is the busiest lane at Pacific Station, with 2.6 peak hour buses per bay. The overall average (excluding Davis and San Luis Obispo, where bay/lane assignments could not be identified) was 4.81 and the median was 4.5.

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**Table 1
Results of Peer Review**

Element	Santa Cruz - Pacific Station	Davis - Memorial Union Terminal	Monterey Transit Plaza	Oxnard	San Luis Obispo	San Jose - Diridon TC	San Rafael	Santa Barbara
Number of Bays	14	17	7	10	5	10	15	7
Notes	1 drop-off on street						# bays for local buses	
Number of Routes	19 + FLIX + Greyhound	14	27	12	8	12	27 + Greyhound	16
Number of Buses in Peak Hour	27	26	28	20	14	37	43	42
Number with Holdover Time	27	24	14	20	14	23	32	42
Assigned Bays?	Assigned to specific lanes	Yes	Yes	Yes	Yes	Yes	Yes	Assigned to specific areas
Layover Location	Lot immediately north of Pacific Station	In bays on east curb side	In the bay	In the bay	In the bay	In the bay	Only 1 route has layover, in a bay	On street near the TC
# Bays Reserved for Layover	11	4 available	NA	None	None	NA	1	NA
# Bays in an Ideal World	The purpose of this study	Current layout more than sufficient	Another 3-5 gates.	One or two more bays	6 or 8	2 more	2-3 bays for growth	14
# Peak-hour Buses per Bay	1.93	1.53	4.00	2.00	2.80	3.70	2.87	6.00
# Peak-hour Buses with Holdover per Bay	1.93	1.41	2.00	2.00	2.80	2.30	2.13	6.00

Comments. Several peer agencies expanded upon their replies. Specific comments are reported below.

There are 7 VTA routes inside the transit center and two more that operate close by on Santa Clara St. There are also two MST routes, the Hwy. 17 Express,

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Amtrak buses and a weekend Caltrain shuttle. Greyhound, Bolt and Megabus are now adjacent to the transit center as well. (San Jose-Diridon)

All Golden Gate Transit and Marin Transit routes have assigned bays (by direction of travel too), the two Airporter companies and Greyhound tend to share bays depending if there are more than one bus for each company there at the same time. (San Rafael)

Our Transit Center is rather unique, in that we don't have any bays. There is a circular drive around the TC building with room for several buses to park, and some of our routes (expresses primarily) park on Chapala Street that fronts the TC. (Santa Barbara)

Dedicated parking outside of the terminal itself would be helpful between peak periods. Two spaces. That would be ideal. (Davis)

VCTC Intercity, Greyhound and Amtrak also serve the OTC but have parking spots in another part of the transit center. (Oxnard)

Routes are assigned to bays to provide 1) passengers a consistent pick up location and 2) drivers a clear expectation of how to work around each other. (San Luis Obispo)

Because space is so limited and there is no way to circulate back to another bay, we lay over in a bay. For routes with overlaps, we use a second layover bay behind the primary stop. We also do this on Cahill St. since a few buses can wait there at the same time. A couple of our routes are through routes and don't need to lay over here. (San Jose-Diridon)

Almost all recovery time scheduled for the transit center. This allows for 1) ideal transfers, 2) driver breaks and 3) on-time performance management. (San Luis Obispo)

Most routes run through the San Rafael Transit Center and only have dwell time, not layover time; only one route currently lays over at its designated bay. (San Rafael)

No bays are reserved for layover officially, but because routes are interlined/synchronized it becomes very predictable to know what bays are open and which are not and we have some use of a loading zone area around the corner in rare situations. (San Luis Obispo)

The challenge with Diridon is that it's hard to serve from buses coming north on Cahill St. (they can't get into the first bus bay island since it's too tight). We also have many other transit centers where there is a layover area, and we have some buses drop off, go to a layover area, then circle back around to the pickup stop. (San Jose-Diridon)

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Added bays would help with staging hot buses or a similar situation. (Oxnard)

Although buses can share bays with coordinated schedules, there is a need for onsite spare vehicle and supervisor vehicles. Plus as this point we are maxed out with no room to grow our transit system with the continued hub-n-spoke model operating out of the transit center. In the transit world; always, always over build. (San Luis Obispo)

After discussions with METRO staff, the peer agencies were asked another question: How do your bay limitations impact or constrain your operations? Four peer agencies responded, as shown below.

Our current situation doesn't limit or constrain us. (Davis)

Our transit center is constrained in a couple of areas presently, which will worsen when the construction of the SMART train tracks between Platforms C and D commences shortly. Our Platform D is constrained by the availability of passing space for buses to get around other buses already stopped on that platform. Also, the turning radius for buses entering Platform D from the north side (3rd Street) prevents a bus from loading at the very northern edge of Platform D. These conditions will worsen when construction of the double track rail line and barriers along the trackway commences. We are also constrained with regard to some buses having to make a U-turn around the southern edge of Platform B to get into position. This will become more constrained in the near term future. (San Rafael)

The Diridon Transit Center is very tight. We would like to operate Lines 72 & 73 to Diridon (instead of ending at Bassett St.), but there just isn't enough room. We also have notes for some deadheading buses to lay over in other locations prior to coming to Diridon so that we limit the time that buses are at Diridon (due to space limitations). For example, if they are finishing a school tripper, we'll have them hold in Milpitas for 10 minutes before proceeding to Diridon to avoid an overlap with other buses. (San Jose)

In MTD's case, we have a dedicated supervisor position at the transit center and that person ensures that everything operates smoothly. (Santa Barbara).

3.4 Summary

METRO is unique among its peers in having abundant holdover space immediately adjacent to Pacific Station. This was not by design, but resulted from the purchase of the Greyhound property immediately north of Pacific Station. Most peers are constrained by available space within the transit center, and all peers noted that more bays or layover locations in or near the transit center would be very helpful for flexibility and future growth. Several agencies must use adjacent streets to park buses when schedules are disrupted.

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In three of the seven peer transit centers, at least 25 percent of peak-hour buses pass through the center and do not take holdover time. All of the buses at Pacific Station are scheduled for holdover time. The average number of peak-hour buses with holdover time per bay is 2.74 (Santa Barbara is an outlier that raises the average). The median number is 2.13. Pacific Station has 1.93.

METRO has emphasized that the ability to travel through Pacific Station by having access and egress on two streets is a benefit in terms of routing, flexibility, and emergency access. Among peers with an off-street transit center, only the San Rafael Transit Center has a similar structure; most others enter and exit from the same street. Two-way access and egress is preferable but not necessary.

The San Jose-Diridon situation with buses entering northbound from Cahill Street unable to access the first bay island emphasizes the importance of early and ongoing involvement of the Operations Department in any design or re-design of a transit center. The project team has encountered similar issues at other transit centers that could have been avoided if Operations had been involved at an early stage.

Space constraints at transit centers have impacts beyond buses in service. The ideal transit center provides convenient access to and from a holdover location (which may or may not be in the bay), space to park spare buses and supervisor vehicles, and room for system growth. These are all valid operational needs.

The peer results indicate that METRO has more space for bus holdover than its peers, a slightly higher number of bays, and a slightly lower number of peak-hour buses with holdover per bay. Additionally, METRO is unique in that it has the ability to use an adjacent holdover lot, where many peers holdover in the bay. This does not answer the question of how many bus bays are needed. The next chapter explores technological solutions that may reduce bay requirements.

Attachment B

Chapter Four: Technology

4.1 Introduction

In the Request for Proposals for this project, METRO asked if Automatic Vehicle Location (AVL) technology can facilitate “hot-berthing” and thus reduce the number of required bays. The RFP indicated that it has been suggested informally by AVL vendors that hot-berthing can reduce the number of bays required by 25 percent. This chapter explores the potential of AVL-enabled hot-berthing to maximize the available capacity at Pacific Station.

4.2 Hot-berthing

The concept of hot-berthing would be applied as follows:

1. As a bus approaches Pacific Station, the AVL system would “see” what bays are open and would recommend a specific bay where the bus will stop.
2. Electronic signage and/or automated announcements at Pacific Station would inform passengers which bay the bus will use, e.g., “Route 19 will be available for passenger boarding in Lane 3.”
3. Customers could then walk to the appropriate bay.

The theory behind hot-berthing is that the overall capacity of Pacific Station could be used more productively, allowing buses to hold over in the active bay assigned and minimizing the number of buses needing to hold over in another location.

The Perth City Busport in Perth, Australia is an example of hot-berthing. Figure 2 shows the main entrance to the facility in downtown Perth. Figure 3 views the main passenger concourse, with a live departures screen immediately visible. Routes are broken into four groups of four, similar to the current design of Pacific Station, so passengers roughly know which sector to be seated in.

Attachment B

Figure 2 Main Entrance to the Perth Busport



Figure 3 Main Passenger Concourse



Attachment B

The seating area for passengers is shown in Figure 4. The room is divided into seating areas and kiosks facing live departure screens. These screens are located at regular intervals down the concourse.

Figure 4 Seating Area



Figures 5 and 6 on the following page provides views of the stand door at two different times. Each stand door features a monitor. If no services are currently scheduled, it will indicate this to passengers. Once a bus is assigned to a stand but has not yet arrived, it will say “Bus arrival pending,” as in Figure 5. When the bus arrives at the stand, the pending status changes to a live video of the bus at the stand, with the doors now able to be opened (Figure 6).

Attachment B

Figure 5 Stand Door When Bus is Arriving



Figure 6 Stand Door When Bus Has Arrived



Attachment B

None of the peer agencies use hot-berthing. The project team has not encountered any transit system in the United States that uses AVL in this fashion. A likely reason is customer confusion. A more serious reason is safety within the transit center. Airports and rail stations can assign gates in real time because the pedestrian space within them is protected. The Perth Busport building is in the center of the site with buses on the sides, so it also has protected pedestrian space. At Pacific Station, real-time assignment of bays would increase the use of crosswalks and thus increase the risk of bus-pedestrian accidents. No transit agency would knowingly take an action that would increase risk in this matter.

Also, METRO uses hot-berthing today *within* the busiest lanes at Pacific Station without AVL. UCSC routes in Lane 1 do not have specific bays for each route. Instead, the first route to arrive stops at the first bay, the next bus at the second bay, and so on (articulated buses are an exception, since they cannot use the first or second bays due to the curvature of the curb, but this does not invalidate the general pattern). South County routes in Lane 4 do not have specific bays for each route, but operate in the same manner. Lanes 2 and 3 are shorter with fewer routes and departures, allowing for assigned bays and buses holding over within the bay. Field observation suggests that it is not unusual for South County routes to hold over in Lane 4.

Passenger confusion, safety issues related to hot-berthing at Pacific Station in its current configuration, and the lack of room for a central building at the current site preclude further consideration of this idea, and use of AVL to facilitate hot-berthing is not recommended. No other technological solutions to reduce the number of bays needed at Pacific Station have been identified.

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Attachment B

Chapter Five: How Many Bays Are Needed at Pacific Station?

5.1 Introduction

METRO has 14 active bays at Pacific Station and 11 holdover bays in the lot immediately north of the transit center, of which 7 are regularly used. The other four bays have been identified as needed for future system expansion. The critical question for this study is: are all these bays needed? If not, how many bays are needed at Pacific Station?

The results in Chapter 3 indicate that peer agencies have many fewer bays dedicated to holdovers. This is useful information, but no two transit agencies are exactly alike. Thus, the answer to this question requires an analysis of current METRO operation.

The next section explains what holdover time (also called layover or recovery time) is and why it is needed in a transit system. Section 5.2 reports on an in-depth analysis of arrivals and departures at Pacific Station throughout the course of a typical weekday. Section 5.3 summarizes findings and suggests future direction.

5.2 Holdover Time

TCRP Report 135 is the scheduling manual for public transportation. It describes layover and recovery time as follows:

The terms “layover” and “recovery” refer to the time between trips, from the time a bus arrives at a terminal and the time the bus leaves the terminal to begin the next trip. While layover and recovery are often calculated as a single unit of time, in theory they are intended for two different purposes. Recovery time is time allotted by management to ensure that a bus can get back on schedule if it arrives at the terminal, or designated location, slightly behind schedule. A driver could be expected to reduce or eliminate their recovery time if they arrive at the terminal behind schedule and need to leave quickly to begin the next trip. Layover time is time negotiated by union rules and by agency practice to give drivers a break at the end of a trip. Layover time is paid time for operators.

As with most transit agencies, METRO does not break out holdover time into individual components.

TCRP Report 135 also notes that the longtime standard in the transit industry has been to calculate recovery time as 10 percent of the trip running time. Given increased levels of congestion that cause unpredictable delays, 15 percent of trip running time is not unusual, and some agencies use 20 percent as the standard.

Holdover time is relatively generous on most METRO routes. The reason is that METRO does not have an accurate way of tracking trip running times other than its limited annual manual on-board surveys and thus is cautious to ensure sufficient holdover time for when trips runs late. While Chapter 4 found that an Automatic Vehicle Locator (AVL) system is typically not used for

Attachment B

real-time assignment of bays, AVL provides detailed data on running times that would help METRO staff fine-tune its schedules and possibly holdover times on certain routes and trips.

A review of current scheduling practices and operator assignments indicates:

- The METRO scheduler uses many of the advanced features of its scheduling software to optimize efficiency.
- The scheduling software cannot optimize running time because this is an input to the process.
- Long METRO routes are scheduled with holdover at both ends of the route, a standard scheduling practice.
- All UCSC routes travel through the campus on a loop road where holdover time at any point would delay some passengers. All UCSC routes and local routes in Santa Cruz serving Pacific Station take all holdover time at Pacific Station. This is also a standard scheduling practice for loop routes.

To summarize, the purposes of holdover time are to allow a late-arriving trip to leave on its next trip on time and to provide bus operators with time to stretch or use the restroom.

5.3 Analysis of Arrivals and Departures at Pacific Station on a Typical Weekday

To answer the question of how many bays are needed, the project team developed a spreadsheet from current schedules showing all arrivals and departures at Pacific Station. The team then measured the holdover time for each trip, assigned buses to the holdover lot or to a lane at Pacific Station, and calculated how many buses were in the holdover lot and in each lane for each minute of a typical weekday. The calculation was guided by several assumptions:

- All buses with holdover times greater than 7 minutes in Lane 1 were assigned to the holdover lot. This is the general rule for all buses, but fieldwork revealed that buses in Lanes 2, 3, and 4 often take their holdover time in the lane.
- Buses leave the holdover lot 3 minutes before their scheduled departure time and begin loading at their lane. Fieldwork also revealed that this rule is not always followed, but it is assumed for this exercise.
- Buses that pull out from the JKS operations base on River Street to Pacific Station arrive 3 minutes before their scheduled departure time.
- Buses that pull in to the JKS operations base on River Street from Pacific Station depart at the same time that they arrive.
- Buses that are interlined (e.g., arrive as Route 91X and leave as Route 16) are assigned to the lane for their next trip and not for their previous trip. In this example, the bus would arrive and depart at Lane 1.
- There are different schedules for some UCSC trips on Monday-Wednesday-Friday and on Tuesday-Thursday during the school year. The Tuesday-Thursday trips have more holdover time, so the calculation is based on a typical Tuesday or Thursday during the school year.
- Schedules for Spring 2018 (March 8 through June 13) are used.

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Tables 2 and 3 summarize the results of this exercise. Lane 1 is by far the busiest of the four lanes, but never has more than three buses and only has this many buses for ten minutes during the day. For the other lanes where holdover is assumed to be taken in the lane, Lane 2 exceeds capacity by only one minute during the day, and it is likely that this never occurs due to a late arrival on Route 17. Lane 3 never exceeds capacity during the day; METRO may allow an additional inter-city private carrier to use this bay. Lane 4 exceeds capacity twice during the day for a total of 7 minutes. The maximum number of buses in the holdover lot is 7 and the maximum number in Lane 3 is 3. Table A-1 in the appendix shows the number of buses by time of day.

Table 2
Maximum Number of Scheduled Buses (by Time) in the Holdover Lot and in Each Lane

Measure	Holdover Lot	Lane 1	Lane 2	Lane 3	Lane 4
Capacity	11	5	3	2	4
Maximum # Buses	7	3	4	2	5
Total Time Over Capacity	--	--	0:01	--	0:07

Note: This analysis excludes the four bays that METRO has identified as needed for future expansion

Table 3 examines the holdover lot and Lane 1 in greater detail. Examining the holdover lot and Lane 1 together, there are seven buses for a total of 13 minutes, at least six buses for a total of one hour and 26 minutes, and at least five buses for a total of three hours and 37 minutes. In the holdover lot alone, there are seven buses for a total of 2 minutes, at least six buses for a total of 30 minutes, and at least five buses for a total of one hour and 48 minutes.

Table 3
Maximum Number of Scheduled Buses (by Time) in the Holdover Lot and Lane 1

Measure	Holdover Lot	Holdover Lot + Lane 1
Total Time with 7 Buses	0:02	0:13
# Occurrences in a Day	1	4
Longest Duration	0:02 16:15-16:17	0:07 16:12-16:19
Total Time with 6+ Buses	0:30	1:26
# Occurrences in a Day	8	13
Longest Duration	0:10 16:07-16:17	0:15 15:05-15:20
Total Time with 5+ Buses	1:48	3:37
# Occurrences in a Day	14	24
Longest Duration	0:14 16:05-16:19	0:37 17:37-18:12

These results suggest that if some buses now assigned to the holdover lot used Lane 1 instead, the maximum number of bays in the holdover lot could be reduced below seven. The constraint

Attachment B

is a maximum of three buses holding over or loading in Lane 1 at any one time. The analysis includes two buses from Lane 4 holding over in the lot for a total of seven minutes.

Table 4 shows that the reassignment of some buses from the holdover lot to Lane 1 could reduce the number of bays required for holdover from 7 to 4. Table A-3 in the appendix identifies which trips are shifted.

Table 4
Maximum Number of Scheduled Buses (by Time) in the Holdover Lot and in Each Lane If Some Buses Are Assigned to Lane 1 for Holdover

Measure	Holdover Lot	Lane 1	Lane 2	Lane 3	Lane 4
Capacity	11	5	3	2	4
Maximum # Buses	4	3	4	2	4
Total Time Over Capacity	--	--	0:01	--	--

Note: This analysis excludes the four bays that METRO has identified as needed for future expansion

Note that this analysis is based on scheduled times. Without AVL, there is no way to measure accurate running times across all days. Late arrivals would not adversely affect the results (since the bus would spend less time holding over) unless the departure was also delayed. Early arrivals would create problems at times of capacity constraints. For this reason, while four bays is the maximum number needed in the holdover lot under this analysis, six holdover bays are recommended in the near term to accommodate unexpected deviations from the scheduled times. With no changes in the number of bays by lane, this results in a recommended total of 14 active bays, 4 to 6 holdover bays, and 4 bays reserved for future growth for a total of 22 to 24 bays in Pacific Station.

5.4 Summary of Findings

Four questions were posed for this analysis, as noted in Chapter One. The answers to these questions are summarized below.

- Do all bus routes that currently serve downtown need to serve downtown? The answer is yes. UCSC students form a compact commuter shed, with over 70 percent living west of San Lorenzo according to UCSC data on residence locations. The number of students living elsewhere is not sufficient to justify a route to UCSC that bypasses downtown. Pacific Station is also a logical terminus for longer routes serving south county locations.
- Are there efficient and effective ways to serve downtown other than with a single major transit center? There is no workable alternative in Santa Cruz. Typical alternatives are multiple transit centers at the edges of downtown connected by a very frequent shuttle and on-street “super-stops.” Denver is an example of multiple transit centers connected by a free shuttle on a downtown transit mall that operates every five minutes, but its downtown is orders of magnitude larger than downtown Santa Cruz, making the

Attachment B

expense of a frequent shuttle difficult to justify. On-street “super-stops” are rare in downtowns because of the impact on parking availability.

- Is an off-street terminal is needed and what is its appropriate size? The answer is yes, an off-street terminal is needed. Off-street terminals are common in downtowns similar to Santa Cruz, as shown by the peer analysis. Based on existing schedules and changes to where certain buses hold over, this analysis recommends 22-24 bays in Pacific Station, including 4-6 bays for holdover buses and 4 bays for future system growth.
- Can Automatic Vehicle Location (AVL) technology facilitate “hot-berthing” and thus reduce the number of required bays? The answer is no. AVL is unlikely to help with hot-berthing, since METRO does hot-berthing within Lanes 1 and 4 today and extending this concept to include all lanes would force passengers to cross lanes and create unnecessary safety hazards.

An AVL system would provide a critical benefit of more accurate data on running times and thus allow for the creation of realistic schedules based on this data. To the extent that holdover times are now greater because of uncertainty about running times, an AVL system could also result in less holdover time. Based on comments from METRO operators and staff, a separate summer schedule that would take into account the increased congestion during the summer season is worth considering.

The proposal to allow holdovers in Lane 1 would be easier to implement with sawtooth bays that allow buses to pull out easily even if there is a bus in the bay directly in front. While not part of the scope of this study, a deal between METRO and the City to swap land in exchange for the City building a new Pacific Station with updated design features and passenger amenities can be easily envisioned.

From this analysis, we find that a transit center with 22-24 bays would allow for existing needs and a future service expansion of 4 bays.

Attachment C



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE AGENDA
MEETING MINUTES*
JANUARY 11, 2019 – 8:00 AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

A Finance, Budget and Audit Standing Committee Meeting was convened on Thursday, May 10, 2018 at METRO's Admin offices at 110 Vernon Street, Santa Cruz, California. The Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at METRO's Administrative offices at 110 Vernon Street, Santa Cruz, California. *Minutes are "summary" minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

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COMMITTEE ROSTER

Director Trina Coffman-Gomez	City of Watsonville
Director John Leopold, Committee Chair	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO District Counsel

MEETING TIME: 8:00 AM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

1. CALL TO ORDER

Meeting was called to order at 8:04AM by Committee Chair Leopold.

Director Mike Rotkin was sworn in by Julie Sherman, General Counsel.

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

Director Trina Coffman-Gomez	City of Watsonville
Director John Leopold, Committee Chair	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz Arrived 8:25AM
Director Mike Rotkin	County of Santa Cruz

Attachment C

Finance, Budget and Audit Standing Committee Meeting Minutes
January 11, 2019
Page 2 of 2

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

Lorraine Bayer, METRO Debbie Kinslow, SCMTD Bonnie Morr, SMART

3. COMMUNICATIONS TO THE FINANCE, BUDGET & AUDIT STANDING COMMITTEE

Mr. James Sandoval, new UTU Chair, introduced himself and one of his Vice Chairs, Rhiannon Axton.

4. ADDITIONS OR DELETIONS FROM AGENDA / ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

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

5. REVIEW AND RECOMMEND APPROVAL OF SANTA CRUZ METRO'S FY19 AND FY20 OPERATING BUDGETS AND FY19 CAPITAL BUDGET

Debbie Kinslow, Finance Deputy Director, spoke to the presentation and provided additional detail when requested.

Discussion regarding the vacancies, overtime, UCSC's ever-increasing enrollment, various funding sources such as Measure D and STA, anticipated CalPERS philosophy and processes changes and suggestions to take advantage of non-peak electricity costs. Several Directors offered staffing / recruitment strategies to assist METRO in locating, hiring and retaining employees. Director Rotkin reminded the assembly of the changing dates of UCSC semesters and the effect on revenue.

Future meetings will include: more detail / deeper dives into overtime expenses and budget approach to same.

The Planning Department may make some improvements on the ridership charts (page 12) to better delineate the data. Slide 15 will be updated to include the physical facilities and State of Good Repair.

The FY20/21 budget assumptions will be discussed at the February 2019 committee meeting.

The committee accepted the budgets as presented.

Committee Chair Leopold adjourned the meeting at 8:53AM

Respectfully submitted,

Gina Pye
Executive Assistant

11-02C.2

Attachment D



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
PERSONNEL/HR STANDING COMMITTEE
MEETING MINUTES*
JANUARY 11, 2019 – 10:30AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

The Personnel/HR Standing Committee convened a meeting as referenced above. *Minutes are “summary” minutes, not verbatim minutes. The Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz Metro’s Administrative offices at 110 Vernon Street, Santa Cruz, California.

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COMMITTEE ROSTER

Director Ed Bottorff, Board Vice Chair	City of Capitola
Director Jimmy Dutra, Immediate Past Board Chair	City of Santa Cruz
Director Norm Hagen	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Bruce McPherson, Board Chair	County of Santa Cruz
Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

MEETING TIME: 10:30AM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

1 CALL TO ORDER

Meeting was called to order at 10:36AM by Board Chair McPherson.

2 ROLL CALL: The following Directors were present:

Director Ed Bottorff, Board Vice Chair	City of Capitola
Director Bruce McPherson, Board Chair	County of Santa Cruz

Directors Dutra, Hagen and Leopold were absent.

NOTE: As there was no quorum, no action(s) will be requested. Director Leopold attended an earlier (Finance Committee) meeting and received a quick briefing at that time.

METRO EMPLOYEES IN ATTENDANCE WERE:

Holly Alcorn, SCMTD/SEA

Debbie Kinslow, SCMTD

Dawn Crummie, SCMTD/HR

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

Hearing none, the meeting continued to the next agenda item.

4 ORAL AND WRITTEN COMMUNICATIONS TO THE PERSONNEL/HR STANDING COMMITTEE

Hearing none, the meeting continued to the next agenda item.

5 MANAGEMENT CLASS AND COMPENSATION UPDATE: INTERNAL EQUITY AND DIFFERENTIAL ANALYSES

CEO Clifford noted this meeting has been called to brief the Board as to why the action requested in November has not yet occurred. After the November 2018 Board meeting, it was discovered two steps were missed in conducting the Management Class and Compensation: 1) An internal equity analysis; and, 2) A differential analysis.

The internal equity analysis will examine the different positions, respective responsibilities, etc. and place them into tiers. The differential analysis usually includes a manager pay-rate survey and then a differential is established. The goal is to avoid overlap or compression. The consultant, CPS, is now on track now to complete these two analyses in time for February 8, 2019 committee meeting. The SEIU Class and Compensation will also be updated at the February 8, 2019 committee meeting.

Discussion between the Directors and CEO Clifford regarding communication and employee concerns ensued with the Directors reiterating their desire to complete the study properly and quickly. These delays are not a reflection on the impending decision.

In response to Ms. Kinslow's question, CEO Clifford reassured the assembly that the actions taken would be retroactive to July 1, 2018.

7 ADJOURNMENT

Board Chair McPherson adjourned the meeting at 10:43 PM

Respectfully submitted,

Gina Pye
Executive Assistant



DATE: January 25, 2019
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
**SUBJECT: ACCEPT AND FILE MINUTES FOR THE METRO ADVISORY
COMMITTEE (MAC) MEETING OF OCTOBER 17, 2018**

I. RECOMMENDED ACTION

**Board of Directors accept and file the minutes for the METRO Advisory
Committee (MAC) meeting of October 17, 2018**

II. SUMMARY

- Staff is providing minutes from the MAC meeting of October 17, 2018.
- Each quarter staff will provide the minutes from the previous MAC meeting.

III. DISCUSSION/BACKGROUND

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

IV. ATTACHMENTS

Attachment A: Draft Minutes for the MAC meeting of October 17, 2018

Prepared by: Donna Bauer, Administrative Assistant

V. APPROVALS:

Alex Clifford, CEO/General Manager

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

MINUTES*

MAC MEETING OF OCTOBER 17, 2018



The METRO Advisory Committee (MAC) met on Wednesday, October 17, 2018 in the METRO Center/Pacific Station located at 920 Pacific Street, in Santa Cruz, CA. *Minutes are "summary" minutes, not verbatim minutes.

1 CALL TO ORDER

Meeting was called to order at 6:06 PM by Chair Pisano.

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

Michael Pisano, Chair
Joseph Martinez, Vice Chair
Veronica Elsea

Jason Lopez
Cassity Mega

Kevin Andrews and Becky Taylor were absent.

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

Barrow Emerson, METRO

2 COMMUNICATIONS TO THE METRO ADVISORY COMMITTEE

Ms. Elsea raised a concern about the height of the side-facing seats on the new buses. When she sat down, her feet didn't touch the floor. When the bus she was riding had to stop on a hill, she found that she had nothing to stabilize herself and was concerned for her safety. She also noticed the sound was very loud when pulling the cord for her stop.

Ms. Elsea likes the new talking bus. The enunciator speaks clearly but too slow. As a result, the wrong street name was being called out at the wrong time. If one were relying on this information, one would miss their stop. Ms. Mega had experienced the same thing. Mr. Emerson, Planning and Development Director, acknowledged there is a technological problem with the enunciators and it is being reviewed for a solution.

Vice Chair Martinez asked if the new talking buses were staying in Santa Cruz. Mr. Emerson explained that they are not assigned to a specific area and will end up in a mix of 98 other buses assigned to the routes.

Chair Pisano clarified the statement he made at the August 15, 2018 MAC meeting regarding the standing benches. He wasn't suggesting that METRO replace all their benches with standing benches, but rather replace the benches in problem areas with standing benches as an alternative to having no benches (as with the bench removal at the Front Street bus stop by CVS). Ms. Elsea was concerned that standing and waiting for a bus for a long length of time could be a hardship on some riders.

Vice Chair Martinez mentioned that METRO's bench in front of the 7-Eleven store in Watsonville at the Main Street and Clifford Drive intersection is not secured. As a result, it gets pushed around on the sidewalk making it impossible to get by in a wheelchair. Mr. Emerson will have this checked out and see if it can be secured.

Vice Chair Martinez mentioned that it is no longer possible to buy Greyhound tickets in Watsonville. You have to buy them online. Mr. Emerson stated that Greyhound still has a presence in Santa Cruz and you can buy tickets at METRO's downtown counter.

Attachment A

Minutes – METRO Advisory Committee

October 17, 2018

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Chair Pisano expressed disappointment that the Bird scooters didn't launch their business properly in Santa Cruz and by skirting the process, did not allow anyone a chance to voice their concerns or objections. He felt they could be a viable commute option in the Santa Cruz area. Vice Chair Martinez commented he has seen them at the California State University, Monterey Bay, Fort Ord and Marina.

Chair Pisano mentioned there's a group called Bus-By-Choice and they use the METRO to get to various locations. He wondered if there is any discount METRO can give them. Mr. Emerson said that METRO's policy offers discounts for bulk sales.

Ms. Mega reported that she has been to several candidate forums for the upcoming election and reported that transportation is a big topic. There are a variety of views being expressed by the candidates for and against public transit. Both Chair Pisano and Ms. Elsea praised METRO's Bus Operators for handling any incidents that arise on the buses in a timely and professional manner.

Mr. Lopez brought up Proposition 6 and was wondering if there was any coverage on it in the media. Mr. Emerson reminded the members that METRO cannot take a position on Proposition 6 and can only educate.

Ms. Mega raised concern over the 91X bus being late by seven minutes and it wasn't due to traffic. Mr. Emerson said METRO is looking forward to the AVL technology to capture a variety of data such as accountability for performance. He encouraged all to file a complaint form when these instances happen so that METRO can capture the data and see if there is a pattern developing.

Ms. Mega raised concerns and requested an update on the Use of Fixed Route Services and Transit Facilities, Including Passenger Code of Conduct and Service Suspension/Exclusion Policy. Mr. Emerson said the policy went to the Board on September 28, 2018 and was approved.

3 ACCEPT AND FILE MINUTES FROM THE METRO ADVISORY COMMITTEE MEETING OF AUGUST 15, 2018

MOTION: ACCEPT AND FILE MINUTES FROM THE METRO ADVISORY COMMITTEE MEETING OF AUGUST 15, 2018

MOTION: ELSEA

SECOND: MEGA

AYES: PISANO, MARTINEZ, ELSEA, LOPEZ, AND MEGA

NAYES: NONE

ABSTAIN: NONE

MOTION CARRIED: UNANIMOUS

4 COMMUNICATIONS FROM METRO ADVISORY COMMITTEE

None.

5 SERVICE PLANNING UPDATE

Mr. Emerson mentioned the California Transportation Commission (CTC) is allocating the money for three projects for METRO--two new electric buses, refurbishing four buses to extend their life by years, and an Intelligent Transportation Systems (ITS) package. The primary feature of the ITS package is the Automatic Vehicle Location (AVL) which will help organize the bus system and provide real time data to our riders. We have the contract for the two new buses but it will be another month before we have the refurb contract ready.

11-03A.2

Attachment A

Minutes – METRO Advisory Committee

October 17, 2018

Page 3 of 4

Mr. Emerson gave an update of service for July and August. In general, ridership was flat because school is not in session. Summer students have been using their bus passes. Cabrillo's ridership for June and July was up 30% and 29%, respectively, signaling a success.

METRO approved a mobile ticketing pilot on Hwy. 17 buses. The Ticket Vending Machine will now sell a one-way ticket on Hwy. 17. Mr. Lopez asked when this program will begin. Mr. Emerson expects it to be in place within six months. We also arranged for Amtrak to sell METRO tickets at Diridon Station. Vice Chair Martinez inquired if METRO will do as Monterey-Salinas Transit (MST) does in providing a credit on future MST trips if you don't have exact change when paying with cash. Mr. Emerson did not know.

Mr. Emerson mentioned that the METRO management team finished a strategic planning session with the Board of Directors earlier in the day. The Board gave us draft strategic goals to focus on as an agency. They are: Safety, Finances, Service, Technology, Employees, State of Good Repair, and Partnerships.

Ms. Elsea requested announcements about the school schedules for non-campus employees. She is not seeing clear text messages. Instead of "Fall Service starts" perhaps try "School term service starts next Monday." Mr. Emerson said he would follow up with COO Aguirre.

Vice Chair Martinez asked about the outcome on the letter from the Commission on Disabilities that Ms. Taylor brought to the committee's attention at the August 15, 2018 MAC meeting. Ms. Elsea replied that there isn't much that can be done due to the lack of detailed information provided. Mr. Emerson added that without specific details, it is hard to know what was going on there.

6 PROGRAM TO CLEAN SIDEWALKS AT BUS STOPS AND BUS STATIONS

Mr. Emerson explained that Facilities has 890 bus stops to take care of over the year. Ideally, they clean all of them once or twice a year. There are some areas that require more maintenance (i.e., the downtown ones are power-washed every two weeks).

7 ESTABLISH AND APPROVE THE METRO ADVISORY COMMITTEE (MAC) 2019 MEETING SCHEDULE

MOTION: APPROVE THE 2019 MAC MEETING DATES: FEBRUARY 20, APRIL 17, AUGUST 21, AND NOVEMBER 20.

MOTION: ELSEA

SECOND: MEGA

AYES: PISANO, MARTINEZ, ELSEA, LOPEZ, AND MEGA

NAYES: NONE

ABSTAIN: NONE

MOTION CARRIED: UNANIMOUS

8 ELECT THE METRO ADVISORY COMMITTEE (MAC) CHAIR AND VICE CHAIR FOR 2019 TERM

Ms. Elsea thanked Michael Pisano for the two years he has held the Chair position. For the benefit of the new MAC members, she explained the Chair and Vice Chair's responsibilities and how long their terms can run. Chair Pisano thanked Ms. Elsea for all of her help and encouragement over the years.

Attachment A

Minutes – METRO Advisory Committee
October 17, 2018
Page 4 of 4

MOTION: ELECT CHAIR VERONICA ELSEA FOR A ONE-YEAR TERM (JANUARY 1 – DECEMBER 31, 2019)

MOTION: MARTINEZ

SECOND: LOPEZ

AYES: PISANO, MARTINEZ, ELSEA, LOPEZ, AND MEGA

NAYES: NONE

ABSTAIN: NONE

MOTION CARRIED: UNANIMOUS

MOTION: ELECT VICE CHAIR JOSEPH MARTINEZ FOR A ONE-YEAR TERM (JANUARY 1 – DECEMBER 31, 2019)

MOTION: MEGA

SECOND: ELSEA

AYES: PISANO, MARTINEZ, ELSEA, LOPEZ, AND MEGA

NAYES: NONE

ABSTAIN: NONE

MOTION CARRIED: UNANIMOUS

9 COMMUNICATIONS TO THE SANTA CRUZ METRO CEO

None.

10 COMMUNICATIONS TO THE SANTA CRUZ METRO BOARD OF DIRECTORS

Discussion ensued on the August 16, 2018 letter from Chair Pisano to the Board of Directors regarding the Use of Fixed Route Services and Transit Facilities, Including Passenger Code of Conduct and Service Suspension/Exclusion Policy. Members requested Chair Pisano raise MAC's concerns over signage and how this policy will be publicized when he provides the six-month MAC review to the Board of Directors in December 2018.

11 ITEMS FOR NEXT MEETING AGENDA

- Update on ITS
- Update on Use of Fixed Route Services and Transit Facilities, Including Passenger Code of Conduct and Service Suspension/Exclusion Policy
- Update on Proposition 6 results
- Additional bus passes for MAC Members

12 DISTRIBUTION OF VOUCHER

Vouchers distributed by Donna Bauer.

13 ADJOURNMENT

Meeting adjourned at 7:26 PM.

Respectfully submitted,

Donna Bauer
Administrative Assistant



DATE: January 25, 2019
TO: Board of Directors
FROM: Erron Alvey, Purchasing & Special Projects Director
**SUBJECT: ACCEPT AND FILE QUARTERLY PROCUREMENT REPORT FOR 3RD
QUARTER OF FY19**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the Quarterly Procurement Report for the 3rd quarter of FY19

II. SUMMARY

- This staff report provides the Board with a Quarterly Procurement Report for the 3rd quarter of FY19, covering the months of January through March.
- Each quarter staff will provide a Quarterly Procurement Report listing anticipated formal procurements within the upcoming quarter that are not being presented to the Board separately.

III. DISCUSSION/BACKGROUND

The purpose of this report is to provide the Board of Directors an opportunity to review and comment on upcoming formal procurements before they are ready for award.

Formal procurements are defined as construction valued at \$10,000 or more, goods and materials valued at \$25,000 or more, and professional services valued at \$50,000 or more.

Formal procurements related to major projects will be presented to the Board separately in stand-alone Staff Reports.

Attachment A details the regular formal procurements the Purchasing Department is planning on issuing during the 3rd quarter of FY19 (January through March).

IV. FINANCIAL CONSIDERATIONS/IMPACT

See attached.

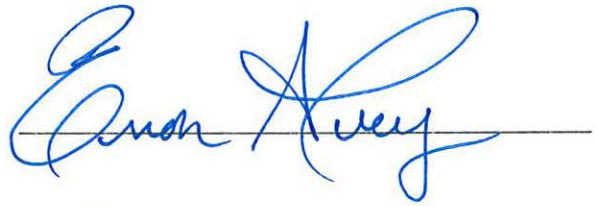
V. ATTACHMENTS

Attachment A: FY19: 3rd Quarter Anticipated Procurement Listing

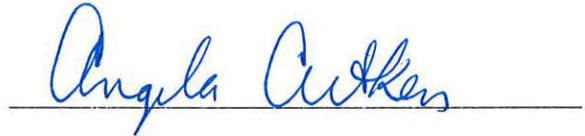
Prepared by: Joan Jeffries, Administrative Specialist
Erron Alvey, Purchasing & Special Projects Director
Eddie Benson, Maintenance Manager

VI. APPROVALS:

Erron Alvey, Purchasing & Special
Projects Director



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



Alex Clifford, CEO/General Manager



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Anticipated Procurement Listing

FY19: 3rd Quarter

Month Anticipated to be Issued	Description	Purpose	Department	Funding Source	Anticipated Value (life of contract)
Expiring Reoccurring Contracts					
March	Employee Vision Care Services	To provide employee and family vision insurance coverage	Human Resources	Operating	\$ 720,000
One-Off Contracts					
March	Fuel Management System	To upgrade METRO's fuel management system to automate fuel tracking and mileage reporting	Fleet	FTA 5339a FY17	\$ 180,000
March	Gate Control for Bus Entries at JKS (upper yard in FY19; lower/fueling in FY20)	To add gate and controllers to increase security at METRO's Judy K. Souza bus yard	Operations	FTA 5339a FY18	\$ 100,000
March	Bus Yard Scrubber/Sweeper	To provide bus yard scrubber/sweeper to remove environmental hazards and maintain bus yard cleanliness to meet environmental requirements	Facilities	FTA 5339a FY18	\$ 75,000

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DATE: January 25, 2019
TO: Board of Directors
FROM: Julie A. Sherman, General Counsel
SUBJECT: CONSIDERATION OF A CONTRACT AMENDMENT WITH THE LAW FIRM OF HOWIE & SMITH LLP, IN AN AMOUNT NOT TO EXCEED \$75,000

I. RECOMMENDED ACTION

That the Board of Directors Ratify the Execution of a Contract Amendment with Howie & Smith LLP to increase the amount of the Contract for Legal Services by \$75,000, increasing the total Contract Authority to \$200,000

II. SUMMARY

- Santa Cruz Metropolitan Transit District (METRO) solicited the services of Howie & Smith LLP in 2015 to assist the Legal Counsel with a specific case, which case has not been resolved.
- In order to complete the Risk Department project currently assigned to the firm, the General Counsel recommends increasing the compensation to be provided to Howie & Smith LLP.

III. DISCUSSION/BACKGROUND

In 2015, METRO's Legal Department solicited the services of Howie & Smith LLP to handle a litigated matter in federal court. A contract not to exceed \$25,000 was entered into with the firm.

Since entering into this contract in October 2015, the need for additional services has become necessary as the case moves toward resolution. On September 23, 2016, METRO executed a First Amendment to the Contract for legal services, in an amount not to exceed an additional \$25,000. The Second Amendment to the contract, executed on August 25, 2017, added an additional \$25,000 for legal services to be performed. On May 18, 2018, a Third Amendment to the contract was executed, in an amount not to exceed \$50,000. It would take another firm additional time and expense to litigate this case. For this reason, the General Counsel is now recommending that the Board approve a further expenditure of up to an additional \$75,000.

With the Board's approval, the CEO will execute a contract amendment, which would increase the overall cap of the contract to an amount not to exceed \$200,000. The proposed Contract Amendment is attached (Attachment A).

IV. FINANCIAL CONSIDERATIONS/IMPACT

The additional \$75,000 will be absorbed in the existing FY19 and FY20 Risk Department Budget for settlement costs. To date, METRO has paid Howie & Smith LLP \$140,134.99 and Hanson Bridgett LLP for oversight in the amount of \$3,041.

V. ALTERNATIVES CONSIDERED

- Do not approve the execution of a Contract Amendment with Howie & Smith LLP. Staff does not recommend this option, as the continued legal representation of Howie & Smith LLP is crucial in the ongoing litigation and risk matter at hand.

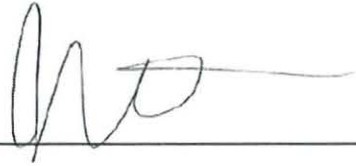
VI. ATTACHMENTS

Attachment A: Fourth Amendment to Contract for Legal Services

Prepared by: Rickie-Ann Kegley, Paralegal

VII. APPROVALS:


Approved as to form:
Julie A. Sherman, General Counsel



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

ok low for AA

Alex Clifford, CEO/General Manager



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Attachment A

FOURTH AMENDMENT TO CONTRACT FOR LEGAL SERVICES

This Fourth Amendment to Contract is made and entered into at Santa Cruz, California, as of January 25, 2019, by and between **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, a public agency ("Santa Cruz METRO"), and, **Robert G. Howie, Esq. of HOWIE & SMITH LLP**, ("ATTORNEY"), who agree as follows:

1. RECITALS

On October 16, 2015, Santa Cruz METRO and ATTORNEY executed a "Contract for Legal Services" in an amount not to exceed \$25,000.00, including any reimbursable expenses.

On September 23, 2016, Santa Cruz METRO and ATTORNEY executed a "First Amendment to the Contract for Legal Services" in an amount not to exceed \$25,000.00, including any reimbursable expenses.

On August 25, 2017, Santa Cruz METRO and ATTORNEY executed a "Second Amendment to the Contract for Legal Services" in an amount not to exceed \$25,000.00, including any reimbursable expenses.

On May 18, 2018, Santa Cruz METRO and ATTORNEY executed a "Third Amendment to the Contract for Legal Services" in an amount not to exceed \$50,000, including any reimbursable expenses.

Both Parties wish to amend this Contract to increase the total amount of consideration payable to ATTORNEY, in an amount **not to exceed an additional \$75,000.00**.

2. AMENDMENTS

The following paragraphs are amended, replaced and restated as follows:

1. **Total Consideration** is hereby amended by deleting the first paragraph and replacing it with the following:

The total consideration payable to ATTORNEY may not exceed the sum of \$200,000.00, **including any reimbursable expenses**.

3. EFFECTIVE DATE


This Amendment is effective as of the day and year first hereinabove appearing.

Except for the changes expressly specified in this Fourth Amendment, all other provisions, requirements, conditions, and sections of the underlying Agreement, as previously modified by amendment, shall remain in full force and effect.

Attachment A

Executed as of the day first above stated.

HOWIE & SMITH, LLP

By: 

ROBERT G. HOWIE
Partner

**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT**

By: _____
ALEX CLIFFORD
CEO/General Manager

Approved as to Content and Legal
Form:

By: 

JULIE A. SHERMAN
General Counsel



DATE: January 25, 2019
TO: Board of Directors
FROM: Angela Aitken, DBE Liaison Officer, Chief Financial Officer
**SUBJECT: A SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S
DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**

I. RECOMMENDED ACTION

That the Board of Directors receive a Semi-Annual Report on the status of METRO's Disadvantaged Business Enterprise Program

II. SUMMARY

- As a recipient of federal funds, Santa Cruz Metropolitan Transit District (METRO) participates in the federal Disadvantaged Business Enterprise (DBE) Program as specified in Title 49, Code of Federal Regulations, Part 26 (49 CFR 26).
- The Federal Transit Administration (FTA) requires METRO to recalculate its DBE goal triennially and to report goal attainment semi-annually as a requirement to receive federal funds.
- METRO's FFY18-20 goal for DBE participation is 1.93% of all federally funded procurements with competitive contract bidding opportunities.
- A Semi-Annual report is required to be provided to the Board in concurrence with the FTA reporting schedule and per METRO's DBE Policy. Staff is providing this status report on the DBE Program for the second six months of Federal Fiscal Year 2018, April 1, 2018 – September 30, 2018
- April 1, 2018 – September 30, 2018, METRO's DBE attainment for contracts awarded, payments on ongoing contracts, and payments on completed contracts was 0.00%, 0.00%, and 76.71%, respectively.
- FFY18, October 1, 2017 – September 30, 2018, METRO's DBE attainment for contracts awarded, payments on ongoing contracts, and payments on completed contracts was 0.00%, 0.00%, and 71.32%, respectively.

III. DISCUSSION/BACKGROUND

The Department of Transportation established a Disadvantaged Business Enterprise (DBE) Program in 1980 to ensure that firms competing for federally funded contracts are not subject to unlawful discrimination. DBEs, as defined by the US Department of Transportation, are for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51%

interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis.

The FTA requires each qualified recipient of more than \$250,000 annually in federal funds to implement a DBE program, recalculate a DBE goal triennially, and report its goal attainment semi-annually, as specified by 49 CFR 26. METRO received approximately \$7 million from the FTA in FFY18 and, therefore, must maintain a DBE Program.

It is important to acknowledge the restrictions placed on DBE goal setting, attainment, and reporting:

- Only competitively biddable contracts with federal funding are counted in the procurement opportunities in which DBEs can participate.
 - The majority of METRO's FTA funding is used to pay for internal labor costs and fringe benefits, and is not required to be monitored for the DBE program.
- Several large expenses have no competitive contract opportunities:
 - Utilities, leases and rent payments, subscription services, membership costs, travel.
- Only certified DBEs can be included for setting goals and measuring attainment.
 - Many businesses are owned by minorities and women, but not all of these owners register as DBEs in the statewide program.

IV. DBE STATUS

METRO's current DBE goal is 1.93% as seen in METRO's DBE semi-annual report for the period covering April 1, 2018 – September 30, 2018 provided as Attachment B. During this reporting period, METRO's DBE attainment for contracts awarded, payments on ongoing contracts, and payments on completed contracts is 0.00%, 0.00%, and 76.71%, respectively.

During the entirety of FFY18, METRO's DBE attainment for contracts awarded, payments on ongoing contracts, and payments on completed contracts is 0.00%, 0.00%, and 71.32%, respectively. METRO did not have any large construction procurements with subcontracting opportunities, which limits METRO's ability to contract with DBEs. Additionally, the majority of METRO's federal capital funds have been obligated for revenue and non-revenue vehicle replacements. For

vehicle contracts, the transit vehicle manufacturer (TVM) reports the DBE participation rather than METRO.

V. FINANCIAL CONSIDERATIONS/IMPACT

The DBE Program has direct expenses of less than \$850 for publishing ads and public hearing notices. Failure to update the goal and submit semi-annual reports would jeopardize METRO's receipt of over \$7 million in federal financial assistance in FFY18.

VI. ALTERNATIVES CONSIDERED

There are no alternatives. Receiving the semi-annual report is a legal requirement connected to METRO receiving federal financial assistance and Staff is required to provide this information to inform the Board of this important program per METRO's DBE policy, Art. III § 3.304(G).

VII. ATTACHMENTS

Attachment A: June 1, 2018 DBE Semi-Annual Report (October 1, 2017 – March 31, 2018)

Attachment B: Dec 1, 2018 DBE Semi-Annual Report (April 1, 2018 – September 30, 2018)

Attachment C: FFY18 DBE Semi-Annual Report (October 1, 2017 – September 30, 2018)


Prepared by: Cayla Hill, Administrative Specialist

VIII. APPROVALS:

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

allow for RA

Alex Clifford, CEO/General Manager



Attachment A

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

FTA Section

Please refer to the instruction sheet for directions on filling out this form

1	Submitted to (check only one) <input type="checkbox"/> FHWA <input type="checkbox"/> FAA <input checked="" type="checkbox"/> FTA - Recipient ID Number 1622
2	Grant Number(s) (FTA Recipients):
3	Federal Fiscal year in which reporting period falls: FFY2018 4. Date This Report Submitted: 5/14/2018
5	Reporting Period: <input checked="" type="checkbox"/> Report due for period Oct 1-Mar 31 <input type="checkbox"/> Report due for period April 1-Sep 30 <input type="checkbox"/> FAA annual report due Dec 1
6	Name and address of Recipient: Recipient or subrecipient completing this form
7	Annual DBE Goal(s): Race Conscious Projection: 0.00% Race Neutral Projection: 1.93% OVERALL Goal: 1.93%

Awards/Commitments this Reporting Period

		A	B	C	D	E	F	G	H	I
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD <small>(Total contracts and subcontracts committed during this reporting period)</small>	Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ 258,477.53	8	\$ -	0			\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ -	0	\$ -	0	\$ -		\$ -	0	0%
10	TOTAL			\$ -	0	\$ -		\$ -	0	0.00%

		A	B	C	D	E	F
B	BREAKDOWN BY ETHNICITY & GENDER	Total to DBE (dollar amount)			Total to DBE (number)		
		Women	Men	Total	Women	Men	Total
11	Black American	\$ -	\$ -	\$ -	0	0	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0
17	Non-Minority	\$ -	\$ -	\$ -	0	0	0
17	TOTAL	\$ -	\$ -	\$ -	0	0	0

Payments Made this Reporting Period

		A	B	C	D	E	F
C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in progress	0	\$ -	0	\$ -	0	0.00%

		A	B	C	D	E
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	1	\$ 10,901.00		\$ -	0.00%
21	Totals	1	\$ 10,901.00		\$ -	0.00%

22 Submitted by: Cayla Hill	23. Signature:	24. Phone Number: 831-420-2581
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Attachment B

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

FTA Section

Please refer to the instruction sheet for directions on filling out this form

1	Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number 1622
2	Grant Number(s) (FTA Recipients):			
3	Federal Fiscal year in which reporting period falls:	FFY2018	4. Date This Report Submitted:	11/16/2018
5	Reporting Period:	<input type="checkbox"/> Report due for period Oct 1-Mar 31		<input checked="" type="checkbox"/> Report due for period April 1-Sep 30
6	Name and address of Recipient:	Recipient or subrecipient completing this form		
7	Annual DBE Goal(s):	Race Conscious Projection: 0.00%	Race Neutral Projection: 1.93%	OVERALL Goal: 1.93%

Awards/Commitments this Reporting Period

		A	B	C	D	E	F	G	H	I
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD <small>(Total contracts and subcontracts committed during this reporting period)</small>	Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ 2,794,870.00	4	\$ -	0			\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ -	0	\$ -	0	\$ -		\$ -	0	0%
10	TOTAL			\$ -	0	\$ -		\$ -	0	0.00%

		A	B	C	D	E	F
B	BREAKDOWN BY ETHNICITY & GENDER	Total to DBE (dollar amount)			Total to DBE (number)		
		Women	Men	Total	Women	Men	Total
11	Black American	\$ -	\$ -	\$ -	0	0	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0
17	Non-Minority	\$ -	\$ -	\$ -	0	0	0
17	TOTAL	\$ -	\$ -	\$ -	0	0	0

Payments Made this Reporting Period

		A	B	C	D	E	F
C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in progress	0	\$ -	0	\$ -	0	0.00%

		A	B	C	D	E
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	
20	Race Neutral	6	\$ 144,132.00		\$ 110,562.00	76.71%
21	Totals	6	\$ 144,132.00		\$ 110,562.00	76.71%

22 Submitted by:	23. Signature:	24. Phone Number:
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Attachment C

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

FTA Section

Please refer to the instruction sheet for directions on filling out this form

1	Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number 1622
2	Grant Number(s) (FTA Recipients):			
3	Federal Fiscal year in which reporting period falls:	FFY2018		4. Date This Report Submitted: 11/28/2018
5	Reporting Period:	<input checked="" type="checkbox"/> Report due for period Oct 1-Mar 31		<input checked="" type="checkbox"/> Report due for period April 1-Sep 30
6	Name and address of Recipient:	Recipient or subrecipient completing this form		
7	Annual DBE Goal(s):	Race Conscious Projection: 0.00%	Race Neutral Projection: 1.93%	OVERALL Goal: 1.93%

Awards/Commitments this Reporting Period

		A	B	C	D	E	F	G	H	I
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD <small>(Total contracts and subcontracts committed during this reporting period)</small>	Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ 3,053,347.53	12	\$ -	0			\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ -	0	\$ -	0	\$ -		\$ -	0	0%
10	TOTAL			\$ -	0	\$ -		\$ -	0	0.00%

		A	B	C	D	E	F
B	BREAKDOWN BY ETHNICITY & GENDER	Total to DBE (dollar amount)			Total to DBE (number)		
		Women	Men	Total	Women	Men	Total
11	Black American	\$ -	\$ -	\$ -	0	0	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0
17	Non-Minority	\$ -	\$ -	\$ -	0	0	0
17	TOTAL	\$ -	\$ -	\$ -	0	0	0

Payments Made this Reporting Period

		A	B	C	D	E	F
C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in progress	0	\$ -	0	\$ -	0	0.00%

		A	B	C	D	E
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	7	\$ 155,033.00		\$ 110,562.00	71.32%
21	Totals	7	\$ 155,033.00		\$ 110,562.00	71.32%

22. Submitted by:	23. Signature:	24. Phone Number:
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DATE: January 25, 2019

TO: Board of Directors

FROM: Angela Aitken, Chief Financial Officer

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

I. RECOMMENDED ACTION

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

II. SUMMARY

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

III. DISCUSSION/BACKGROUND

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

- The one (1) Service Vehicle (Ford Escape Hybrid) is 10 years old and is in poor condition. The cost to repair this vehicle outweighs its value; therefore, this vehicle is recommended for disposal.
- The one (1) Paracruz Van (Chevrolet Venture Van) is 15 years old and is in poor condition. The cost to repair this vehicle outweighs its value; therefore, this vehicle is recommended for disposal.
- The seven (7) Paracruz Vans (Ford E350-Versa Shuttles) are 7 years old and are in poor condition. The cost to repair these vehicles outweighs their value; therefore, these vehicles are recommended for disposal.

- The one (1) Paracruz Van (El Dorado AeroTech 220) is 12 years old and is in poor condition. The cost to repair this vehicle outweighs its value; therefore, this vehicle is recommended for disposal.
- The two (2) buses (New Flyer and Orion) are 15 years old and are at the end of their useful life. The estimated depreciable life of a bus is 12 years; these buses should have been considered for disposal at least 3 years ago.
- All vehicles recommended for disposal are fully depreciated, so there is no financial obligation to a granting agency with regard to the recommended disposal.

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

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

IV. FINANCIAL CONSIDERATIONS/IMPACT

The estimated gross market value of these vehicles is approximately \$7,750; they have all reached the end of their useful lives and are obsolete. There is no financial impact as a result of this disposal.

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

V. ALTERNATIVES CONSIDERED

- Store the vehicles - This alternative is not recommended because the vehicles have all exceeded their useful life, and are cost prohibitive to repair.

VI. ATTACHMENTS

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

Exhibit A: Excess Vehicle & Equipment Listing—as of December 14, 2018

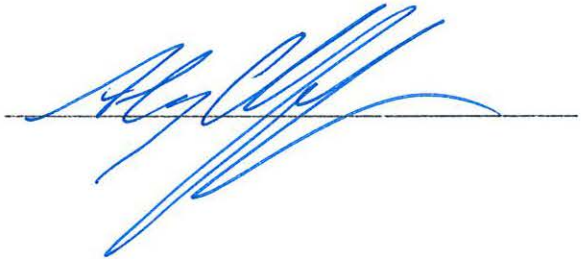
Prepared by: Debbie Kinslow, Finance Deputy Director

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, CFO

ok low for AA

Alex Clifford, CEO/General Manager



11-07.3

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Attachment A



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

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

RESOLUTION TO APPROVE THE DISPOSAL OR AUCTION OF EXCESS ASSETS

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

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

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

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

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

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

1. The following assets are declared excess property on the Excess Vehicle & Equipment Listing as of 12/14/18, "Exhibit A" and may be disposed of or auctioned as such:
 - a. "One (1) 2008 Ford Escape Hybrid, vehicle no. 807";
 - b. "One (1) 2003 Chevrolet Venture Van, vehicle no. PC317"
 - c. "Seven (7) 2011 Ford E350 Versa Shuttle, vehicle nos. PC1102, PC1112, PC1113, PC1114, PC1115, PC1118, PC1121";

11-07A.1

Attachment A

Resolution No. _____
Page 2 of 3

- d. "One (1) 2006 El Dorado Aerotech 220, vehicle no. PC2603";
- e. "One (1) 2003 New Flyer Bus, vehicle no. 2225";
- f. "One (1) 2003 Orion Bus, vehicle no. 2304";

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on January 25, 2019, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

ABSTAIN: DIRECTORS –

Board Chair

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE SHERMAN
General Counsel

Attachment A

Resolution No. _____
Page 3 of 3

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

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
EXCESS VEHICLE & EQUIPMENT LISTING AS OF 12/14/18

(Attached)

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT EXCESS VEHICLE & EQUIPMENT LISTING AS OF 12/14/2018										
Vehicle or Asset Tag #	Description	Acquisition Date	Cost	Accumulated Depreciation	Net Book Value	Est. Gross Market Value	Reason for Disposal	Condition	VIN / SN	License #
807	2008 FORD ESCAPE HYBRID	6/1/2008	\$ 26,887	\$ 26,887	\$ -	\$ 350.00	END USEFUL LIFE	POOR	1FMCU49H88KE43526	E-1291360
PC317	2003 CHEVROLET VENTURE VAN	10/13/2003	\$ 42,244	\$ 42,244	\$ -	\$ 400.00	END USEFUL LIFE	POOR	1GBDX23EX3D263288	E-1163038
PC1102	2011 FORD E350-VERSA SHUTTLE	3/1/2011	\$ 58,119	\$ 58,119	\$ -	\$ 500.00	END USEFUL LIFE	POOR	1FTDS3EL5BDA00443	E-1363908
PC1112	2011 FORD E350-VERSA SHUTTLE	3/1/2011	\$ 58,119	\$ 58,119	\$ -	\$ 500.00	END USEFUL LIFE	POOR	1FTDS3EL6BDA00435	E-1367587
PC1113	2011 FORD E350-VERSA SHUTTLE	3/1/2011	\$ 58,119	\$ 58,119	\$ -	\$ 500.00	END USEFUL LIFE	POOR	1FTDS3EL8BDA00436	E-1364066
PC1114	2011 FORD E350-VERSA SHUTTLE	3/1/2011	\$ 58,119	\$ 58,119	\$ -	\$ 500.00	END USEFUL LIFE	POOR	1FTDS3ELXBDA00437	E-1367588
PC1115	2011 FORD E350-VERSA SHUTTLE	3/1/2011	\$ 58,119	\$ 58,119	\$ -	\$ 500.00	END USEFUL LIFE	POOR	1FTDS3EL1BDA00438	E-1367589
PC1118	2011 FORD E350-VERSA SHUTTLE	3/1/2011	\$ 58,119	\$ 58,119	\$ -	\$ 500.00	END USEFUL LIFE	POOR	1FTDS3EL1BDA00441	E-1357991
PC1121	2011 FORD E350-VERSA SHUTTLE	3/1/2011	\$ 58,119	\$ 58,119	\$ -	\$ 500.00	END USEFUL LIFE	POOR	1FTDS3EL9BDA00445	E-1367592
PC2603	2006 EL DORADO AEROTECH 220	5/26/2006	\$ 63,820	\$ 63,820	\$ -	\$ 500.00	END USEFUL LIFE	POOR	1FDXE45S16DA05819	E-1231296
2225	2003 NEW FLYER BUS	2/4/2003	\$ 495,458	\$ 495,458	\$ -	\$ 1,500.00	END USEFUL LIFE	POOR	5FYD2LL052U024640	1156748
2304	2003 ORION BUS	11/20/2003	\$ 495,803	\$ 495,803	\$ -	\$ 1,500.00	END USEFUL LIFE	POOR	1VHAH6A2236502143	1179156



DATE: January 25, 2019
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
**SUBJECT: ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL
REPORT AS OF SEPTEMBER 30, 2018**

I. RECOMMENDED ACTION

**That the Board of Directors accept and file the Year to Date Monthly
Financial Report as of September 30, 2018**

II. SUMMARY OF ISSUES

- An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.
- This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of September 30, 2018."
- Staff recommends that the Board of Directors accept and file the attached report.

III. DISCUSSION/BACKGROUND

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of September 30, 2018. The fiscal year has elapsed 25%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of September 30, 2018

Slide 2

FY19 Operating Revenue and Expenses for the Month Ending September 30, 2018

- Operating Revenues for the month are unfavorable by \$440K
- Operating Expenses
 - Labor Regular - favorable by \$219K
 - Labor OT - unfavorable by \$68K
 - Fringe Benefits – favorable by \$183K

- Non-Personnel - favorable by \$101K
- Total Operating Expenses – favorable by \$435K
- Transfers – favorable by \$29K
- Operating Balance – unfavorable by \$34K

Slide 3

FY19 Operating Revenue and Expenses Year to Date as of September 30, 2018

- Operating Revenues Year to Date are favorable by \$144K
- Operating Expenses
 - Labor Regular - favorable by \$553K
 - Labor OT - unfavorable by \$232K
 - Fringe Benefits - favorable by \$350K
 - Non-Personnel - favorable by \$290K
- Total Operating Expenses – favorable by \$961K
- Transfers – favorable by \$10K
- Operating Balance – favorable by \$1,095K

Slide 4

FY19 Operating Revenue by Major Funding Source - Year to Date as of September 30, 2018

- Passenger Fares - actual is \$2,658K while budget is \$2,591K
- Sales Tax Revenue (including Measure D) - actual is \$6,241K while budget is \$6,221K
- Other Revenue - actual is \$190K while budget is \$133K
- Transportation Development Act (TDA) - actual and budget are both \$1,769K
- Federal Op Assistance - actual is \$319 while budget is \$0.

Slide 5

Favorable/ (Unfavorable) Revenue Variance to Budget Year to Date as of September 30, 2018

- Passenger Fares variance to budget is favorable by \$66K, primarily due to:
 - Special Transit Fares over budget (Contract payments from UCSC exceeding our budget projections).
- Sales Tax Revenue variance to budget is favorable by \$20K. Significant fluctuations in the variance to budget are expected in FY19 as the California Department of Tax and Fee Administration (CDT FA) changed the way funds

are disbursed, while the monthly budget allocations are based on last year's actual allocations.

- Other Revenue variance to budget is favorable by \$57K, primarily due to Advertising and Interest income.

Slide 6

FY19 Operating Expenses by Major Expense Category Year to Date as of September 30, 2018

- Labor – Regular - actual is \$3,741K while budget is \$4,294K
- Labor – OT - actual is \$658K while budget is \$426K
- Fringe Benefits - actual is \$4,985K (*of which \$1,316K is the Retirement Expense YTD*) while budget is \$5,335K
- Services - actual is \$867K while budget is \$935K
- Mobile Materials & Supplies - actual is \$660K while budget is \$834K
- Other Expenses - actual is \$590K while budget is \$639K.

Slide 7

Favorable/ (Unfavorable) Expense Variance to Budget Year to Date as of September 30, 2018

- Labor – Regular variance to budget is favorable by \$553K, primarily due to:
 - Vacant funded positions
 - Extended unpaid leaves of absence
- Labor – OT variance to budget is unfavorable by \$232K due to vacant positions and extended leaves of absence in various departments.
- Fringe Benefits variance to budget is favorable by \$350K, primarily due to lower medical insurance costs.
- Services variance to budget is favorable by \$68K, primarily due to Prof & Tech Fees under budget.
- Mobile Materials & Supplies variance to budget is favorable by \$173K due to Fuel/Lube Rev Veh and Rev Veh Parts.
- Other Expenses variance to budget is favorable by \$49K, primarily due to Employee Training and credits for Repairs – District Property.

Slide 8

FY19 Transfers Year to Date as of September 30, 2018

- Transfer to Capital Budget (2016 Net Sales Tax Measure D) - actual is \$475K while budget is \$465K.
- Transfer to Capital Budget (2016 Net Sales Tax Measure D) variance to budget is favorable by \$10K.

Slide 9

FY19 Capital Budget Spending Year to Date (by Funding Source) as of September 30, 2018

- Total Capital Spending year to date is \$547K; FY18 budget is \$22.0M
 - Cal-OES Prop 1B Transits Security Grant spending (CTSGP) is \$26K
 - Operating and Capital Reserve spending is \$52K
 - Federal Capital Grants (FTA) spending is \$288K
 - Measure D spending is \$98K
 - State Transit Assistance (STA –SB-1-FY18) spending is \$11K
 - State – PTMISEA (1B) spending is \$72K.

Slide10

FY19 Capital Budget Spending Year to Date as of September 30, 2018

- Total Capital Projects spending year to date is \$547K; FY18 budget is \$22.0M
 - Construction Related Projects spending is \$96K for the following projects:
 - Pacific Station/Metro Center – Conceptual Design
 - Metrobase Project – Judy K. Souza – Operations Building
 - Transit Security Projects
 - Revenue Vehicle Purchases, Replacement & Campaigns spending is \$344K for the following projects:
 - Electric Bus (3), Infrastructure and Project Management (FTA 5339c FY16)
 - ParaCruz Van Replacements (11) (FTA 5339a FY15/16)
 - Capitalized Lease (3 New Flyer Buses) – Year 2
 - Bus Repaint Campaigns (36) (FTA 5339a FY14)
 - Paratransit Vehicle (1) (FTA 5310 FY13/14)
 - Capitalized Lease – 3 New Flyer Buses – External Announcement System Programming Patch (Clever Devices)
 - Non-Revenue Vehicle Replacements spending is \$55K for the following project:
 - Propane Fueled Tow Motor (FTA 5339a FY14)
 - Office Equipment spending is \$9K for the following project:
 - 4 Vertical FireKing File Cabinets (Admin)
 - Misc. spending is \$43K for the following project:
 - TVM Pin Pad Bezel 8 Upgrade (6)

Slide 11

(Cover Sheet) - Additional Information

Slide 12

Economic Indicators for the Month of September 2018

- Unemployment Rate % in Santa Cruz County is 3.5%
- \$ Gasoline per Gallon for the San Francisco-Oakland-San Jose area is \$3.77;
\$ Diesel is \$3.97
- Monthly Ridership - Without UCSC (Cabrillo, Highway 17 and Fixed Route) has increased slightly in September 2018.

Slide 13

FY19 Operating Revenue, Expenses, and Transfers Year to Date as of November 30, 2018: Preliminary

- Revenue – favorable by \$768K
- Operating Expenses:
 - Personnel Expenses - favorable by \$660K
 - Non-Personnel - favorable by \$1,076K
- Total Operating Expenses - favorable by \$1,735K
- Transfers – unfavorable by \$2K
- Operating Balance – favorable by \$2,505K

Slide 14

FY19 Operating Revenue, Expenses, and Transfers Year to Date as of June 30, 2019: Preliminary

- Revenue – favorable by \$1,166K
- Operating Expenses:
 - Personnel Expenses - favorable by \$655K
 - Non-Personnel - favorable by \$1,160K
- Total Operating Expenses - favorable by \$1,816K
- Transfers – budget targets will be met, \$0 variance to budget
- Operating Balance – favorable by \$2,982K

Slide 15

The Current State of Our Budget: Balanced on the head of a needle

Slide 16

The Current State of Our System: We need to leverage human and financial resources to endure the organization's fiscal stability and overall strength for years to come. The following are some of the risks and challenges ahead:

- Need 62 Buses Today
- Federal Funding Authorization
- Long Term Financial Stability
- Aging Fleet
- Potential Recession
- Frequency of Current Service
- Extra Board Operators
- Additional Support Staff
- Workers Comp
- Unfunded Mandates
- Union Negotiations
- Reliable Service
- Customer Facing Technology

IV. FINANCIAL CONSIDERATIONS/IMPACT

Favorable budget variances in Operating Revenues and Expenses contributed to the favorable budget variance in Operating Balance, Year to Date as of September 30, 2018.

V. ALTERNATIVES CONSIDERED

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

VI. ATTACHMENTS

Attachment A: Year to Date Monthly Financial Report as of September 30, 2018 Presentation

Attachment B: FY19 Capital Budget Project Status Report as of September 30, 2018

Prepared by: Kristina Mihaylova, Sr. Financial Analyst

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Year to Date Monthly Financial Report as of September 30, 2018

Santa Cruz METRO Board of Directors

December 14, 2018

Angela Aitken, Chief Financial Officer

FY19 Operating Revenue and Expenses

For the Month Ending September 30, 2018

25% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$4,877	\$5,317	(\$440)
Operating Expenses:			
Labor - Regular	\$1,212	\$1,431	\$219
Labor - Overtime	\$210	\$142	(\$68)
Fringe Benefits	\$1,595	\$1,778	\$183
Non-Personnel Expenses	\$682	\$783	\$101
Total Operating Expenses:	\$3,700	\$4,135	\$435
Transfers:	(\$184)	(\$155)	\$29
Operating Balance:	\$993	\$1,027	(\$34)

11-08A.2



FY19 Operating Revenue and Expenses

Year to Date as of September 30, 2018

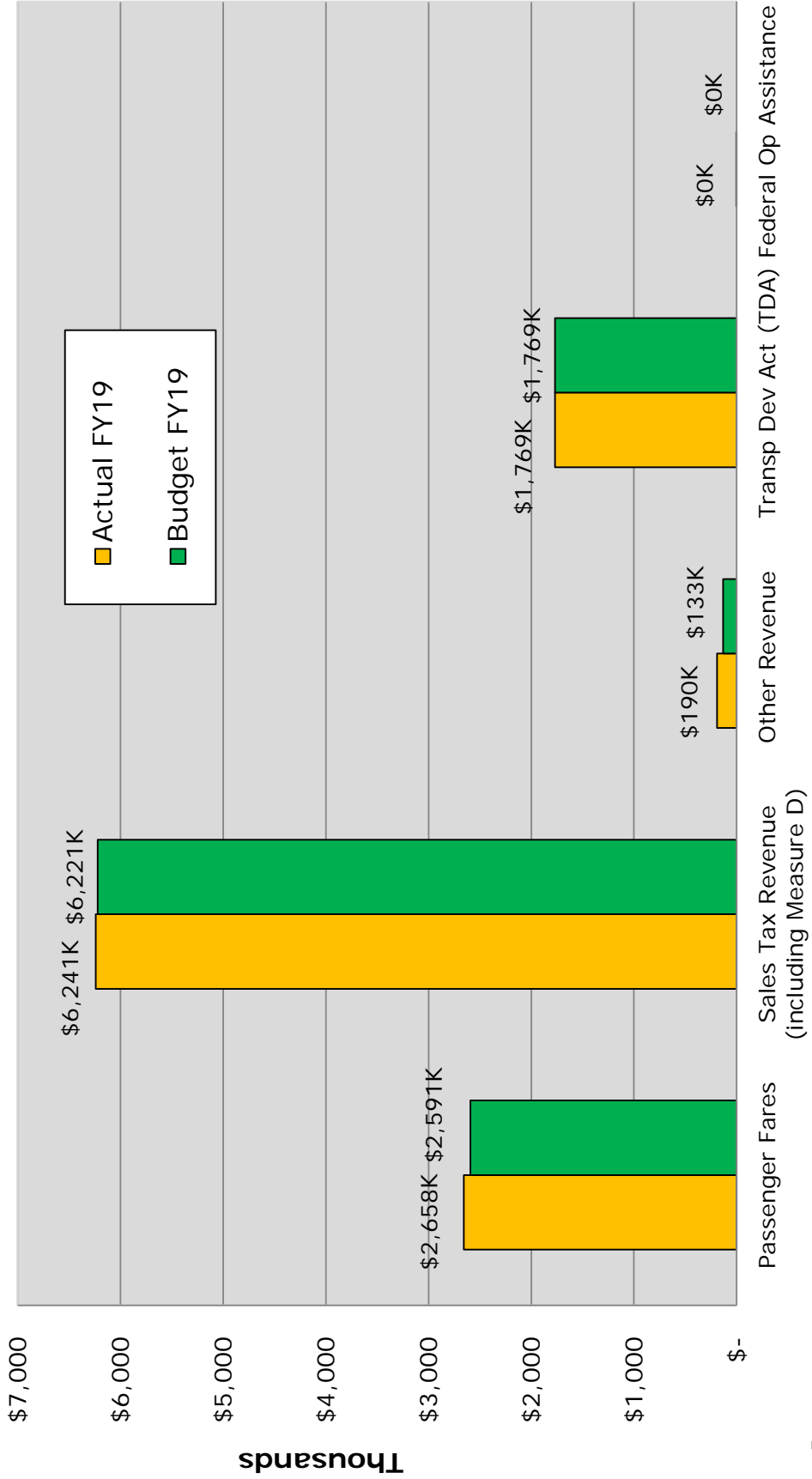
25% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$10,858	\$10,714	\$144
Operating Expenses:			
Labor - Regular	\$3,741	\$4,294	\$553
Labor - Overtime	\$658	\$426	(\$232)
Fringe Benefits	\$4,985	\$5,335	\$350
Non-Personnel Expenses	\$2,118	\$2,408	\$290
Total Operating Expenses:	\$11,502	\$12,463	\$961
Transfers:	(\$475)	(\$465)	\$10
Operating Balance:	(\$1,119)	(\$2,214)	\$1,095

11-08A.3

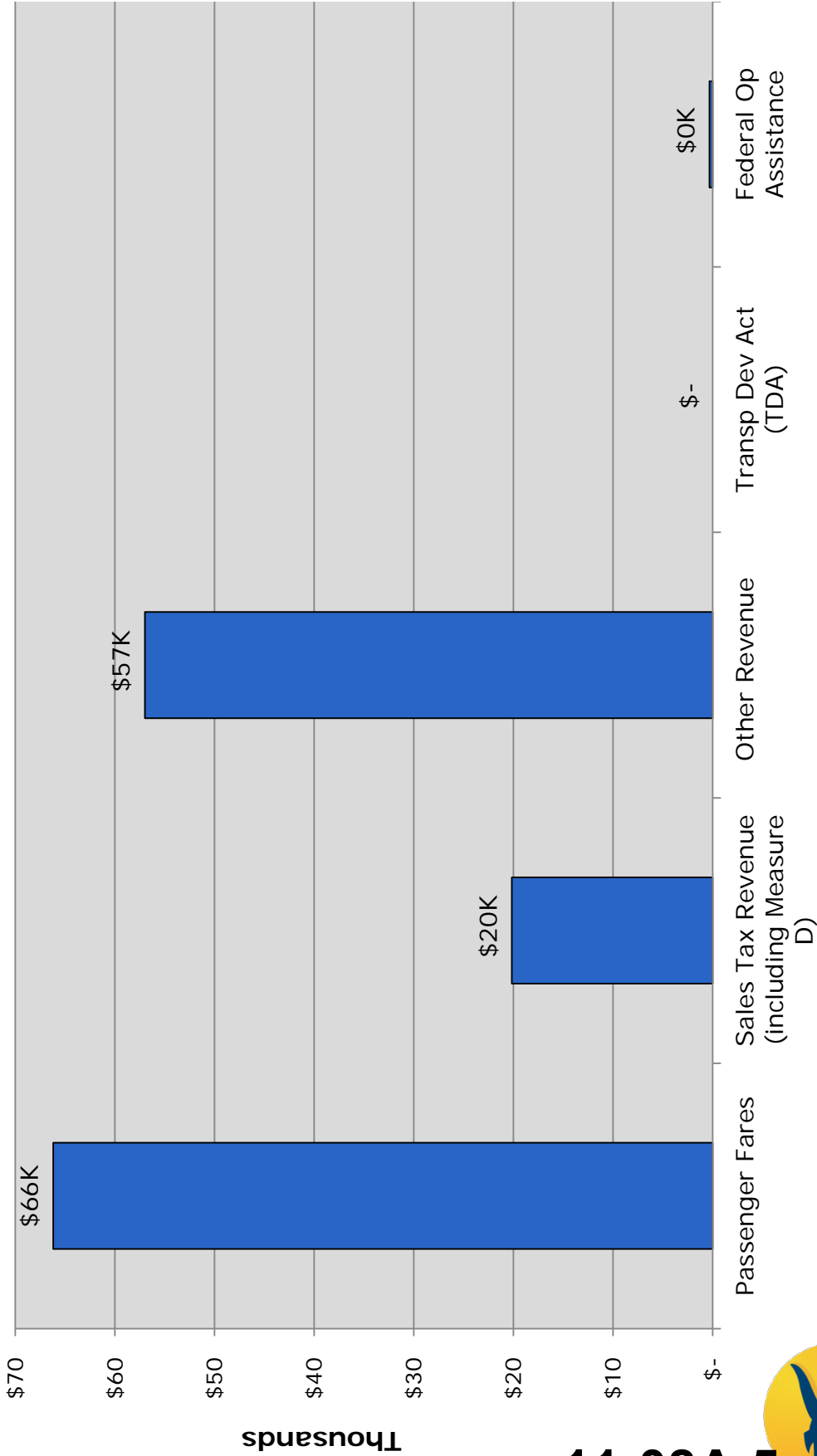


FY19 Operating Revenue by Major Funding Source
Year to Date as of September 30, 2018
 25% of Fiscal Year Elapsed



Favorable/(Unfavorable) Revenue Variance to Budget Year to Date as of September 30, 2018

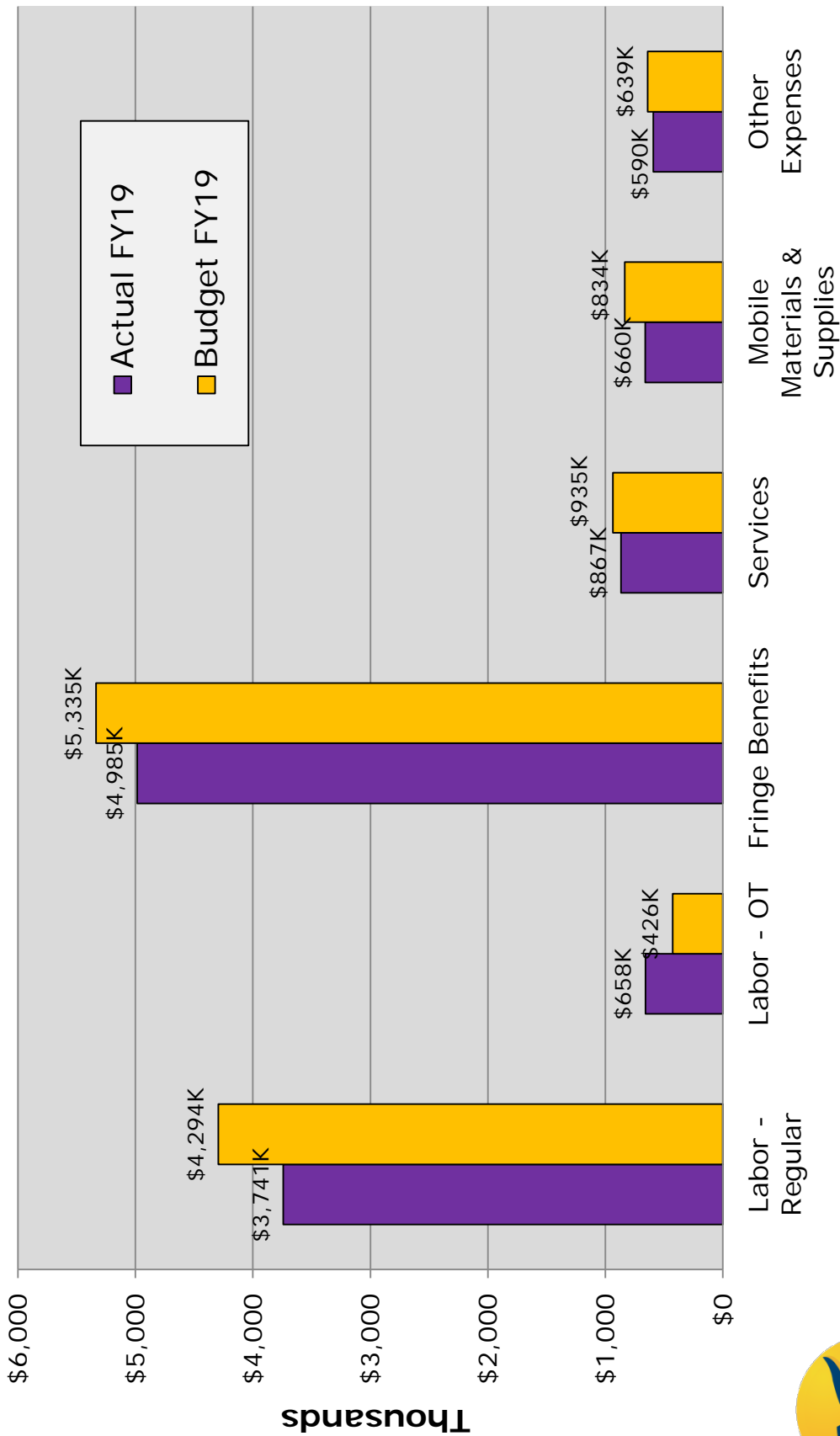
25% of Fiscal Year Elapsed



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FY19 Operating Expenses by Major Expense Category
Year to Date as of September 30, 2018
25% of Fiscal Year Elapsed

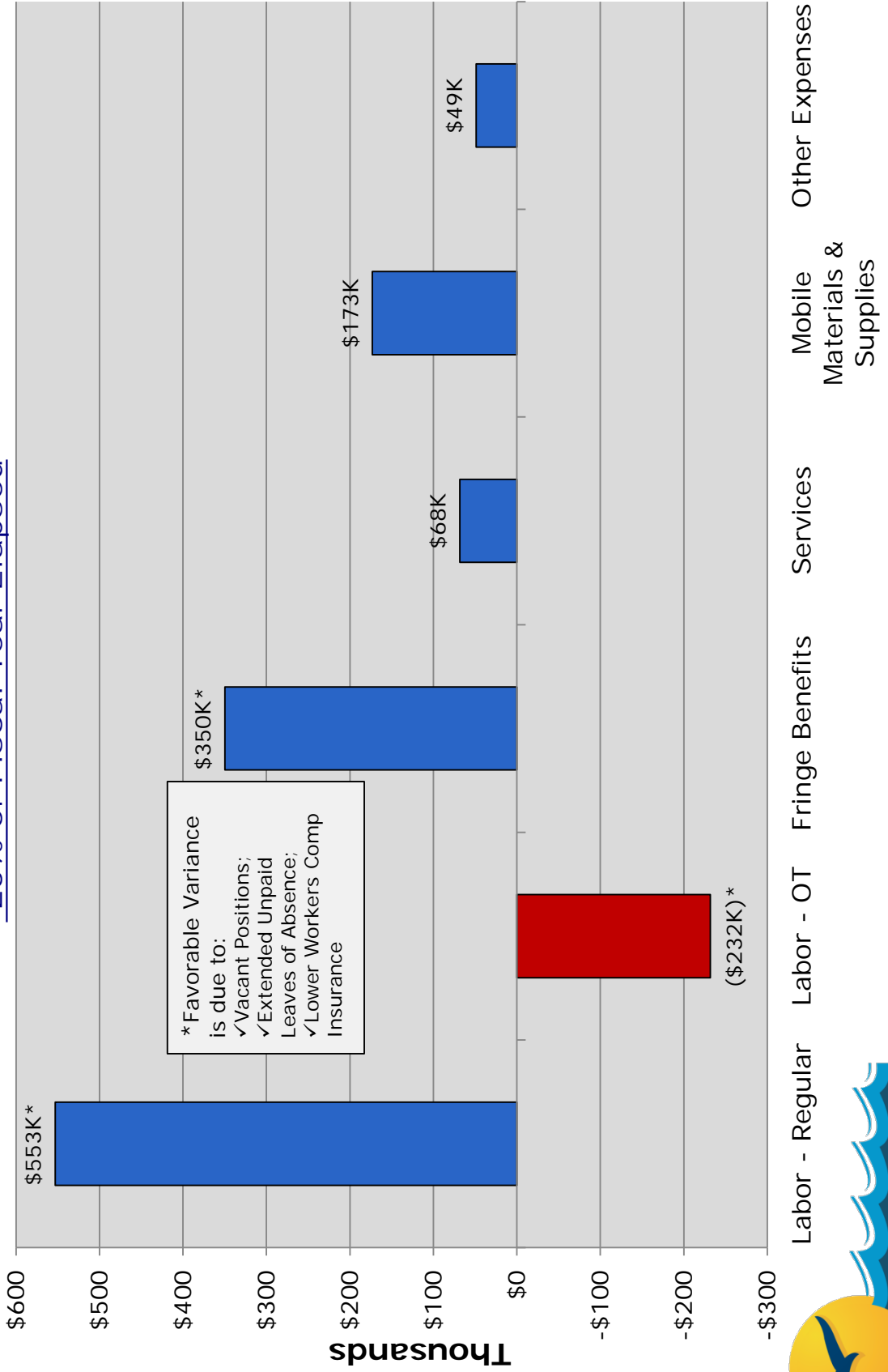


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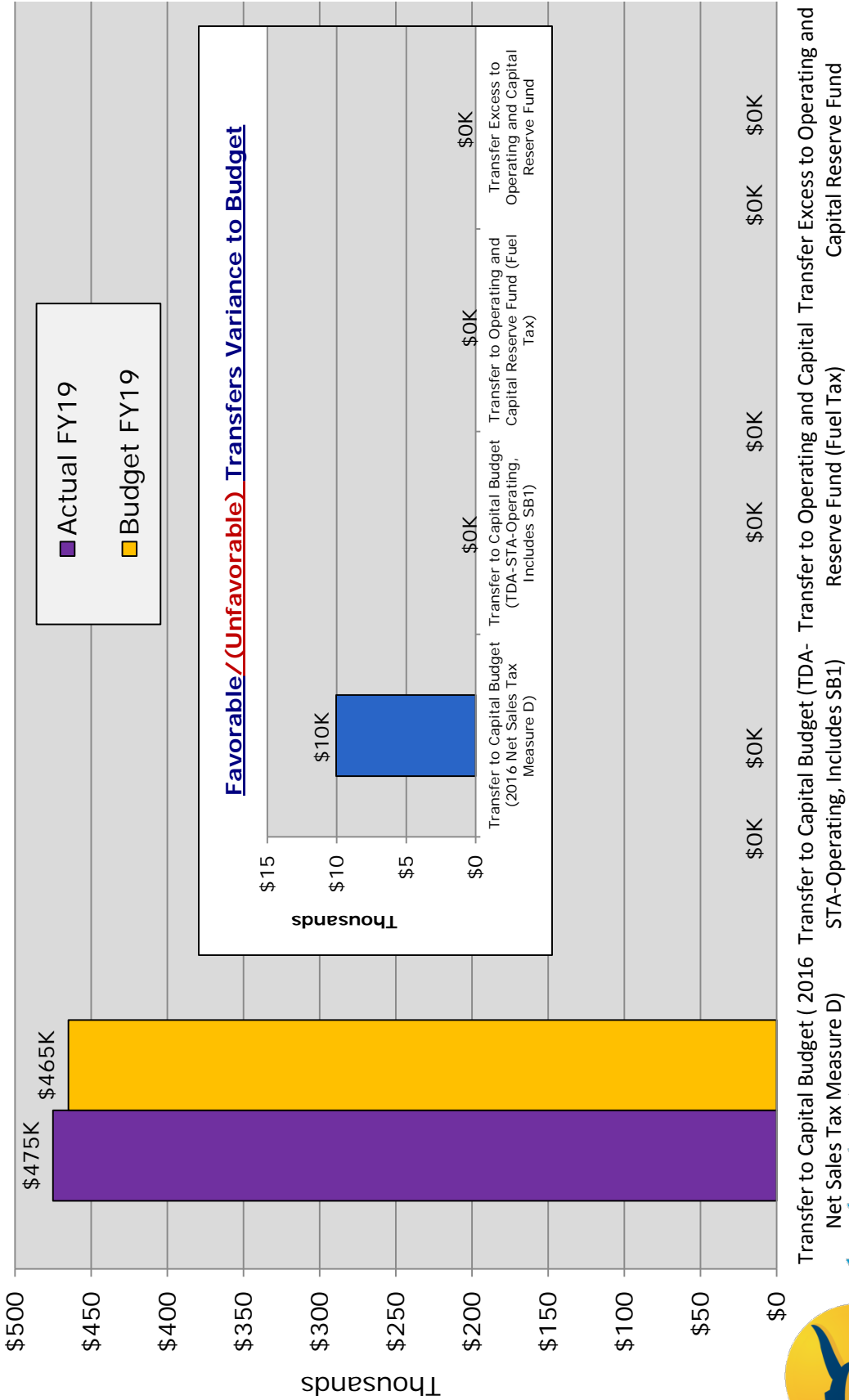


Favorable/(Unfavorable) Expense Variance to Budget
Year to Date as of September 30, 2018

25% of Fiscal Year Elapsed



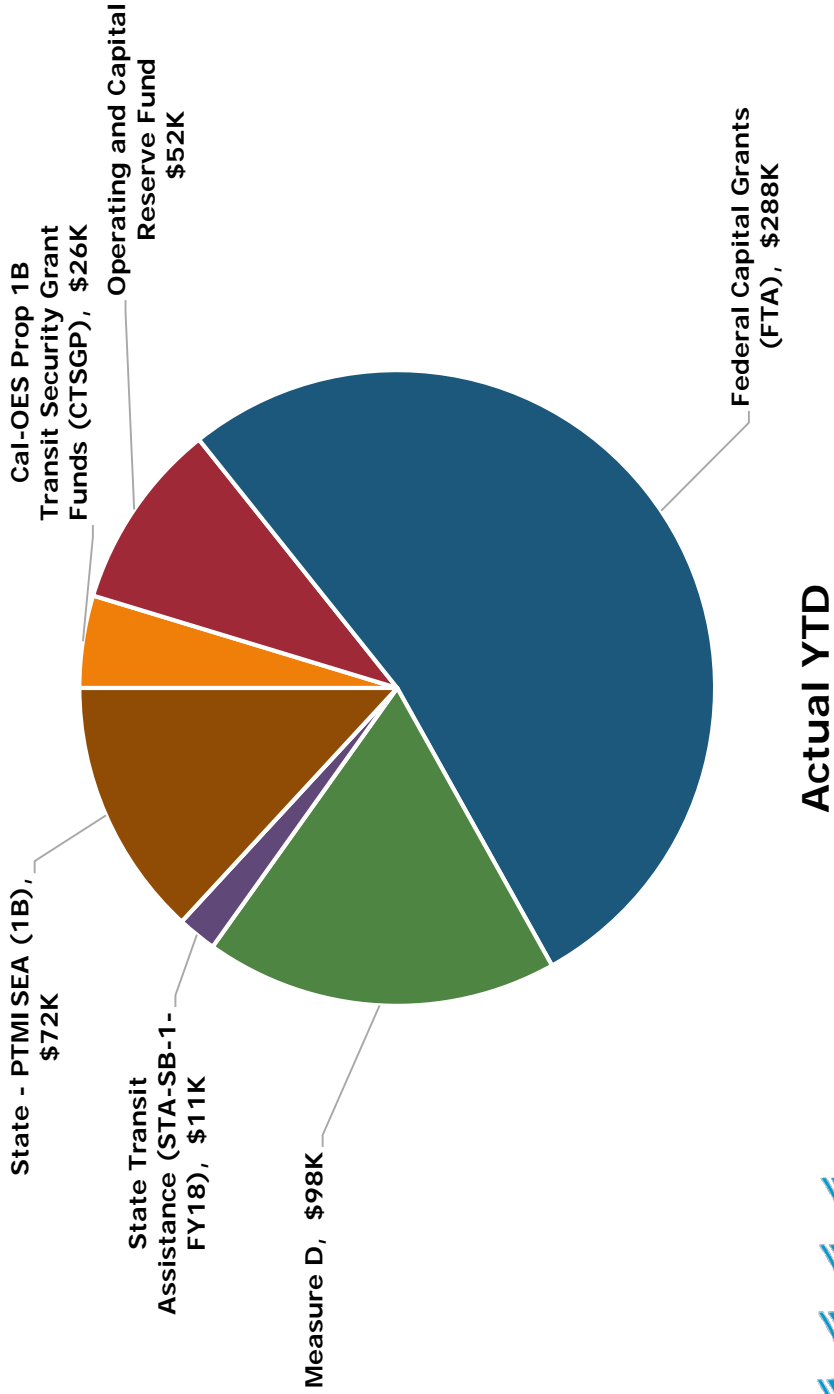
FY19 Transfers
Year to Date as of September 30, 2018
25% of Fiscal Year Elapsed



FY19 Capital Budget:

Spending Year to Date (by Funding Source) as of September 30, 2018
 25% of Fiscal Year Elapsed

	Actual YTD	Total FY19 Budget	% Spent YTD
Total Capital Funding:	\$546,897	\$21,972,877	2%

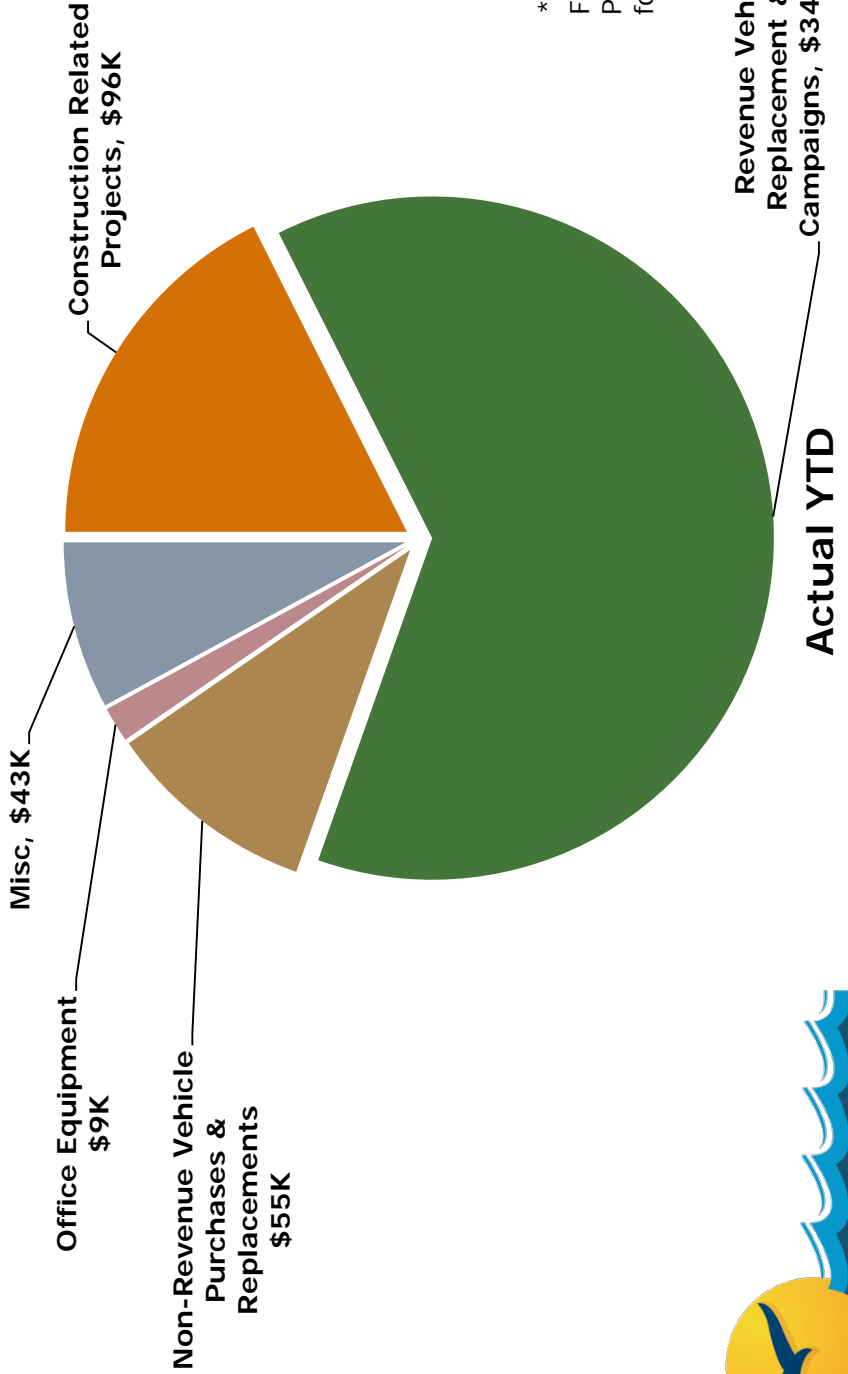


FY19 Capital Budget:

Spending Year to Date as of September 30, 2018

25% of Fiscal Year Elapsed

	Actual YTD	Total FY18 Budget	% Spent YTD
Total Capital Projects:	\$546,897	\$21,972,877	2%



* See Attachment B – FY19 Capital Budget Project Status Report for additional details

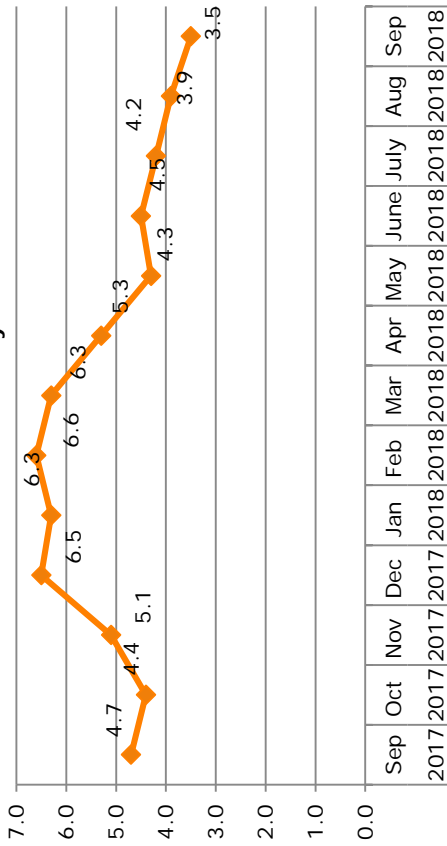
Additional Information

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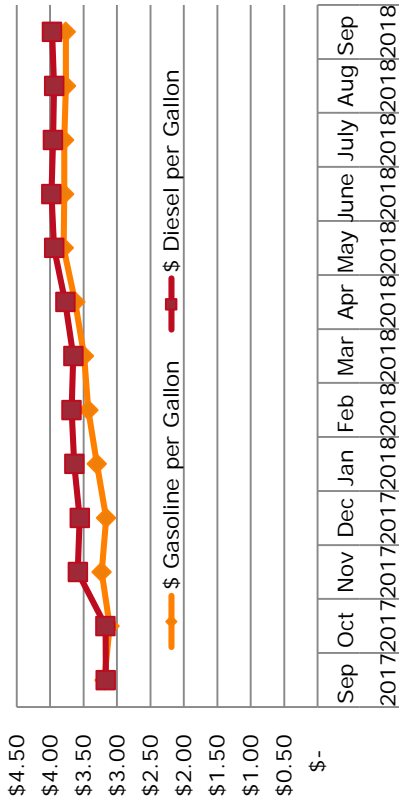


Economic Indicators:

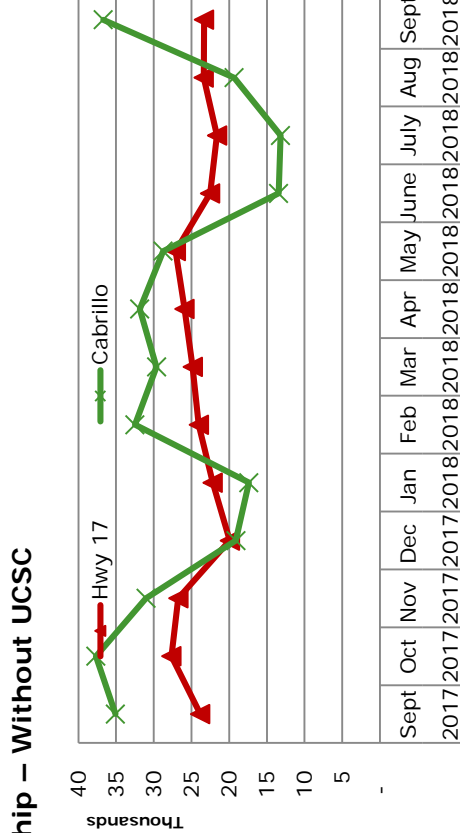
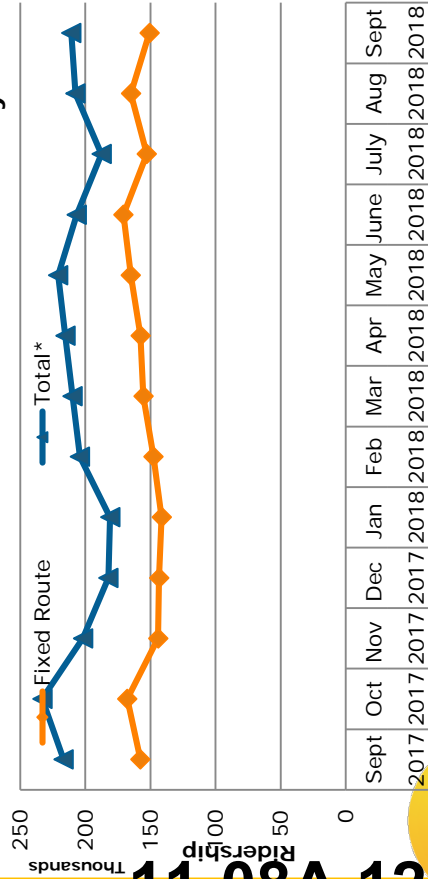
Unemployment Rate %
Santa Cruz County



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



Monthly Ridership – Without UCSC



* Total = Fixed Route + Hwy 17 + Cabrillo Ridership



FY19 Operating Revenue, Expenses, and Transfers:
Year to Date as of November 30, 2018: PRELIMINARY:

42% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Revenue:	\$17,124	\$16,356	\$768
Operating Expenses:			
Personnel Expenses	\$16,099	\$16,758	\$660
Non-Personnel Expenses	\$2,898	\$3,974	\$1,076
Total Operating Expenses:	\$18,997	\$20,732	\$1,735
Transfers:			
Transfers to Capital Budget	\$773	\$775	(\$2)
Transfers to Operating and Capital Reserve Fund	\$0	\$0	\$0
Total Transfers:	\$773	\$775	(\$2)
Operating Balance:	(\$2,646)	(\$5,151)	\$2,505

FY19 Operating Revenue, Expenses, and Transfers:
Year to Date as of June 30, 2019: PRELIMINARY:

100% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Revenue:	\$54,897	\$53,731	\$1,166
Operating Expenses:			
Personnel Expenses	\$39,565	\$40,220	\$655
Non-Personnel Expenses	\$8,471	\$9,632	\$1,160
Total Operating Expenses:	\$48,036	\$49,852	\$1,816
Transfers:			
Transfers to Capital Budget	\$2,328	\$2,328	\$0
Transfers to Operating and Capital Reserve Fund	\$1,407	\$1,407	\$0
Total Transfers:	\$3,736	\$3,736	\$0
Operating Balance:	\$3,125	\$143	\$2,982

The Current State of Our Budget:

Balanced on the head of a needle



The Current State of Our System

We need to leverage human and financial resources to ensure the organization's fiscal stability and overall strength for years to come.



Need 62 Buses Today	Federal Funding Authorization
Long Term Financial Sustainability	Aging Fleet
Potential Recession	Extra Board Drivers
Frequency of Current Service	Workers Comp
Additional Support Staff	Unfunded Mandates
Union Negotiations	Customer Facing Technology
Reliable Service	



Questions

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT											
FY19 CAPITAL BUDGET											
AS OF JUNE 22, 2018											
Report Status - Spending as of September 30, 2018											
	PM*	Total Fiscal Year Budget	Total Spent - Fiscal Year to Date	% Project Completed (1)	Start Date	New - Estimated Start Date	Estimated End Date of:	New - Estimated End Date	Project Status (2)	Source of Funds	Grant Expiration Date
16	FR, EB	\$ 14,000	\$ -	0%	1/4/2019				Project Kick-off meeting set for 1/4/2019	FTA	Award Pending
17	AA	\$ 10,000	\$ -	0%	1/4/2019				Angela is expecting to kick this off in January.	FTA	Award Pending
18	FR, EB	\$ 10,000	\$ -	0%	1/4/2019				Project Kick-off meeting set for 1/4/2019	FTA	Award Pending
19	FR, EB	\$ 9,548	\$ -						An ask for funds to be reallocated to purchase of Scissor Lift and Trailer for Facilities		
20	FR, EB	\$ 8,910	\$ -	0%	1/4/2019				Project Kick-off meeting set for 1/4/2019	FTA	Award Pending
21	FR, EB	\$ 8,000	\$ -						An ask for funds to be reallocated to purchase of Scissor Lift and Trailer for Facilities		
		\$ 811,237	\$ -								
Revenue Vehicle Purchases, Replacements & Campaigns											
22	EA	\$ 4,919,542	\$ 9,102	5%	9/7/2016		6/30/2022		Bus purchase element to be put out to bid in 2019 instead of buying from BYD. Infrastructure moving ahead, all other elements on hold	FTA, PTMISEA, MEAS D	Award 8/23/17, 5 years to obligate, PTMISEA 6/30/22
23	EB	\$ 2,635,548		0%						FTA, STA-SGR, MEAS D	
24	EB, EA	\$ 1,656,000		0%						STIP, LPP, HVIP (\$300K)	
25	IH	\$ 1,581,385		0%						STIP, MEAS D	PTMISEA 6/30/22, LCTOP Award 6/2/16 3 years to obligate (6/1/19)
26	EA	\$ 1,066,508	\$ -	50%	6/1/2016		6/30/2019		Received Proterra's cost proposal 9/18/2018 order pending executed contract and issuance of purchase order. Deadline extension request still pending.	PTMISEA, LCTOP	
27	EB	\$ 1,016,605		0%						STIP, MEAS D	
28	EB	\$ 1,000,000		5%					Eddie and Freddy are working on cost estimates for work on buses.	MEAS D	Award 8/14/17, 5 years to obligate
29	EB, CA	\$ 863,232	\$ 150,778	100%	4/1/2018		4/15/2018	9/30/2018	Complete, all vehicles in service.	FTA, MEASURE D	
30	EB, EA	\$ 863,102								LCTOP	
31	EB, EA	\$ 658,887	\$ -	5%	9/1/2016		5/1/2019		Ordered placed 9/11/2018	FTA, PTMISEA	6/1/19, 6/30/22
32	EB, EA	\$ 658,889	\$ -	1%		5/1/2018			Waiting for Caltrans to execute agreement. Piggybacking documentation sent to Caltrans 8/16/18.	FTA, MEASURE D	Award pending
33	EB, CA	\$ 283,529	\$ 60,286	13%	12/1/2017		6/30/2018	11/30/2023	Making monthly payments against the lease (9 of 72 payments as of 8/1/18)	MEASURE D	N/A
34	EB, CA	\$ 165,239	\$ -	100%			6/1/2018		Completed	FTA, MEASURE D	
35	EB, CA	\$ 160,000	\$ -	0%	9/1/2017		6/30/2018	4/30/2019	Grant being submitted by Tom	FTA	Award pending
36	EB, CA	\$ 102,809	\$ 32,653	53%	2/15/2018		6/30/2019		Classic Graphic body and Paint -20 completed and 16 remain. Project on going.	FTA, MEASURE D	Award 8/14/17, 5 years to obligate
37	EB, CA	\$ 68,367	\$ 65,131	100%	4/1/2017		6/30/2018	7/18/2018	Completed	FTA, MEASURE D	Award 3/1/16, 10 years to obligate
38	EB, CA	\$ 28,500	\$ 25,665	85%			10/30/2018		Internal /External Announcements Paul Revier Buses - Internal announcement completed - External announcement solution on going by Clever Device.	FTA, MEASURE D	N/A
39	EB, CA	\$ 13,802	\$ -	100%			6/30/2018		Project Close-Out complete 10/31/2018	FTA, MEASURE D	None per Tom
		\$ 17,741,944	\$ 343,615								
Non-Revenue Vehicle Purchases & Replacements											

11-08A.19



DATE: January 25, 2019
TO: Board of Directors
FROM: Angela Aitken, Chief Financial Officer
**SUBJECT: ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL
REPORT AS OF OCTOBER 31, 2018**

I. RECOMMENDED ACTION

**That the Board of Directors accept and file the Year to Date Monthly
Financial Report as of October 31, 2018**

II. SUMMARY OF ISSUES

- An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.
- This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of October 31, 2018."
- Staff recommends that the Board of Directors accept and file the attached report.

III. DISCUSSION/BACKGROUND

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of October 31, 2018. The fiscal year has elapsed 33%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of October 31, 2018

Slide 2

FY19 Operating Revenue and Expenses for the Month Ending October 31, 2018

- Operating Revenues for the month are favorable by \$1,508K
- Operating Expenses
 - Labor Regular - favorable by \$8K
 - Labor OT - unfavorable by \$175K
 - Fringe Benefits – favorable by \$156K
 - Non-Personnel - unfavorable by \$285K

- Total Operating Expenses – unfavorable by \$296K
- Transfers – favorable by \$146K
- Operating Balance – unfavorable by \$1,067K

Slide 3

FY19 Operating Revenue and Expenses Year to Date as of October 31, 2018

- Operating Revenues Year to Date are favorable by \$1,652K
- Operating Expenses
 - Labor Regular - favorable by \$561K
 - Labor OT - unfavorable by \$407K
 - Fringe Benefits - favorable by \$506K
 - Non-Personnel - favorable by \$5K
- Total Operating Expenses – favorable by \$666K
- Transfers – favorable by \$156K
- Operating Balance – favorable by \$2,162K

Slide 4

FY19 Operating Revenue by Major Funding Source - Year to Date as of October 31, 2018

- Passenger Fares - actual is \$3,571K while budget is \$3,486K
- Sales Tax Revenue (including Measure D) - actual is \$9,322K while budget is \$7,847K
- Other Revenue - actual is \$271K while budget is \$178K
- Transp Dev Act (TDA) - actual and budget are both \$1,769K
- Federal Op Assistance - actual is \$402 while budget is \$0.

Slide 5

Favorable/ (Unfavorable) Revenue Variance to Budget Year to Date as of October 31, 2018

- Passenger Fares variance to budget is favorable by \$84K primarily due to:
 - Special Transit Fares over budget (Contract payments from UCSC exceeding our budget projections).
- Sales Tax Revenue variance to budget is favorable by \$1,475K. Significant fluctuations in the variance to budget are expected in FY19 as the California Department of Tax and Fee Administration (CDT FA) changed the way funds are disbursed, while the monthly budget allocations are based on last year's actual allocations.

- Other Revenue variance to budget is favorable by \$93K primarily due to Advertising and Interest income.

Slide 6

FY19 Operating Expenses by Major Expense Category Year to Date as of October 31, 2018

- Labor - Regular- actual is \$5,164K while budget is \$5,725K
- Labor – OT - actual is \$975K while budget is \$568K
- Fringe Benefits - actual is \$6,607K (*of which \$1,762K is the Retirement Expense YTD*) while budget is \$7,113K
- Services - actual is \$1,165K while budget is \$1,227K
- Mobile Materials & Supplies - actual is \$897K while budget is \$1,111K
- Other Expenses - actual is \$1,123K while budget is \$852K.

Slide 7

Favorable/ (Unfavorable) Expense Variance to Budget Year to Date as of October 31, 2018

- Labor – Regular variance to budget is favorable by \$561K primarily due to:
 - Vacant funded positions
 - Extended unpaid leaves of absence
- Labor – OT variance to budget is unfavorable by \$406K due to vacant positions and extended leaves of absence in various departments.
- Fringe Benefits variance to budget is favorable by \$506K primarily due to lower medical insurance costs.
- Services variance to budget is favorable by \$62K primarily due to Prof & Tech Fees under budget.
- Mobile Materials & Supplies variance to budget is favorable by \$214K due to Fuel/Lube Rev Veh and Rev Veh Parts.
- Other Expenses variance to budget is unfavorable by \$271K primarily due to Miscellaneous expenses (IRS 2015 Alternative Fuel Tax Rebate Liability: final total charges; penalties and interest charged by IRS).

Slide 8

FY19 Transfers Year to Date as of October 31, 2018

- Transfer to Capital Budget (2016 Net Sales Tax Measure D)- actual is \$776K while budget is \$620K.
- Transfer to Capital Budget (2016 Net Sales Tax Measure D) variance to budget is favorable by \$156K.

Slide 9

FY19 Capital Budget Spending Year to Date (by Funding Source) as of October 31, 2018

- Total Capital Spending year to date is \$1,405K; FY18 budget is \$22.0M
 - Cal-OES Prop 1B Transits Security Grant spending (CTSGP) is \$27K
 - Operating and Capital Reserve spending is \$52K
 - Federal Capital Grants (FTA) spending is \$981K
 - Measure D spending is \$260K
 - State Transit Assistance (STA –SB-1-FY18) spending is \$11K
 - State – PTMISEA (1B) spending is \$74K.

Slide10

FY19 Capital Budget Spending Year to Date as of October 31, 2018

- Total Capital Projects spending year to date is \$1,405K; FY18 budget is \$22.0M
 - Construction Related Projects spending is \$99K for the following projects:
 - Pacific Station/Metro Center – Conceptual Design
 - Metrobase Project – Judy K. Souza – Operations Bldg.
 - Transit Security Projects
 - Facilities Upgrades & Improvements spending is \$1K for the following project:
 - 138 Golf Club Fire Egress (FTA 5339a FY17)
 - Revenue Vehicle Purchases, Replacement & Campaigns spending is \$1,181K for the following projects:
 - Electric Bus (3), Infrastructure and Project Management (FTA 5339c FY16)
 - VTA Bus Transfer - Decommission & Retrofit 10 Electric Hybrids, and 4 Diesel Artics
 - Paracruz Van Replacements (11) (FTA 5339a FY15/16)
 - Capitalized Lease (3 New Flyer Buses) – Year 2
 - Bus Repaint Campaigns (36) (FTA 5339a FY14)
 - Paratransit Vehicle (1) (FTA 5310 FY13/14)
 - Capitalized Lease – 3 New Flyer Buses – External Announcement System Programming Patch (Clever Devices)
 - Non-Revenue Vehicle Replacements spending is \$55K for the following project:

- Propane Fueled Tow Motor (FTA 5339a FY14)
- Office Equipment spending is \$9K for the following project:
 - 4 Vertical Fire King File Cabinets (Admin)
- Misc. spending is \$60K for the following project:
 - TVM Pin Pad Bezel 8 Upgrade (6)
 - C/S Call Center Furnishings (FTA 5339a FY18)

Slide 11

(Cover Sheet) - Additional Information

Slide 12

Economic Indicators for the Month of October 2018

- Unemployment Rate % in Santa Cruz County is 3.6%
- \$ Gasoline per Gallon for the San Francisco-Oakland-San Jose area is \$3.91;
\$ Diesel is \$4.09
- Monthly Ridership - Without UCSC (Cabrillo, Highway 17 and Fixed Route)
has increased in October 2018.

Slide 13

FY19 Operating Revenue, Expenses, and Transfers Year to Date as of
December 31, 2018: Preliminary

- Revenue – favorable by \$1,077K
- Operating Expenses:
 - Personnel Expenses - favorable by \$761K
 - Non-Personnel - favorable by \$901K
- Total Operating Expenses - favorable by \$1,662K
- Transfers – unfavorable by \$21K
- Operating Balance – favorable by \$2,759K

Slide 15

The Current State of Our Budget: Balanced on the head of a needle

Slide 16

The Current State of Our System: We need to leverage human and financial resources to endure the organization's fiscal stability and overall strength for years to come. The following are some of the risks and challenges ahead:

- Need 62 Buses Today
- State of Good Repair
- Federal Funding Authorization
- Long Term Financial Stability
- Aging Fleet
- Potential Recession
- Frequency of Current Service
- Extra Board Operators
- Additional Support Staff
- Workers Comp
- Unfunded Mandates
- Union Negotiations
- Reliable Service
- Customer Facing Technology

IV. FINANCIAL CONSIDERATIONS/IMPACT

Favorable budget variances in Operating Revenues and Expenses contributed to the favorable budget variance in Operating Balance, Year to Date as of October 31, 2018.

V. ALTERNATIVES CONSIDERED

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

VI. ATTACHMENTS

Attachment A: Year to Date Monthly Financial Report as of October 31, 2018 Presentation

Attachment B: FY19 Capital Budget Project Status Report as of October 31, 2018

Prepared By: Kristina Mihaylova, Sr. Financial Analyst

YTD Financial Report

11-08B.6

VII. APPROVALS:

Approved as to fiscal impact:

Angela Aitken, Chief Financial Officer

allow for AA

Alex Clifford, CEO/General Manager

[Signature]

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Year to Date Monthly Financial Report as of October 31, 2018

Santa Cruz METRO Board of Directors

January 25, 2019

Angela Aitken, Chief Financial Officer

FY19 Operating Revenue and Expenses

For the Month Ending October 31, 2018

33% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$4,074	\$2,566	\$1,508
Operating Expenses:			
Labor - Regular	\$1,423	\$1,431	\$8
Labor - Overtime	\$317	\$142	(\$175)
Fringe Benefits	\$1,622	\$1,778	\$156
Non-Personnel Expenses	\$1,068	\$783	(\$285)
Total Operating Expenses:	\$4,430	\$4,134	(\$296)
Transfers:	(\$301)	(\$155)	\$146
Operating Balance:	(\$657)	(\$1,724)	\$1,067



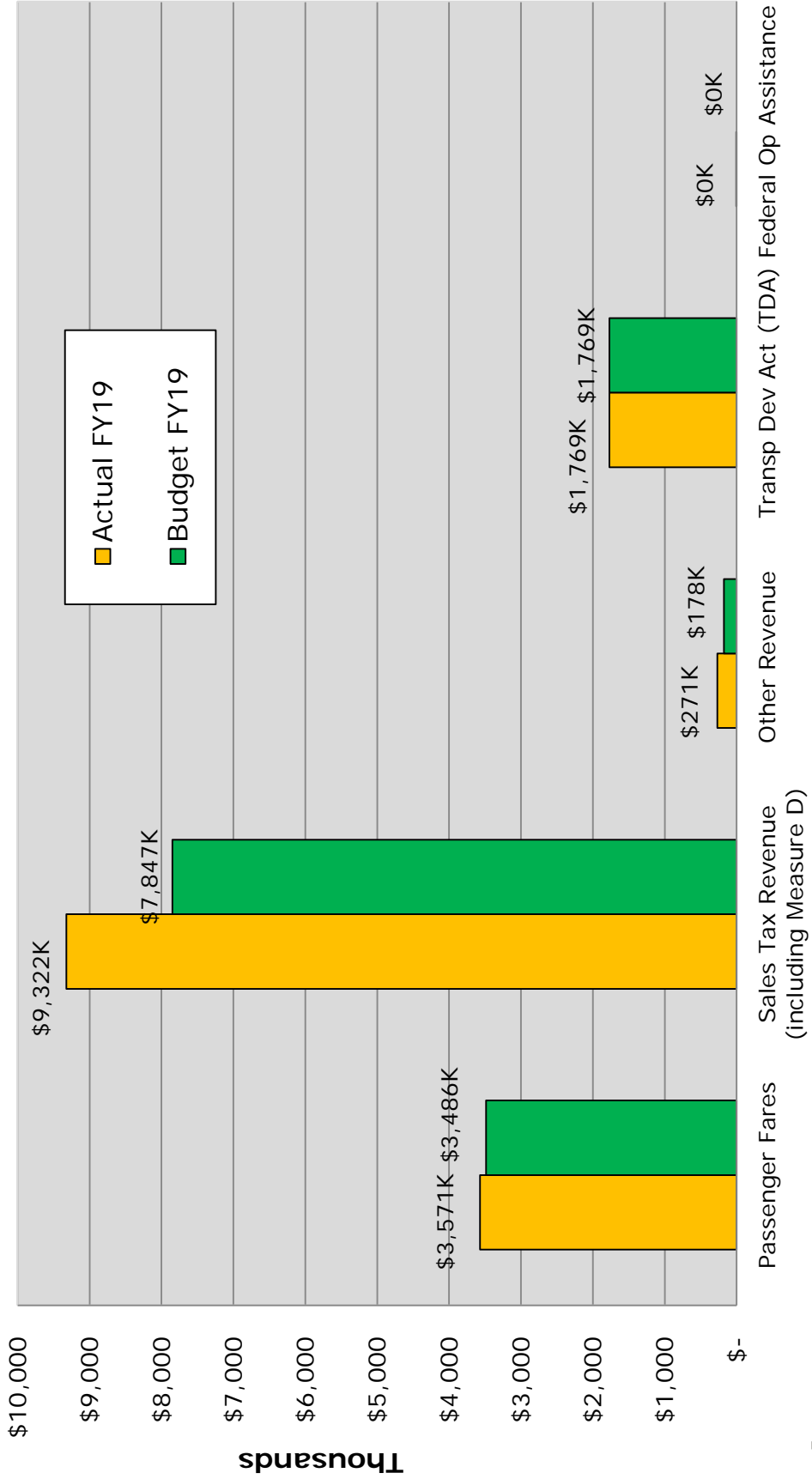
FY19 Operating Revenue and Expenses **Year to Date as of October 31, 2018**

33% of Fiscal Year Elapsed

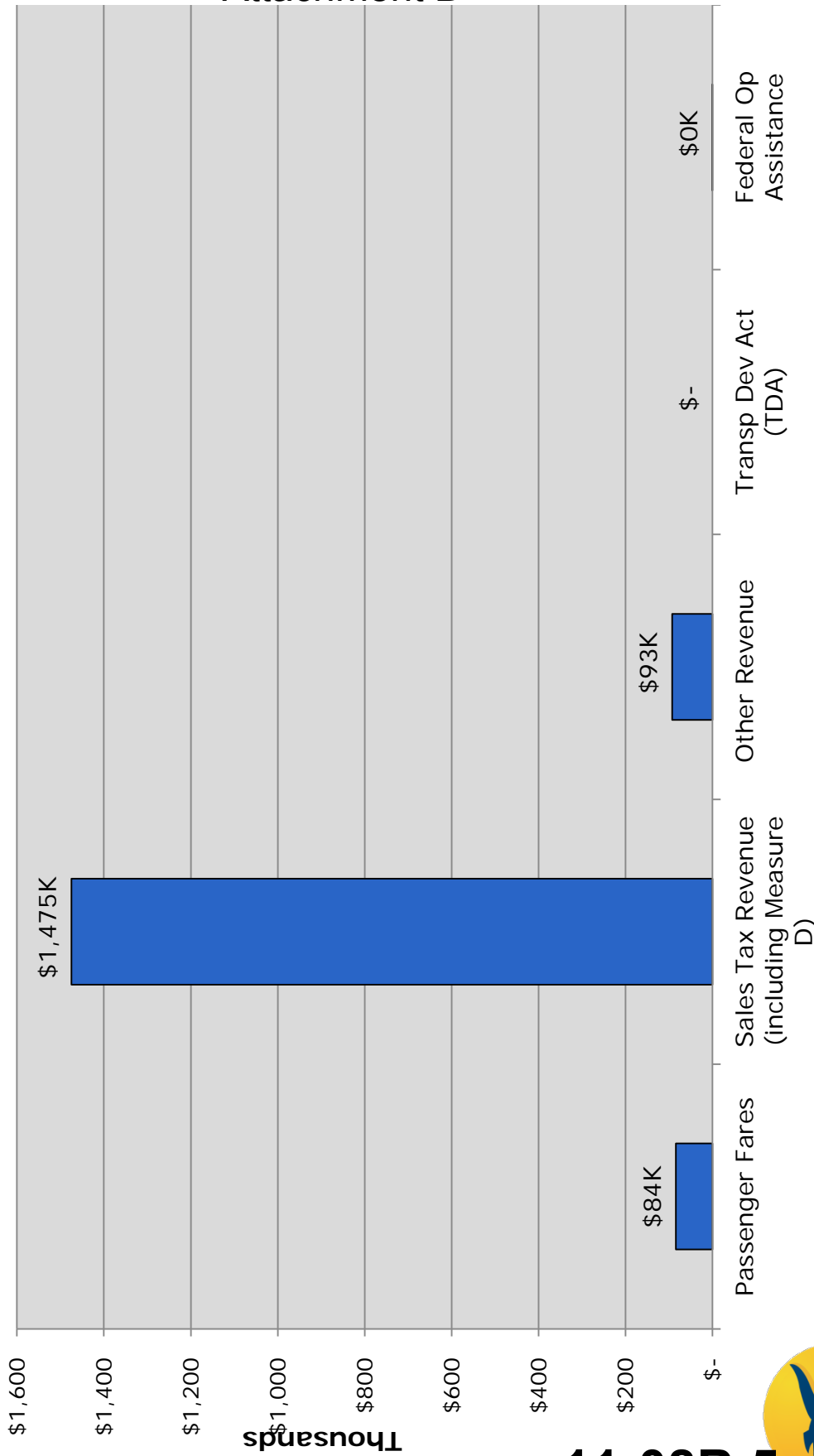
\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$14,932	\$13,280	\$1,652
Operating Expenses:			
Labor - Regular	\$5,164	\$5,725	\$561
Labor - Overtime	\$975	\$568	(\$407)
Fringe Benefits	\$6,607	\$7,113	\$506
Non-Personnel Expenses	\$3,186	\$3,191	\$5
Total Operating Expenses:	\$15,931	\$16,598	\$666
Transfers:	(\$776)	(\$620)	\$156
Operating Balance:	(\$1,776)	(\$3,938)	\$2,162



FY19 Operating Revenue by Major Funding Source
Year to Date as of October 31, 2018
 33% of Fiscal Year Elapsed



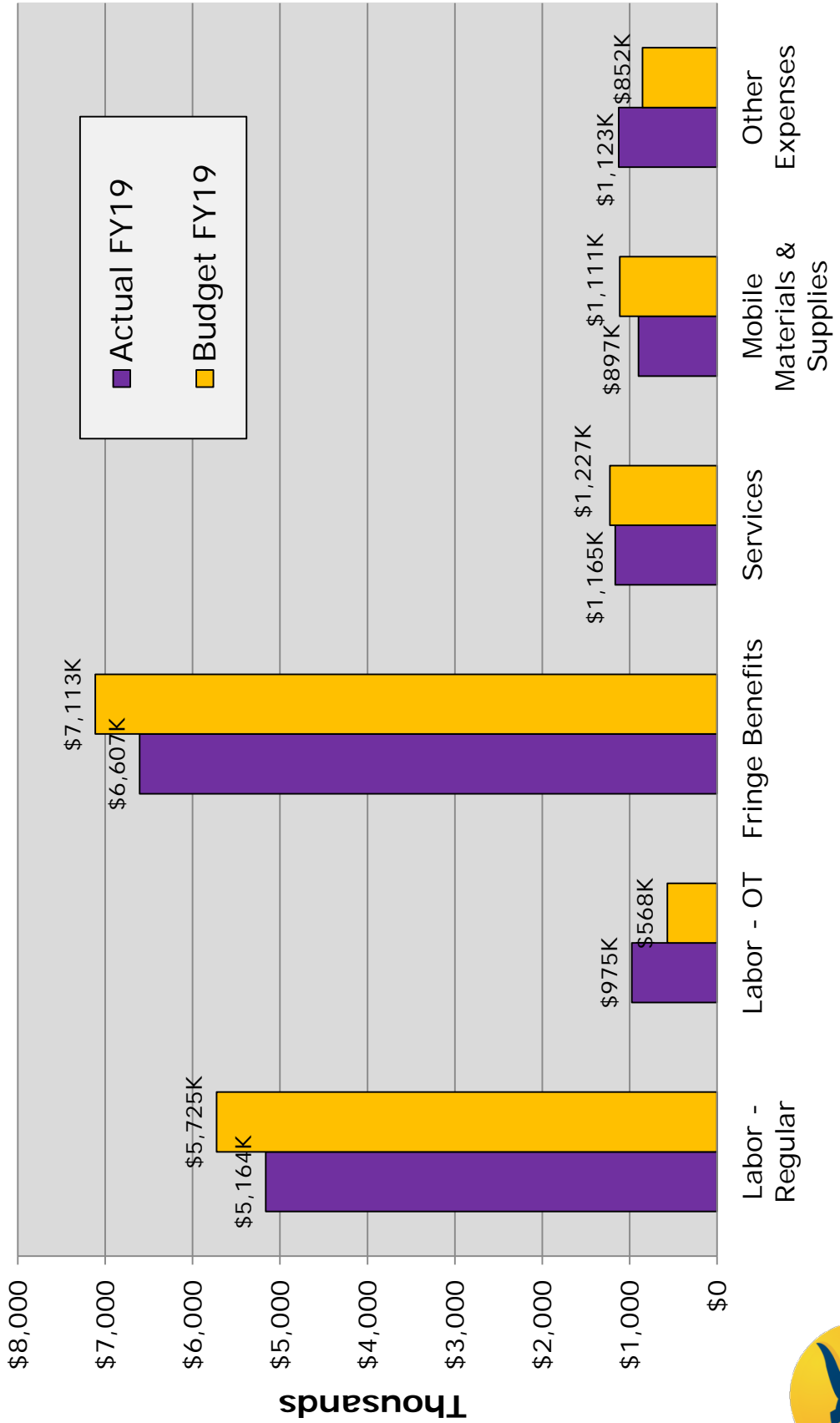
Favorable/(Unfavorable) Revenue Variance to Budget
Year to Date as of October 31, 2018
 33% of Fiscal Year Elapsed



11-08B.5

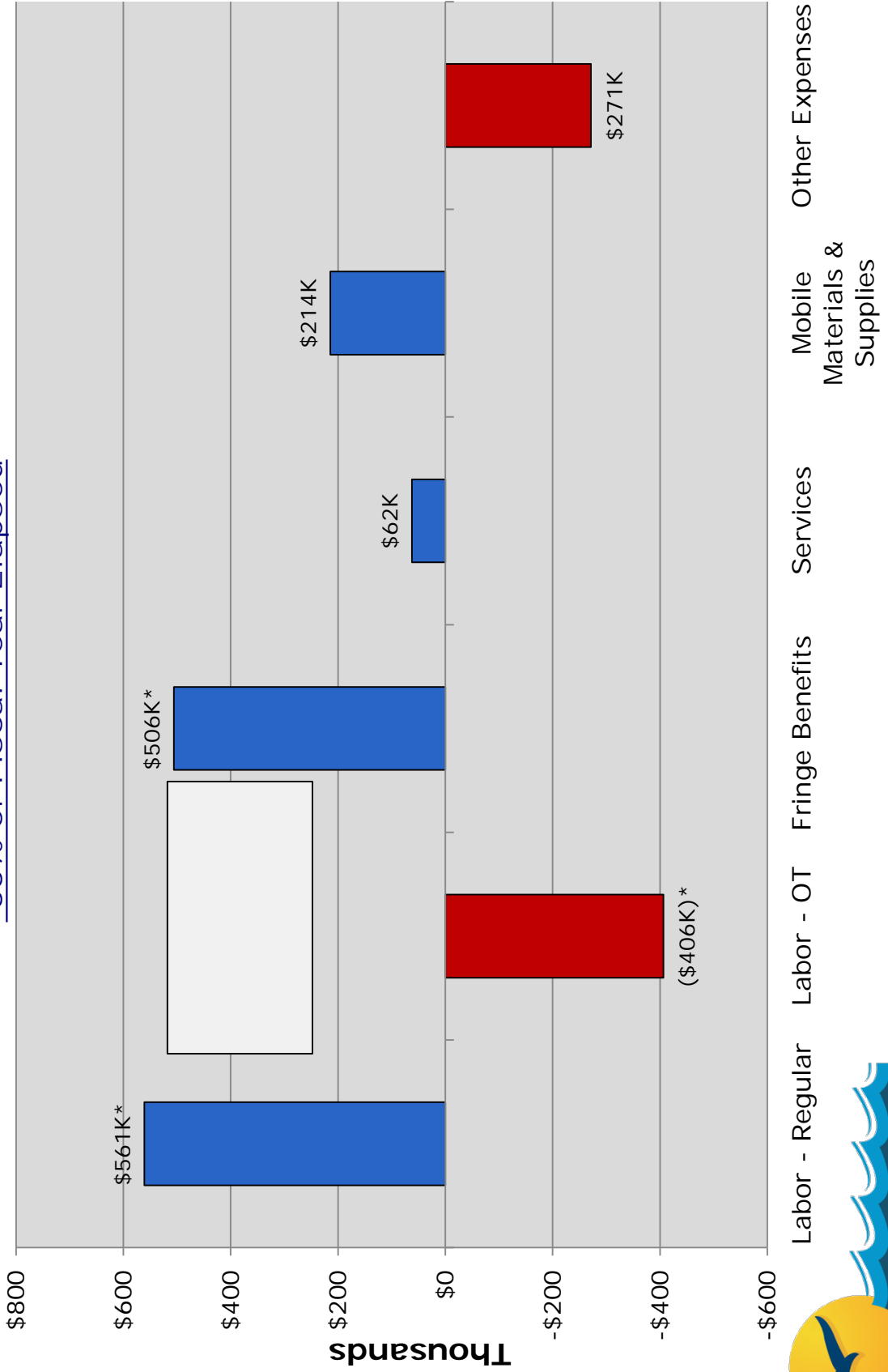


FY19 Operating Expenses by Major Expense Category
Year to Date as of October 31, 2018
33% of Fiscal Year Elapsed

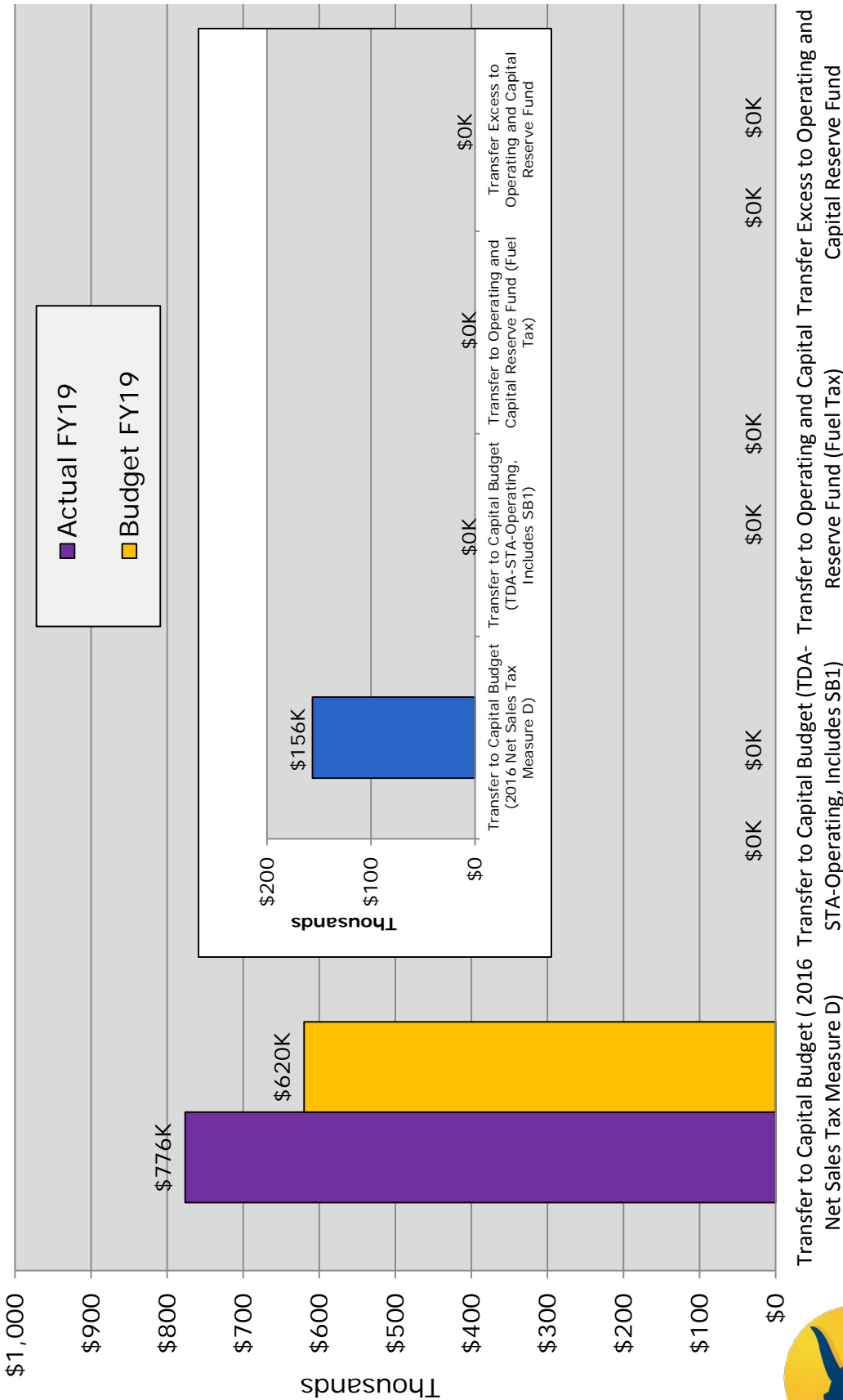


Favorable/(Unfavorable) Expense Variance to Budget
Year to Date as of October 31, 2018

33% of Fiscal Year Elapsed



FY19 Transfers
Year to Date as of October 31, 2018
33% of Fiscal Year Elapsed

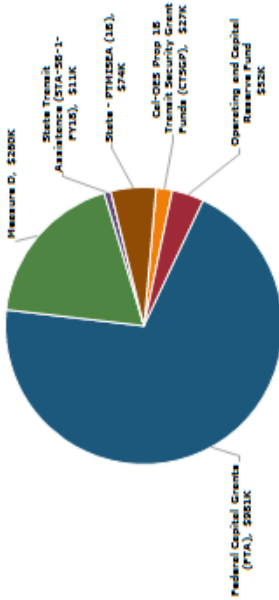


FY19 Capital Budget:

Spending Year to Date (by Funding Source) as of October 31, 2018

33% of Fiscal Year Elapsed

	Actual YTD	Total FY19 Budget	% Spent YTD
Total Capital Funding:	\$1,404,866	\$21,972,877	6%



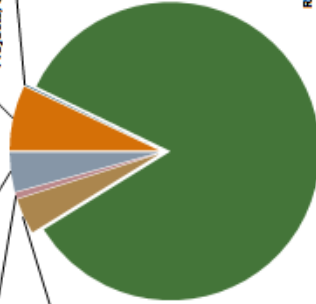
FY19 Capital Budget:

Spending Year to Date as of October 31, 2018

33% of Fiscal Year Elapsed

	Actual YTD	Total FY18 Budget	% Spent YTD
Total Capital Projects:	\$1,404,866	\$21,972,877	6%

Office Equipment \$9K
Non-Revenue Vehicle Purchases & Replacements \$55K
Misc. \$60K
Construction Related Projects, \$99K
Facilities Upgrades & Improvements \$1K



* See - FY19 Capital Budget Project Status Report for additional details

Revenue Veh Replacement & Campaigns, \$1,181K



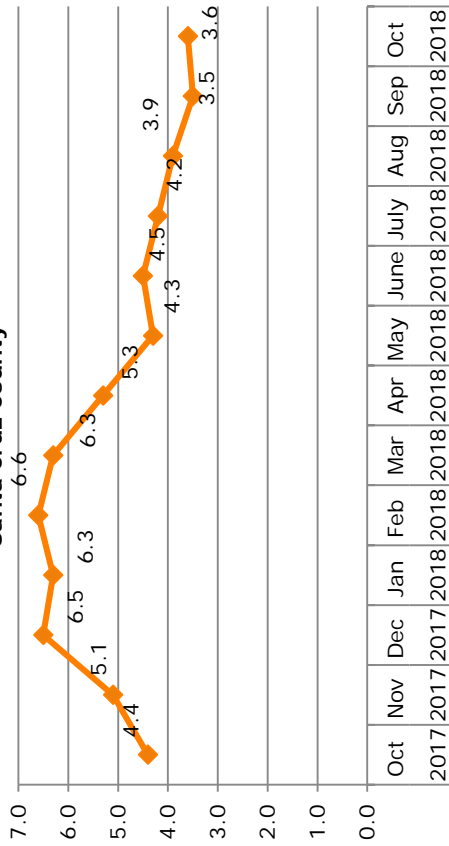
Additional Information

11-08B.11

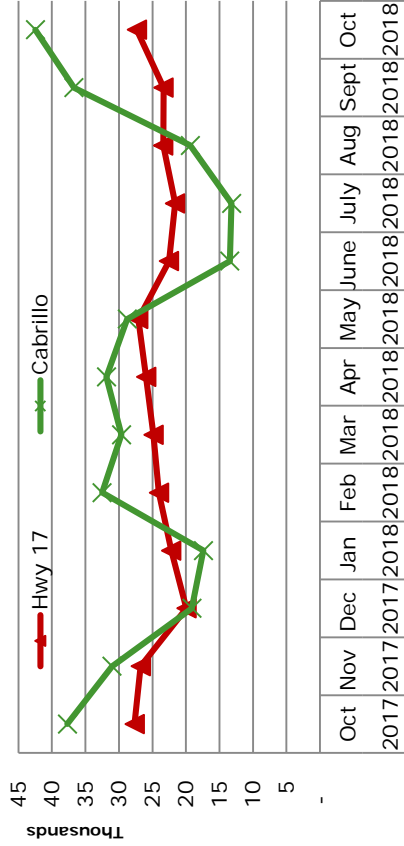
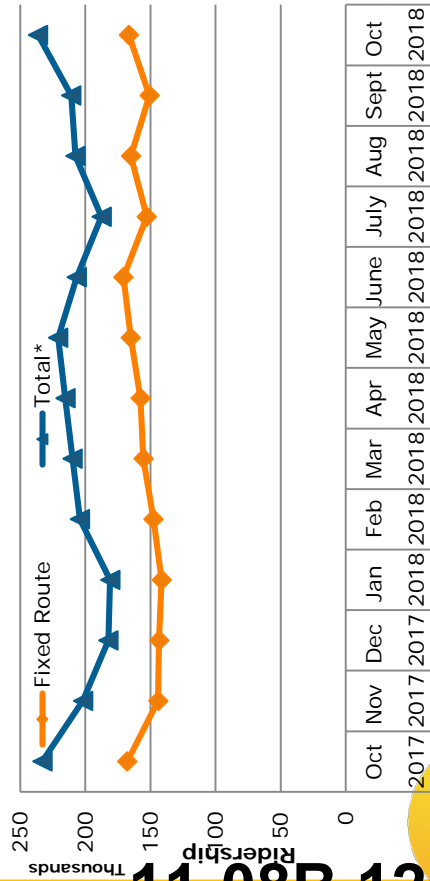
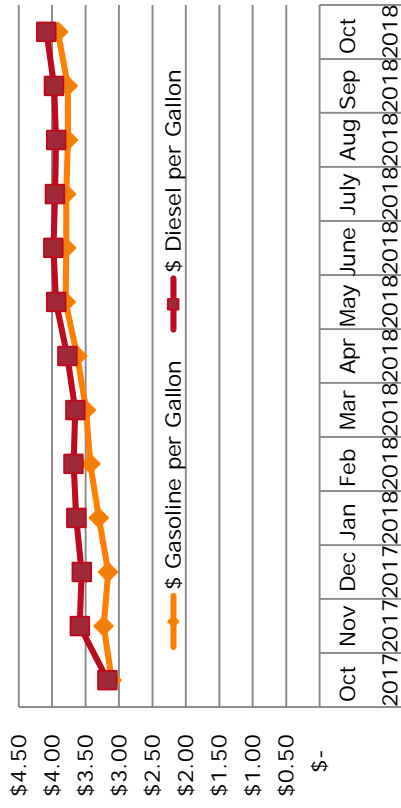


Economic Indicators:

Unemployment Rate %
Santa Cruz County



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



* Total = Fixed Route + Hwy 17 + Cabrillo Ridership

11-08B.12



FY19 Operating Revenue, Expenses, and Transfers:
Year to Date as of December 31, 2018: PRELIMINARY:

50% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Revenue:	\$23,546	\$22,469	\$1,077
Operating Expenses:			
Personnel Expenses	\$19,349	\$20,110	\$761
Non-Personnel Expenses	\$3,915	\$4,816	\$901
Total Operating Expenses:	\$23,264	\$24,926	\$1,662
Transfers:			
Transfers to Capital Budget	\$909	\$930	(\$21)
Transfers to Operating and Capital Reserve Fund	\$0	\$0	\$0
Total Transfers:	\$909	\$930	(\$21)
Operating Balance:	(\$628)	(\$3,387)	\$2,759



The Current State of Our Budget:



The Current State of Our System

We need to leverage human and financial resources to ensure the organization's fiscal stability and overall strength for years to come.



State of Good Repair	Federal Funding Authorization
Long Term Financial Sustainability	Aging Fleet
Potential Recession	Frequency of Current Service
Additional Support Staff	Workers Comp
Union Negotiations	Unfunded Mandates
	Reliable Service
	Extra Board Drivers
	Customer Facing Technology



Questions

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT												
FY19 REVISED CAPITAL BUDGET												
For JANUARY 25, 2019 Board Meeting												
Report Status - Spending as of October 31, 2018												
Updated: 12/26/2018												
	PM*	Total Fiscal Year Budget	Total Spent - Fiscal Year to Date	% Project Complete (1)	Start Date	New - Estimated Start Date	Estimated End Date of:	New - Estimated End Date	Project Status (2)	Source of Funds	Grant Expiration Date	
17	AA	\$ 10,000	\$ -	0%	1/4/2019				Angela is expecting to kick this off in January.	FTA	Award Pending	
18	FR, EB	\$ 10,000	\$ -	0%	1/4/2019				Project Kick-off meeting set for 1/4/2019 An ask for funds to be reallocated to purchase of Pressure Washer for Facilities	FTA	Award Pending	
19	FR, EB	\$ 9,548	\$ -									
20	FR, EB	\$ 8,910	\$ -	0%	1/4/2019				Project Kick-off meeting set for 1/4/2019 An ask for funds to be reallocated to purchase of Pressure Washer for Facilities	FTA	Award Pending	
21	FR, EB	\$ 8,000	\$ -									
		\$ 811,237	\$ 1,451									
Revenue, Vehicle Purchases, Replacements & Campaigns												
22	EA	\$ 4,919,542	\$ 9,887	5%	9/7/2016		6/30/2022		Bus purchase element to be put out to bid in 2019 instead of buying from BYD. Infrastructure moving ahead, all other elements on hold	FTA, PTMISEA, MEAS D	Award 8/23/17, 5 years to obligate. PTMISEA 6/30/22	
23	EB	\$ 2,635,548		0%					Order placed. Waiting for build schedule from Gillig	FTA, STA-SGR, MEAS D		
24	EB, EA	\$ 1,656,000		0%						STIP, LPP, HVIP (\$300K)		
25	IH	\$ 1,581,385		0%						STIP, MEAS D		
26	EA	\$ 1,066,508	\$ -	50%	6/1/2016		6/30/2019		Received Proterra's cost proposal 9/18/2018 order pending executed contract and issuance of purchase order. Deadline extension request still pending.	PTMISEA, LCTOP	PTMISEA 6/30/22. LCTOP Award 6/2/16 3 years to obligate (6/1/19)	
27	EB	\$ 1,016,605		0%						STIP, MEAS D		
28	EB	\$ 1,000,000	\$ 136,274	5%					Eddie and Freddy are working on cost estimates for work on buses. 1 Gillig and 1 Artie should be ready for Dec. 14th event.	MEAS D		
29	EB, CA	\$ 863,232	\$ 826,899	100%	4/1/2018		4/15/2018	9/30/2018	Complete, all vehicles in service.	FTA, MEASURE D	Award 8/14/17, 5 years to obligate	
30	EB, EA	\$ 863,102								LCTOP		
31	EB, EA	\$ 658,887	\$ -	5%	9/1/2016		5/1/2019		Ordered placed 9/11/2018 FTA has not executed the contract as they are waiting for their Procurement Branch to complete their review of the LAVTA contract	FTA, PTMISEA	6/1/19, 6/30/22	
32	EB, EA	\$ 658,889	\$ -	1%	5/1/2018				Making monthly payments against the lease (13 of 72 payments as of 12/1/18)	FTA, MEASURE D	Award pending	
33	EB, CA	\$ 283,529	\$ 80,483	13%	12/1/2017		6/30/2018	11/30/2023	Completed	MEASURE D	N/A	
34	EB, CA	\$ 165,239	\$ -	100%			6/13/2018			FTA, MEASURE D		
35	EB, CA	\$ 160,000	\$ -	0%	9/1/2017		6/30/2018	4/30/2019	Grant being submitted by Tom	FTA	Award pending	
36	EB, CA	\$ 102,809	\$ 36,281	53%	2/15/2018		6/30/2019		Classic Graphic body and Paint -22 completed and 14 remain. Project on going.	FTA, MEASURE D	Award 8/14/17, 5 years to obligate Award 3/1/16, 10 years to obligate	
37	EB, CA	\$ 68,367	\$ 65,131	100%	4/1/2017		6/30/2018	7/18/2018	Completed	FTA, MEASURE D		
38	EB, CA	\$ 28,500	\$ 25,665	85%			10/30/2018		Internal /External Announcements Paul Revere Buses- Internal announcement completed - External announcement solution on going by Clever Device.	FTA, MEASURE D	N/A	
39	EB, CA	\$ 13,802	\$ -	100%			6/30/2018		Project Close-Out complete 10/31/2018	FTA, MEASURE D	None per Tom	
		\$ 17,741,944	\$ 1,180,620									

11-08B.18

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT												
FY19 REVISED CAPITAL BUDGET												
For JANUARY 25, 2019 Board Meeting												
Report Status - Spending as of October 31, 2018												
Updated: 12/26/2018												
		PM*	Total Fiscal Year Budget	Total Spent - Fiscal Year to Date	% Project Complete (1)	Start Date	New - Estimated Start Date	Estimated End Date of:	New - Estimated End Date	Project Status (2)	Source of Funds	
Non-Revenue Vehicle Purchases & Replacements												
40	Propane Fueled Tow Motor (FTA 5339a FY14)	EB, CA	\$ 60,000	\$ 54,687	100%	4/1/2017		6/30/2018	8/31/2018	Tow Motor final invoice paid, acceptance signed 8/29/18	FTA, STA, RES	Award 8/14/17, 5 years to obligate
41	Replace Custodial Support Vehicles (2) (FTA5339a FY18)	EB, CA	\$ 30,000	\$ -	0%	1/10/2019				Project Kick-off meeting for 1/10/19	FTA	Award pending
	Subtotal		\$ 90,000	\$ 54,687								
Fleet & Maint Equipment												
42	Bus Yard Scrubber/Sweeper (FTA 5339a FY18)	FR, EB	\$ 75,000	\$ -	0%	1/4/2019				Project Kick-off meeting 1/4/19	FTA	Award pending
43	Floor Scrubbers for Maint. Shop (FTA 5339a FY18)	FR, EB	\$ 45,000	\$ -	0%	1/4/2019				Project Kick-off meeting 1/4/19	FTA	Award pending
	Subtotal		\$ 120,000	\$ -								
Office Equipment												
44	Business Copy Machine-Admin (FTA 5339a FY18)		\$ 20,000	\$ -						Business Copy Machine purchase is not allowed with FTA 5339a funds.		
45	4 Vertical FireKing File Cabinets-Admin		\$ 9,200	\$ 9,108	0%						CAPITAL RESERVES	N/A
	Subtotal		\$ 29,200	\$ 9,108								
Misc.												
46	TVM Pin Pad Bezel & Upgrade (6)		\$ 70,000	\$ 43,313								
47	C/S Call Center Furnishings (FTA 5339a FY18)	AA	\$ 19,000	\$ 16,650	95%					Furniture delivered and installed, payment in progress. Awaiting authorization from Sateway, and funds set aside to be used when needed	FTA	
48	Ticket Vending Machine-SLV- Installation Costs + Misc.	CA, AA	\$ 32,045	\$ -	0%		9/1/2018			Testing concluded on noise abatement, acoustic panels to be installed by 11/1/18. left over funds to be absorbed into Capital Reserves	STA	N/A
49	Misc. Emergency Capital Items \$1K to \$5K	EB, CA	\$ 10,000	\$ -	50%					Project being postponed, funds from Capital Reserve to be used instead of FTA 5339a	FTA	
50	Paracruz MDC Replacements (FTA 5339a FY18)	EB, CA	\$ 8,000	\$ -		1/2/2018				Elections have taken place, waiting Alex's guidance on how to proceed.	ARTS COUNCIL/CAP RES	N/A
51	Watsonville Transit Mural-(\$2,700 from Arts Council SC)	TH	\$ 6,600	\$ -	5%	12/20/2017		11/1/2018				
	Subtotal		\$ 145,645	\$ 59,963								
TOTAL CAPITAL PROJECTS			\$ 21,972,877	\$ 1,404,866								

11-08B.19

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DATE: January 25, 2019
TO: Board of Directors
FROM: Isaac Holly, I.T. & Intelligent Transportation Systems Director
SUBJECT: CONSIDERATION OF AUTHORIZATION TO USE THE STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES CMAS CONTRACT FOR THE PURCHASE AND INSTALLATION OF A VIDEO SURVEILLANCE SYSTEM FROM OJO TECHNOLOGY IN AN AMOUNT NOT TO EXCEED \$199,686

I. RECOMMENDED ACTION

Authorize the CEO to use the State of California, Department of General Services CMAS Contract for the purchase and installation of a video surveillance system from Ojo Technology in an amount not to exceed \$199,686.

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a need for the purchase and installation of a video surveillance system for two of its locations: The Judy K. Souza Operations Facility and the Fuel & Wash Facility.
- Staff requests the use of the State of California, Department of General Services, California Multiple Award Schedules (CMAS) Contract for this procurement as a means of saving money and streamlining the procurement process.
- Staff recommends that the Board of Directors authorize the CEO to use the State of California, Department of General Services CMAS Contract with Ojo Technology for the purchase and installation of a video surveillance system for both locations for an amount not to exceed \$199,686.

III. DISCUSSION/BACKGROUND

METRO has a need for a video surveillance system at both its Judy K. Souza Operations Facility and the Fuel & Wash Facility.

The current surveillance system located at the 1200B River St. Fuel & Wash Facility is approaching 10 years old and has reached the end of its product life cycle. In addition, Electronic Security systems including a VSS were descoped from the JKS Operations facility construction project located at 1200 River St. The reason for this decision was that it would have delayed project closeout and

the cost would have been exorbitant based on quotes from existing subcontractors.

Both of these facilities are in need of site surveillance for security and as a deterrent to criminal activities.

One of the CMAS contracts issued by the State of California, Department of General Services is with Ojo Technology, a contractor who builds and installs high quality video surveillance systems. Ojo Technology has installed surveillance systems at other METRO facilities and have proven to be a reliable company that produces an excellent product.

Utilizing Department of General Services contracts streamlines the procurement process and allows for better pricing than METRO would normally obtain due to the greater quantities requested in the state bids.

Staff recommends that the Board of Directors authorize the CEO to use the State of California, Department of General Services CMAS Contract for the purchase and installation of a video surveillance system from Ojo Technology for both the Judy K. Souza Operations Facility and the Fuel & Wash Facility for a total amount not to exceed \$199,686.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The anticipated contract value is \$181,533. Funds in the amount of \$167,717 are available through the CalOES Transit Security Grant. The remaining \$13,816 plus a 10% contingency of \$18,153 is available in Capital Reserves within the FY19 Capital Budget for a total not to exceed value of \$199,686.

V. ALTERNATIVES CONSIDERED

- None. The procurement process would be untimely if staff were to perform its own competitive bid, and METRO would likely be unable to obtain lower pricing than the State schedule.

VI. ATTACHMENTS


Attachment A: Ojo Technology Judy K. Sousa Operations Facility Video Surveillance Proposal

Note: The State of California CMAS Contract and the detailed cost proposal are available for viewing at METRO's Purchasing Department.

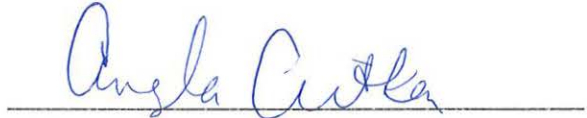
Prepared by: Isaac Holly, I.T. & Intelligent Transportation Systems Director
Joan Jeffries, Administrative Specialist

VII. APPROVALS:

Isaac Holly, I.T. & Intelligent
Transportation Systems Director



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



Alex Clifford, CEO/General Manager



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2018



Judy K. Sousa Operations Facility Video Surveillance Proposal



PROPOSAL

PREPARED FOR: Isaac Holly, IT Manager
Santa Cruz Metro Transit District
110 Vernon St.
Santa Cruz, CA 95060
Phone: (831) 420-2551



Ojo Technology
103 Hammond Ave.
Fremont, CA. 94539

Project: Video Surveillance Proposal for 1200 River Street, Santa Cruz

Thank you once again, for the opportunity to meet your building service needs and for the confidence you have placed in us. Our goal is your complete satisfaction. Please call on us whenever we can be of further assistance.

Per our recent conversation in which we discussed the scope of work incorporated within this project, the provided drawings and documentation, and the site walk at 1200 River Street; Ojo is respectfully enclosing the following proposal. All pricing is based on California Multiple Awards Schedule (CMAS).

Ojo has included 1 year of Silver Support and Maintenance in this proposal (See Page 6).

Scope of Work:

Ojo Technology shall provide the materials, equipment and professional services for the Santa Cruz Metro Transit District in Santa Cruz, CA:

- Furnish, configure and test four (4) Hanwha Security Network vandal outdoor Multi-sensor Multi-Directional dome camera, (2MP X 4 sensors) 8MP @ 60fps
- Furnish, configure and test eight (8) Hanwha Security Network vandal outdoor Multi-sensor Multi-Directional dome camera, (5MP X 4 sensors) 20MP @ 30fp
- Furnish, configure and test four (4) Wisenet X powered by Wisenet 5 network IR indoor vandal dome camera, 2MP, Full HD(1080p) @60fp
- Furnish, configure and test two (2) Hanwha Security Wisenet X powered by Wisenet 5 network IR outdoor vandal dome camera, 2MP, Full HD(1080p) @60fps
- Furnish, configure and test fifteen (15) Hanwha Security Network IR vandal dome camera, 5MP 30fps
- Furnish, configure and test two (2) Siklu Etherhaul 500TX Wireless Bridges
- Furnish applicable mounting hardware for the aforementioned equipment
- Furnish, terminate and test Ethernet Cabling for each device
- Furnish conduit
- Furnish electrical circuits at the light pole in the bus parking area
- Furnish, configure and test thirty-three (33) Milestone Enterprise Licenses
- Furnish, configure and test one (1) BCDVideo Server

Exclusions & Clarifications:

- There are no provisions in the scope of work for the configuration / re-configuration of active component equipment other than specified in the Scope of Work including, but not limited to, switches, routers, servers, firewalls, etc.
- Access to all working areas
- Assumes working hours shall be 9AM-5PM Pacific Time
- Assumes use of existing Milestone Enterprise Base License
- Assumes PoE / PoE+ switches shall be provided by others (discussed during site walk)
- Assumes UPS exists or shall be provided by others
- Assumes use of existing equipment rack
- Terms and Conditions Per CMAS Contracts
- Assumes the use of existing workstations
- Storage based on 45 days, 15 frames, 35% Motion at full resolution
- Enterprise is end of life and no longer supported therefore additional Milestone Support is not included
- Transition from Milestone XProtect Enterprise to Milestone Pro+ is not included in this proposal

Bill of Material:

EQUIPMENT (TAXABLE)					
ITEM	QTY	Type	DESCRIPTION	UNIT PRICE	TOTAL
1	4	8MP 4-Imager	Network vandal outdoor Multi-sensor Multi-Directional dome camera, (2MP X 4	\$ 1,604.53	\$ 6,418.12
2	4	8MP 4-Imager	Large Cap adaptor (outdoor) for the Multi-Directional cameras PNM-9080VQ	\$ 49.12	\$ 196.48
3	4	8MP 4-Imager	Wall Mount Accessory, Ivory	\$ 51.74	\$ 206.96
4	4	8MP 4-Imager	Wall Mount Base, Works with Mounts (SBP-300WM/300WM1), Ivory	\$ 58.29	\$ 233.16
5	1	8MP 4-Imager	Corner Mount Adapter Accessory, use with SBP-300WM, Ivory	\$ 51.74	\$ 51.74
6	8	20MP 4-Imager	Network vandal outdoor Multi-sensor Multi-Directional dome camera, (5MP X 4	\$ 2,423.17	\$ 19,385.36
7	8	20MP 4-Imager	Large Cap adaptor (outdoor) for the Multi-Directional cameras PNM-9080VQ	\$ 49.12	\$ 392.96
8	8	20MP 4-Imager	Wall Mount Accessory, Ivory	\$ 51.74	\$ 413.92
9	8	20MP 4-Imager	Wall Mount Base, Works with Mounts (SBP-300WM/300WM1), Ivory	\$ 58.29	\$ 466.32
10	4	20MP 4-Imager	Pole Mount Adapter Accessory, use with SBP-300WM, Ivory	\$ 51.74	\$ 206.96
11	4	2MP Indoor	Wisenet X powered by Wisenet 5 network IR indoor vandal dome camera, 2MP,	\$ 687.66	\$ 2,750.64
12	2	2MP Outdoor	Wisenet X powered by Wisenet 5 network IR outdoor vandal dome camera,	\$ 753.15	\$ 1,506.30
13	2	2MP Outdoor	Medium Cap Adapter (Aluminum) Accessory	\$ 32.09	\$ 64.18
14	2	2MP Outdoor	Wall Mount Accessory, Ivory	\$ 51.74	\$ 103.48
15	2	2MP Outdoor	Wall Mount Base, Works with Mounts (SBP-300WM/300WM1), Ivory	\$ 58.29	\$ 116.58
16	15	5MP Outdoor	Network IR vandal dome camera, 5MP 30fps, triple codec H.265/H.264/MJPEG,	\$ 1,014.46	\$ 15,216.90
17	10	5MP Outdoor	Medium Cap Adapter (Aluminum) Accessory	\$ 32.09	\$ 320.90
18	10	5MP Outdoor	Wall Mount Accessory, Ivory	\$ 51.74	\$ 517.40
19	10	5MP Outdoor	Wall Mount Base, Works with Mounts (SBP-300WM/300WM1), Ivory	\$ 58.29	\$ 582.90
20	2	5MP Outdoor	Pole Mount Adapter Accessory, use with SBP-300WM, Ivory	\$ 51.74	\$ 103.48
21	2	Wireless	Siklu EtherHaul-500TX 57-64GHz TDD PoE ODU with Intergated Antenna.	\$ 1,232.88	\$ 2,465.76
22	2	Wireless	AC PoE Power Injector for EtherHaul, 60W, GigE interface, 100-240VAC source,	\$ 113.01	\$ 226.02
23	2	Wireless	EH-MK-SM, EtherHaul Mounting Kit for all Small ODU's and 16cm Antenna, for	\$ 143.84	\$ 287.68
24	6	Extender	Single port UTP Ethernet Extender	\$ 265.34	\$ 1,592.04
25	3	Extender	2-Port MaxiiPower 60W/120W PoE++ Midspan w/ Built-in Power Supply	\$ 149.59	\$ 448.77
26	1	NVR	BCDVideo NVR	\$ 18,212.33	\$ 18,212.33

SOFTWARE (NON-TAXABLE)					
ITEM	QTY	UNIT	DESCRIPTION	UNIT SELL	EXT. SELL
1	33	ea	XProtect Enterprise Device License	\$ 185.53	\$ 6,122.49

MISCELLANEOUS (NON-TAXABLE)					
ITEM	QTY	UNIT	DESCRIPTION	UNIT SELL	EXT. SELL
1	1	ea	Shipping & Handling	\$ 1,449.75	\$ 1,449.75

SUBCONTRACTOR(S)					
ITEM	QTY	UNIT	DESCRIPTION	UNIT SELL	EXT. SELL
1	1	ea	SUBCONTRACTOR SERVICES (Cabling, conduit, physical installation)	\$ 54,926.29	\$ 54,926.29

LABOR (NON TAXABLE)					
ITEM	QTY	UNIT	DESCRIPTION	UNIT SELL	EXT. SELL
1	1	LS	LABOR SERVICES (AS SPECIFIED IN THE SCOPE OF WORK)	\$ 32,964.13	\$ 32,964.13

Totals	
Materials Subtotal:	\$ 72,487.34
Labor (non-taxable):	\$ 32,964.13
Subcontractors:	\$ 54,926.29
(9.25%) Sales Tax:	\$ 6,705.08
Software:	\$ 6,122.49
Miscellaneous Non-Taxable:	\$ 1,449.75
Maintenance:	\$ 6,877.27
Grand Total:	\$ 181,532.34



Authorization to Proceed

Ojo Technology
103 Hammond Ave.
Fremont, CA. 94539

Santa Cruz Metro Transit District
110 Vernon St.
Santa Cruz, CA 95060

Seller _____

Buyer _____

By _____

Lot Sum \$ 181,532.34 _____

Title _____

Title _____

Date _____

Date _____

Our goal is to be your partner through the process and allocate the necessary resources and coordinate with you to insure that we are in compliance with all your needs, including schedule requirements.

We look forward to continuing our partnership.

Sincerely,

Curtis McCullough
Territory Account Manager



Attachment A

Ojo Service Matrix Chart

Entitlement	Benefit Type	Platinum	Gold	Silver	Bronze	Priority
Service Response best effort	24 x 7 Same Day Response	<input type="checkbox"/>				
	8 x 5 Same Day Response		<input type="checkbox"/>			
	8 x 5 Next Business Day			<input type="checkbox"/>	<input type="checkbox"/>	
	"First Request" Response					<input type="checkbox"/>
Repair Parts & Labor	No Charge for Parts or Labor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	No Charge for Labor, Discounted Parts				<input type="checkbox"/>	
	Discounted Parts & Labor Rate					<input type="checkbox"/>
Technical Support	24 x 7 Unlimited Support	<input type="checkbox"/>				
	8 x 5 Unlimited Support		<input type="checkbox"/>	<input type="checkbox"/>		
	8 x 5 Limited Support				<input type="checkbox"/>	
	Discounted Tech Support Rate					<input type="checkbox"/>
Preventive Maintenance	Quarterly System Check & Camera Cleaning	<input type="checkbox"/>				
	Semi-annual System Check & Camera Cleaning		<input type="checkbox"/>			
	Annual System Check & Camera Cleaning			<input type="checkbox"/>		
	Annual System Check				<input type="checkbox"/>	
	Discounted Labor Rate					<input type="checkbox"/>
Ongoing On-site Training	Unlimited Training	<input type="checkbox"/>				
	Quarterly Training					
	Semi-annual Training		<input type="checkbox"/>	<input type="checkbox"/>		
	Annual Training				<input type="checkbox"/>	
	Discounted Labor Rate					<input type="checkbox"/>
IPVS Software Upgrades	All Major Version Upgrades & Minor Version Upgrades	<input type="checkbox"/>				
	All Major Version Upgrades		<input type="checkbox"/>			
	Annual Version Upgrades			<input type="checkbox"/>		
	Discounted Labor Rate				<input type="checkbox"/>	<input type="checkbox"/>
Lift Rental	Unlimited Lift Rental	<input type="checkbox"/>				
	Limited Lift Rental		<input type="checkbox"/>			
	Pass-through Rental Rate			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Billing	No Charge for Travel	<input type="checkbox"/>	<input type="checkbox"/>			
	No Charge for Travel < 50 miles			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Discounted Parts & Labor Rate for out of scope work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Attachment A

Maintenance — Silver Level

Remote Troubleshooting and Field Repair

When a problem is reported, the first step is always remote troubleshooting. Typically 50% of problems can be resolved remotely. If a problem cannot be fully resolved remotely, typically the problem can be well isolated prior to dispatching field engineers with replacement hardware to the site.

- 8 x 5 NBD response
- responsive interface with Client staff reporting a problem
- human conversations – no voice mail system for trouble reporting
- trouble ticket generation using PSA-CRM management software
- 24-hour 800 number provided
- remote access of VMS client, managed switches, servers and battery-backup units, storage and cameras
- remote access via VPN and/or LogMeIn
- all remote access fully encrypted and secure
- fully qualified SE staff does troubleshooting
- camera repair includes comprehensive replacement, programming, testing, pointing, focusing, test, and documentation
- replacement may be a single replacement using a spare camera or sensor; or may be a two-step replacement using first temporary camera, then a permanent replacement, as required
- all steps for camera cleaning or sensor cleaning are included with a field service operation
- switch troubleshooting, repair or replacement (for covered switches)
- server troubleshooting, repair or replacement
- storage appliance troubleshooting, repair or replacement
- UPS troubleshooting, repair or replacement (batteries are a consumable)
- lift rental or bucket-truck rental included, as required
- remote observation of camera performance following completion
- reprogramming and updates to camera licenses
- documentation including system configuration updating
- follow-up on ticket with original person reporting the problem

Attachment A

Maintenance — Camera Cleaning

Regular camera cleaning is strongly recommended. Cleaning covers all cameras in the VMS, including indoor, outdoor, wireless, and analog. The scope of services with Silver Maintenance includes:

- annual cleaning all cameras, typically in the third quarter of each year following installation
- cleaning of inside and outside surfaces of domes
- cleaning of the front surfaces of camera lenses
- visual inspection of optical surfaces
- inspection and review of camera visual performance before and after cleaning
- inspection of all mechanical components in domes and housings
- inspection of all water seals
- inspection of building mounts
- removal of any foreign matter, including bugs, webs, dirt, and bird droppings
- testing of power supplies
- inspection of any heaters and coolers
- inspection of all wiring and connectors
- inspection of antennas on wireless units
- testing of mechanical operation on PTZ cameras, including listening for mechanical problems such as noise, vibration, or bad bearings
- repointing and refocusing
- remote observation of camera performance following completion
- any required lift rental or bucket-truck rental included
- OSHA safety requirements observed; safety equipment provided
- work performed by fully qualified FE staff
- documentation of all steps and changes ,and results



DATE: January 25, 2019

TO: Board of Directors

FROM: Eddie Benson, Maintenance Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 1ST CONTRACT AMENDMENT WITH LUMENATURE TO INCREASE THE CONTRACT TOTAL BY \$40,092 FOR ENERGY-EFFICIENT LIGHTING RETROFIT

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a 1st contract amendment with Lumenature to increase the contract total by \$40,092 for Energy-Efficient Lighting Retrofit, thereby increasing the total contract authority from \$129,100 to \$169,192.

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) is participating in the Energy Watch Program (Program) in order to replace its light fixtures at all of its facilities with energy-efficient light-emitting diode lights (LEDs).
- The Board of Directors authorized METRO to enter into a contract with Lumenature, a Program installer, for Energy-Efficient Lighting Retrofit on August 24, 2018.
- Following Board authorization, Lumenature conducted a final walkthrough of all METRO's sites, and submitted revised proposals for each facility that ensure adequate lighting levels and take advantage of every opportunity for energy savings. The revised proposals will increase the total cost of the project by \$40,092.
- Staff is recommending a contract amendment to incorporate Lumenature's revised proposals.
- Calculating each site's loan allocation amount with the anticipated monthly bill savings, the estimated time to pay off the loan varies per site, with a range of one and a half years to just under six years.

III. DISCUSSION/BACKGROUND

METRO has a need to replace its light fixtures with LEDs at all of its facilities as part of the area-wide effort to have a more sustainable and eco-friendly business. To accomplish this, METRO is participating in the Program, a partnership between the Association of Monterey Bay Area Governments (AMBAG) and Pacific Gas and Electric Company (PG&E).

At its August 24, 2018 Board Meeting, METRO's Board authorized METRO to enter into a contract with Lumenature, a Program installer with pre-negotiated pricing, for Energy-Efficient Lighting Retrofit at each of METRO's facilities.

Following Board authorization, Lumenature conducted final walkthroughs at each of METRO's facilities. Adjustments were made to the proposals for each site to ensure that adequate lighting levels and current levels of emergency lighting would be maintained, and to incorporate every opportunity for energy savings. Incorporating the final revised proposals into the contract will result in an increase of \$40,092.

Staff recommends that the Board of Directors authorize the CEO to execute a 1st contract amendment on behalf of METRO with Lumenature to incorporate the final revised proposals. Eddie Benson, Maintenance Manager, will continue to serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The original contract has a total not to exceed of \$129,100. Additional funds in an amount of \$40,092 are requested for approval at this time. The new contract total not to exceed would be \$169,192.

This project is funded by a loan from PG&E. Monthly loan payments are to be added to METRO's utility bill, but will be offset by the energy savings that result from the more efficient lighting. Therefore, there will be no change to METRO's normal utility bill amounts until the loan is completely paid, at which time the bill amounts will be reduced accordingly.

Calculating each site's loan allocation amount with the anticipated monthly bill savings, the estimated time to pay off the loan varies per site, with a range of one and a half years to just under six years.

V. ALTERNATIVES CONSIDERED

- None. As there is no up-front cost to complete this project, staff recommends moving forward with the revised proposals to take advantage of the most energy-efficient design possible.

VI. ATTACHMENTS

Attachment A: Revised Proposals Job Summary

Attachment B: 1st Amendment to the Contract with Lumenature

Prepared by: Joan Jeffries, Administrative Specialist

VII. APPROVALS:

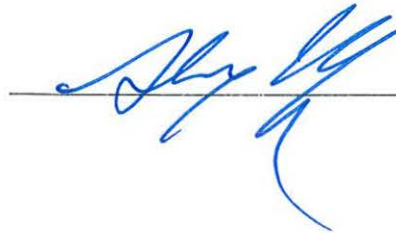
Eddie Benson, Maintenance Manager



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



Alex Clifford, CEO/General Manager



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SCMDT ENERGY EFFICIENT LIGHTING PROJECTS										
Location (CO#, date)	Initial Total Cost	Initial AMBAG Rebate	Initial Customer Cost	Initial Annual Savings (Estimated)	Initial Payback (years)	Change Order Total cost	Change Order AMBAG Rebate	Change Order Customer Cost	Change Order Annual Savings (Estimated)	Change Order Payback (years)
110 Vernon (#1, 10/22/18)	\$37,115.35	\$10,684.05	\$26,431.30	\$10,049.31	2.63	\$47,246.27	\$11,664.01	\$35,582.26	\$10,813.00	3.29
Bus Wash (#1, 10/22/18)	\$16,128.05	\$4,210.67	\$11,917.38	\$3,539.86	3.37	\$23,501.16	\$3,989.16	\$19,512.00	\$3,655.26	5.34
Cavallaro Station (#1, 10/22/18)	\$18,406.49	\$6,633.53	\$11,772.96	\$8,164.28	1.44	\$33,295.25	\$11,470.33	\$21,824.92	\$11,684.80	1.87
JKS (#1, 10/25/18)	\$13,519.82	\$3,349.83	\$10,169.99	\$2,972.75	3.42	\$19,177.29	\$3,828.01	\$15,349.28	\$2,595.94	5.91
Maintenance (#1, 10/15/18)	\$34,685.05	\$5,367.89	\$29,317.16	\$7,944.93	3.69	\$44,335.76	\$5,411.27	\$38,924.49	\$8,481.48	4.59
Pacific Station (#1, 10/22/18)	\$44,875.08	\$11,100.24	\$33,774.84	\$10,711.45	3.15	\$48,217.60	\$11,456.62	\$36,760.98	\$10,836.48	3.39
Soquel Park n Ride (#1, 10/24/18)	\$1,833.50	\$741.94	\$1,091.56	\$790.43	1.38	\$1,979.30	\$741.94	\$1,237.36	\$790.43	1.57
Totals	\$166,563.34	\$42,088.15	\$124,475.19	\$44,173.01	2.82	\$217,752.63	\$48,561.34	\$169,191.29	\$48,857.39	3.46

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Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FIRST AMENDMENT TO CONTRACT NO. 19-02 FOR ENERGY-EFFICIENT LIGHTING RETROFIT

This First Amendment to Contract No. 19-02 for Energy-Efficient Lighting Retrofit is made effective January 30, 2019 between the Santa Cruz Metropolitan Transit District (“Santa Cruz METRO”), a political subdivision of the State of California, and Pursell Construction, Inc. d/b/a Lumenature (“Contractor”).

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for Energy-Efficient Lighting Retrofit (“Contract”) at all of Santa Cruz METRO’s facilities on January 30, 2019.
- 1.2 The Contract allows for amendment upon mutual written consent.
- 1.3 Contractor has submitted revised proposals for each of Santa Cruz METRO’s facilities, which have been adjusted to ensure that adequate lighting levels and current levels of emergency lighting will be maintained, and to incorporate every opportunity for energy savings.
- 1.4 Santa Cruz METRO and Contractor desire to amend the Contract to incorporate Contractor’s revised proposals, and to increase the Contract total not-to-exceed amount accordingly.

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

II. COMPENSATION

- 2.1 Article 5.1 is amended to include the following language:

Contractor has submitted revised proposals for each of Santa Cruz METRO’s facilities, which are hereby incorporated into the Contract as Attachment A to this First Amendment.

Under the terms of the First Amendment, the Contract total not-to-exceed amount is increased by \$40,092. The new Contract total not-to-exceed amount is \$169,192. Contractor understands and agrees that if it exceeds the \$169,192 maximum amount payable under this Contract, it does so at its own risk.

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. ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS

- 4.1 The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned

Attachment B

signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

V. AUTHORITY

5.1 Article 9 is amended to include the following language:

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

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

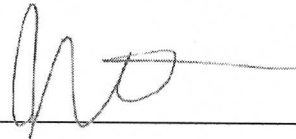
Contractor –
PURSELL CONSTRUCTION, INC.
d/b/a LUMENATURE

Mark A. Pursell, President



Approved as to Form:

Julie Sherman, General Counsel





THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

ERIK BERG
DISPATCHER/SCHEDULER

**FOR THE COMPLETION OF 10 YEARS OF SERVICE
BETWEEN 2009 AND 2019**

GIVEN THIS 25TH DAY OF JANUARY 2019

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

CAROLYN BOWERS
BUS OPERATOR

**FOR THE COMPLETION OF 15 YEARS OF SERVICE
BETWEEN 2004 AND 2019**

GIVEN THIS 25TH DAY OF JANUARY 2019

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

GUSTAVO CORTES
BUS OPERATOR

FOR THE COMPLETION OF 15 YEARS OF SERVICE
BETWEEN 2004 AND 2019

GIVEN THIS 25TH DAY OF JANUARY 2019

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

ANDREA EUSSE-GIL
SCHEDULE ANALYST

FOR THE COMPLETION OF **10 YEARS OF SERVICE**
BETWEEN 2008 AND 2018

GIVEN THIS **14TH** DAY OF **DECEMBER 2018**

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

BONNIE FARRIS
BUS OPERATOR

**FOR THE COMPLETION OF 15 YEARS OF SERVICE
BETWEEN 2004 AND 2019**

GIVEN THIS 25TH DAY OF JANUARY 2019

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

TODD MITCHELL
BUS OPERATOR

FOR THE COMPLETION OF 15 YEARS OF SERVICE
BETWEEN 2004 AND 2019

GIVEN THIS 25TH DAY OF JANUARY 2019

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



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

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

RESOLUTION OF APPRECIATION FOR THE SERVICES OF JUAN FLORES AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

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

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed Juan Flores to serve in the position of Bus Operator, and

WHEREAS, served as a member of the Operations Department of METRO for the time period of January 13, 1998 to January 17, 2019, and

WHEREAS, Juan Flores provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Juan Flores served METRO with distinction, and

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

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

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

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

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

PASSED AND ADOPTED this 25th Day of January 2019 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Bruce McPherson, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel



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

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

RESOLUTION OF APPRECIATION FOR THE SERVICES OF THOMAS HILTNER AS GRANTS LEGISLATIVE ANALYST FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

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

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed Thomas Hiltner to serve in the position of Grants Legislative Analyst, and

WHEREAS, Thomas Hiltner served as a member of the Grants and Planning Department of METRO for the time period of November 30, 1998 to January 1, 2019, and

WHEREAS, Thomas Hiltner provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Thomas Hiltner served METRO with distinction, and

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

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

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

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

BE IT FURTHER RESOLVED, that a copy of this resolution will be presented to Thomas Hiltner, and that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 25th Day of January, 2019 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Bruce McPherson, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel



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

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

RESOLUTION OF APPRECIATION FOR THE SERVICES OF JOHN VANDEVEER AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

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

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed John VanDeVeer to serve in the position of Bus Operator, and

WHEREAS, served as a member of the Operations Department of METRO for the time period of February 17, 2012 to December 20, 2018, and

WHEREAS, John VanDeVeer provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, John VanDeVeer served METRO with distinction, and

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

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

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

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

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

PASSED AND ADOPTED this 25th Day of January 2019 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Bruce McPherson, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel

VERBAL PRESENTATION ONLY

CEO UPDATE

Alex Clifford

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Letter | Metro ridership has dropped significantly

By LETTERS TO THE EDITOR | Santa Cruz Sentinel

January 18, 2019 at 1:07 pm

As a retired Metro driver, it saddens me to watch the Metro withering away due to incompetence from CEO Alex Clifford. Since his hiring in 2014, he said "We will do great things," and "wants to grow ridership." Ridership has dropped 465,688 and fares drop \$1,218,530 in four years due to route eliminations and gutting of existing routes, according to Metro's own Transit Fact Sheet. Yet the CEO and management continue to get step increases and pay raises while drivers, mechanics, and other employees who make Metro work have not had a raise in five years. Metro needs a CEO who promotes and encourages ridership not make it harder.

— Kevin Walter, *Pleasure Point*

OPINION > LETTERS

Letter | Metro criticism unwarranted, inaccurate

By LETTERS TO THE EDITOR | Santa Cruz Sentinel

January 23, 2019 at 3:38 pm

Not so fast. As a Metro board member, I take pride in presenting accurate facts to the public. Mr. Walter's criticism of Mr. Clifford in a letter to the editor is not only unwarranted, but inaccurate. When Mr. Clifford came aboard in 2014, Metro was facing a \$6.3 million dollar fiscal deficit and the potential of massive service reductions and layoffs. In the following two years, the structural deficit was eliminated; Metro stopped using its reserves to balance the budget; and no employees were laid off. Metro did experience some reduced ridership, primarily on weekend routes, in an effort to become more efficient. Metro's lower ridership is consistent with nationwide trends. Metro cares about saving employee jobs, has achieved balanced budgets, and is working with transit agencies to better understand current ridership trends and explore new and innovative ideas to attract and retain customers. Metro is currently preparing to negotiate contracts with all employee groups this year.

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2018 Year in Review ACCOMPLISHMENTS

CS	Customer Service
CS	Average customer service call wait time at 2.5 minutes
CS	Call Hold Times average rate of 2.5 minutes or less
CS	New CSR cubicles
CS	Call Center expansion and new cubicles in place
CS	CSC Training – Pacific
CS	Renewed stability in supervision of Customer Service
CS	Information booths with an average of 875 payment transactions (sales) per month
CS	Entire Customer Service staff signed off on use of AED (defibrillators)
CS	Run Customer Service with no temps
CS	Call Center remodel
CS	Customer Service Information Booth Revenue balancing much improved
CS	CSR'S Participated in Excel Trainings
CS	Customer Service Outreach @ SC County Fair very successful
CS	Complaints about specific CSR's are very low, (fewer than 6 per year)
CS	CSR's helping each other
CS	Customer Calls
CS	Average number calls answered per year:60,000
CS	2 new CSR's
CS	5 Outreach Customer Service Events
CS	875/ month customers served at CS Booths
CS	Average 5,000 pz+ customer service calls per month
CS	Customer Service
CS	Functioning daily sale sheets
CS	Resolved visually impaired customer issue where she overpaid by \$400. P/C tickets in error
CS	Remodeled Customer Service
CS	Providing friendly and helpful human connection to the passengers
CS	Helped people in mobility devices travel through the county
CS	Average customer service call time under 5 min
CS	300 customer service tickets answered
CS	Complaint process for the public easy to access
CS	Improving customer service for bus riders
CS	Average of 43 customer service booth transactions per day
CS	New single ride tickets to purchase before-hand
CS	Cruz passes allows download of multiple locations
CS	Maintain good customer service and door to door service through stressful situations
CS	Providing better reasonable accommodation to customers
CS	Established CS Certificate Awards for FR/PC operators for excellent CS Performance
EMP	Employee
EMP	
FIN	Finance
FIN	Annual NTD report – extension and filed on time
FIN	Revised/updated AP procedures for FTA Tri-annual review
FIN	Balanced budget
FIN	New annual financial audit – Measure D
FIN	Finance
FIN	Protected METRO's revenues from different sources
FIN	Annual Financial Audit- issued on time
FIN	Hired new Sr. Accounting Technician
FIN	As a new employee, developed good basic understanding of AP/AR procedures
FIN	Retired out Account Specialist
FIN	Documented AT&T accounts to assist temps in identifying department application
FIN	Didn't miss a payroll
FIN	NTD Reporting
FIN	Promoted Sr. Accounting Tech to Account Specialist
FIN	Successful NTD reporting
FIN	Successful and repeatable upload of 1094/1095 to IRS working with consultant: Passport

2018 Year in Review ACCOMPLISHMENTS

FIN	Prop 6 overturned, SBI survived!
FIN	Successfully managed to reimburse/ invoiced millions of money from State Funding/ Grantee
HR	Human Resources
HR	35 New Hires
HR	Launch of HR Quarterly Newsletters
HR	Processed 158 LOA transactions
HR	Human Resources
HR	Excel Training
HR	HR hours at Ops +ParaCruz
HR	88% of performance evaluations completed
HR	602 enrollees in health insurance
HR	124 step increases
HR	METRO received 458 applications
HR	Launch of HR quarterly newsletters
HR	Policies available electronically in METRO's intranets
HR	HR Open Houses
HR	Paid \$9,083,889.88 in Medical Insurance
HR	Launch of METRO training and Development Program
HR	19 Promotions
HR	297 retirees in health insurance
HR	New Employee Assistance Program
IT	Information Technology
IT	Information Technology/Software/Hardware
IT	Worked on AVL procurement team
IT	Closed nearly 1,800 IT Support tickets
IT	Deployed vehicle surveillance system
IT	Deployed new clever devices software for 1,600 series 13 users
IT	Stayed on top of AP during holiday time-off and network/server outage
IT	Finished pay time interface development and launch with minimal disruption
IT	Four issues of headways out on time and accurate
IT	Increase of traffic to direct links rather than hunting from homepage
IT	Built new Contract Interface
IT	Established bridge of data from Maintstar to date Warehouse
IT	Provided more than 200 text message schedules most days this year
IT	Rolled out new windows desktop environment
IT	OPS access control for employees
IT	Overhauled database and website backups with validation email sent nightly
IT	Artic bus programs
IT	Development of internal Analytics Interface
IT	Many department KPIs now auto generated from data warehouse
IT	Electronic gate functioning
IT	Overhauled and organized IT area and Server Room
IT	Website redesign for ADA compliance including: New schedule, New map, Improved schedule by stop
IT	Procured and Awarded ITS (AVL, AVAS, ETC.)
IT	Deployed new phone system
IT	Purchased and installed new server environment
LEGAL	Legal
LEGAL	Respond to all public record requests
LEGAL	ADA resolved favorably 5 ADA complaints
MAINT	Maintenance/Facilities
MAINT	Pacific Custodian – Clean Pacific Restrooms. Amazing!!
MAINT	Caulking the windows at METRO Center
MAINT	Fixing the dumpster gate
MAINT	Lactation room

2018 Year in Review ACCOMPLISHMENTS

MAINT	Painting red curbs
MAINT	Completed #7 bus mid-life campaign
MAINT	Maintenance/Facilities and Fleet
MAINT	Facility help prompt
MAINT	Tam completion on schedule
MAINT	Completed bollard installation on JKS + pipe protection
MAINT	Watsonville TC. Landscape improvements
MAINT	Lactation rooms created
MAINT	Steam clean bus interiors (upholstery) on a schedule
MAINT	Added bus stops
MAINT	Established schedule duty cycle repairs for reliability and extension of equipment duty cycle
MAINT	Replaced 6 Detroit diesels engine
MAINT	Completed of 20 bus repaints
MAINT	Replaced 3 John Deer engines
MAINT	Seven mid-life campaign
MAINT	Hired 5 new mechanics
MAINT	Retro-fit and maintain 3 artic
MAINT	Pacific Station studies
MAINT	Maintaining Metro buildings
MAINT	Installation of new bus shelters
MAINT	Storm water discharge reports
MAINT	Bucket truck training
MAINT	Removing and installing shelter
MAINT	Maintaining bus stops for the customer and bus drivers
MAINT	Fixing the leak on the roof in the center
MAINT	Maintaining bus washers, pressure washers, 13 other machines
MAINT	Excellent vehicle maintenance keeping old vehicles operational
MAINT	Facility cleanliness
MAINT	Refurbished 4 older compressed natural gas buses- added 4-6 years
MAINT	Completed first round of bus repaint projects
MAINT	CHP Maintenance employees satisfactorily rating at highest
MAINT	Completed Aptos Village bus stop
MISC	Miscellaneous
MISC	
MKTG	Marketing
MKTG	Santa Cruz County Fair
MKTG	Santa Cruz Follies
MKTG	Marketing/Public Relations
MKTG	Created transit tip posters
MKTG	Signed \$50k contract (bus adv.) with McDonalds
MKTG	Christmas Holiday Parade
OPS	Operations
OPS	Coverage of routes
OPS	New bus drivers and supervisors
OPS	Bus drivers willing to cover extra routes
OPS	Level of comfort during training
OPS	Running buses on time to get folks going
OPS	Do not collide with horrible car drivers, mostly
OPS	Was not rude or abrupt with rude passengers (mostly)
OPS	VSW wash / fuel 78 buses night
OPS	Hired new VSWs
OPS	UCSC Busses
OPS	Operations
OPS	Maintained average of 1 bus down waiting for parts
OPS	Driver compliments from passengers

2018 Year in Review ACCOMPLISHMENTS

OPS	Converted admin clerk to parts clerk and hired new employee
OPS	Provided 207,680 fixed- route revenue hours
OPS	Created SC follies services
OPS	Served 5,048,512 fixed-route riders
OPS	Completed 4 bids
OPS	Created fair service
OPS	City of Santa Cruz CNG fueling
OPS	Teamwork dispatch/schedulers working OT to cover short staff
OPS	Teamwork drivers working OT to cover short staff
OPS	New Supervisors :2 promoted operators, 1 promoted mechanic to supervisors
OPS	Gave rides to 1,000 of UC students to help them get through college
OPS	Kept monthly on time even with heavy traffic and sometimes short breaks
OPS	Good communication between mechanics and supervisors
OPS	Transition to different size vehicles and access at various locations i.e. mountain roads/driveways
OPS	Drivers stepped up to help when needed to work overtime
OPS	Drivers worked a lot of overtime to avoid dropping service
OPS	Add 7 new operators
OPS	Fixed route :2 classes of New hires, total of 11 new hires
OPS	CHP HR Review satisfactory rating highest
OPS	Promotion of Assistant Manager to Facilities Manager
OPS	Negotiated CNG fueling requirement w/ City of Santa Cruz Public Works Department offsetting costs to our
OPS	CHP fixed route reviews satisfactorily highest rating
OPS	3 buses put in service, 2016 New Flyer 40 ft. Xcelsiors
OPS	Administration Support hired Admin. Supervisor
OPS	Operators Handbook
OPS	OPS CHP Audit Good
OPS	Operator Commendations
OPS	Certification of Paul Revere buses Artics
OPS	New schedules at OPS
OPS	New Supervisors :3
ORG	Organization
ORG	Pass CHP Audit (Safety/HR/Operations/Maintenance)
ORG	PCI Compliance
ORG	Closed out MetroBase! (January Board Meeting)
ORG	11 employees received longevity
ORG	Working on establishing good relationships with my new co-workers
ORG	Try to do the job to the best ability possible
ORG	APTA Universities Conference
ORG	Communication
ORG	Level of professionalism amongst departments
ORG	Updated several policies- drug and alcohol. Ergonomic program, protected sick leave
ORG	New Buses
ORG	We showed up to work
ORG	Gathered all necessary documents for triennial review
ORG	Legislation support- carb- 3 bike race
ORG	Every day we are learning new job skills
ORG	By giving people rides on the bus, we reduce the number of cars on the road
ORG	Communication between metro and the public
ORG	We got new buses!
ORG	Safety transporting people around the county
ORG	Customer service working with ParaCruz
ORG	Pie is the BEST !
ORG	4 Mac Meetings
ORG	County Fair participated in the County Fair with FR/PC/PS HR Representation
ORG	3 Press Events
ORG	Risk and Fleet Maintenance cooperative effort increases recovery of money for accidents
ORG	115 Bilingual Employees

2018 Year in Review ACCOMPLISHMENTS

ORG	Launched Artic bus service and HASTUS upgrades to accommodate
ORG	New operator training
ORG	Drivers used their income to support local business and the local economy
ORG	Built effective- working partnership with regional & state +federal sponsors
PC	ParaCruz
PC	14 New ParaTransit cubicles
PC	ParaCruz- constant operator staffing issues
PC	Communication- ParaCruz
PC	ParaCruz- 6 new operators
PC	ParaCruz- cameras for coaches
PC	ParaCruz- first winter with no building flooding
PC	ParaCruz- Change of leadership- Daniel
PC	ParaCruz
PC	ParaCruz vehicles detailed daily and on a schedule
PC	Promotion of Paratransit Reservationist manager to manager
PC	New ParaCruz Vehicles
PC	ParaCruz 4 classes of new hires, total of 12 new hires
PC	Released 15 new ParaCruz Vehicles to service
PL/GT	Planning, Grants & Scheduling
PL/GT	Planning, Grants & Scheduling
PLNG	Created a new UCSC route
PLNG	Applied for seven competitive grants for federal +state sources
PLNG	On-board surveys
PLNG	Successfully applied and received three formula grants from FTA
PLNG	Created bus replacement plan
PLNG	Assigned articulated buses to UCSC routes
PLNG	Submitted six progress reports for FTA grants
PLNG	Successfully applied for various formula grants from state
PLNG	RT 33134 Eliminated
PLNG	6 Formula Grant Applications
PLNG	Fare Restructure Analysis
PLNG	Participated in West Coast Center of excellence in zero emission technology
PLNG	100 NTD Surveys
PLNG	Cabrillo student vote #2
PLNG	Retained Cabrillo students partnership
PLNG	Transition to new Grant/ Legislative Analysis
PLNG	4 Bod Grants staff reports
PLNG	4 Bod ridership staff reports
PLNG	U.C.I.S.
PLNG	SPARC Meetings for service changes
PLNG	Conducted successful bidding
PLNG	Single ride ticket media fare
PLNG	Went on field trips for service changes
PLNT	WTC Mural planning
PLNT	6 competitive grant applications
PURCH	Purchasing
PURCH	Promoted Rina to (internal) Purchasing Assistant
PURCH	Elected Vice Chair of APTA Procurement Materials Management Committee
PURCH	28 Amendments issued
PURCH	13 New Procurements
PURCH	1450 P.O.'s issued
PURCH	41 Staff reports drafted
PURCH	New project coordinator position on trial basis
PURCH	Fast tracked AVL procurement for SB1 vote deadline
PURCH	Signed agreement with VTA to transfer 14 buses

Goals and Objectives by Group

Group 1

2	ParaCruz Building
7	Buses/ParaCruz Vehicles (electric)
3	Electric Infrastructure
3	Increased Ops Funding Ops (Train/Sup/Extra Board) ParaCruz Marketing/Customer Service
5	Digital Communications (Paperless) HASTUS/Trapeze Internal Communications Website

Group 2

5	Increase Ridership Partnerships (e.g., City/City of Santa Cruz employees; Capitola Mall employees; Boardwalk Park and Ride Lots (more) Tax Non-Profits and churches? Service Reviews (frequency, etc.)
0	Improve Communication With Passengers (external); e.g., text, GovDelivery, website updates) Between Departments (internal); e.g., enhanced Intranet, whom to call?
10	Safety/Security Schedules: Run Times, Break Times Cameras: 100% installation New Buses: Driver/Passenger Stress 2-B units on Duty? (Loitering in WTC?)

Group 3

8	Increased Security Force Move Guards/Armed Technology/Security Decentralization Lighting for Security
3	Electric Ticketing
0	Invest in Micro-Transit for Schools; increasing general service
5	Strategic Plan (SP) Department KPIs targeted for SP METRO-wide

Goals and Objectives by Group

Group 4

9	New Facility for ParaCruz
12	Upgrade for Pacific Station Improve Security
1	New Roof for Maintenance Facility
10	Mobile Ticketing App
4	Cameras in All Buses (finish the project)
24	Board and Agency Employee Ride-alongs (Mandatory)
7	Improve Scheduling and Dispatching Technology

Group 5

3	Getting Updated Finance Software
2	Embrace Technology in HR And New Processes
3	Properly Documented Processes and Procedures with Annual Review to Ensure Still Relevant
3	Better Efficiency with Scheduling RPMs Possible tables (has camera)
4	If Bus Operators had tables – much better – no paper – real time Or access to computers with down time to enter all instead of paperwork
2	Substation for Transit Supes Lots of wasted time driving back and forth

Group 6

3	Hire More Operators
10	APC on 100% of Buses
5	New Buses
3	Mobile Ticketing
4	All Employee Training
1	Leadership Training
0	New Roofs @ Maintenance Facility
10	Rebuild Santa Cruz METRO
0	More Service in Live Oak
3	Crack Down on Bus Stop Homelessness
1	Bathroom Monitor for Public Bathrooms
14	Better Security at Facilities
0	More Relief Vehicles
1	Cameras on all buses
3	Build ParaCruz Facility
3	Marketing Manager

VERBAL PRESENTATION ONLY

METRO ADVISORY COMMITTEE
SEMI-ANNUAL REPORT

Michael Pisano, 2018 MAC Chair

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DATE: January 25, 2019

TO: Board of Directors

FROM: Alex Clifford, CEO/General Manager

SUBJECT: FINAL REVISED METROBASE PHASE II (OPERATIONS BUILDING) LIFE OF PROJECT BUDGET AND PROJECT COMPLETION

I. RECOMMENDED ACTION

That the Board of Directors:

- 1. Approve removing funds in the amount of \$359,078 from the MetroBase Project; and**
- 2. Approve reallocating the unused funds to the appropriate projects or accounts; and**
- 3. Accept the MetroBase Phase II Project as complete. The MetroBase Phase II Operations Life of Project budget would decrease from \$29,428,765 to \$29,069,687.**

II. SUMMARY

- The Board of Directors established a Life of Project (LOP) for MetroBase Phase II on September 26, 2014 in the amount of \$24,732,549. Since then the following revisions were made:
 - May 8, 2015 the Board revised the LOP to \$24,603,596
 - August 14, 2015 the Board revised the LOP to \$24,853,596
 - October 23, 2015 the Board revised the LOP to \$25,424,868
 - December 11, 2015 the Board revised the LOP to \$25,866,524
 - January 22, 2016 the Board revised the LOP to \$26,411,524
 - June 24, 2016 the Board revised the LOP to \$27,082,425
 - September 23, 2016 the Board revised the LOP to \$27,530,425
 - March 24, 2017 the Board revised the LOP to \$27,708,425
 - October 27, 2017 the Board revised the LOP to \$29,428,765
- Additional adjustments to the LOP are now recommended as follows:
 - Remove unused CalOES funds in the amount of \$18,058
 - Remove unused Cash Reserves in the amount of \$1,216
 - Remove unused PTMISEA in the amount of \$339,804

- The result of the recommended changes would decrease the final LOP budget from \$29,428,765 to \$29,069,687.
- The CEO recommends approval of the final revised LOP budget and acceptance of the Project as complete.

III. DISCUSSION/BACKGROUND

This report is the final revision of the LOP budget. The actions taken in this report are to true-up the individual line items based on actual expenses and establish the final overall cost of the MetroBase Phase II Project.

All line items affected by this revision are indicated by **bold** font in Attachment A (LOP Budget).

The related actions are as follows (in order as they appear in the LOP Budget):

- Addition of \$1 to true up actual settlement payment received from RNL Design. (PTMISEA)
- Addition of \$6,922 to the Hill International budget. Additional/late invoices were sent by Hill after the last budget revision. (PTMISEA)
- Removal of \$6,201 in unused funds from the RNL Design budget. (PTMISEA)
- Removal of \$2,465 in unused funds from the Mesiti-Miller Engineering, Inc. Pipe Protection budget. (PTMISEA)
- Addition of \$2,332 to the Mesiti-Miller Engineering, Inc. Mechanical Platform budget. Additional inspection services were required in order for the contractor to complete its punchlist. (PTMISEA)
- Removal of \$120,363 in unused funds from the Dubois property remediation after move out budget. Clean up costs came in lower than estimated. (PTMISEA)
- Removal of \$1,216 in unused funds from the Inside & Outside legal counsel expenses budget. (Cash Reserves)
- Addition of \$561 to the Access Control System budget due to a change order. (CalOES)
- Removal of \$18,619 in unused funds from the Secure Mechanical Platform Enclosure budget.
- Removal of \$57,479 in unused funds from the Pipe Protection and Guard Rails budget.

- Removal of \$162,551 in unused funds from the Other project expenses budget.

If approved, \$1,216 in unused Cash Reserves will go back to Cash Reserves; \$18,058 in unused CalOES funds will be reprogrammed into one of the approved CalOES projects; and \$339,804 unused PTMISEA funds will be reprogrammed to the Pacific Station Project. This represents a total of \$359,078 in unused funds to be removed from the Project.

Staff recommends that the Board of Directors approve the final revision of the LOP Budget, approve the reallocation of the unused funds, and accept the MetroBase Phase II Project as completed.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The delay between moving in to the property in March of 2016 and closing the project out today was caused by having to resolve the many disputes with the original General Contractor, which resulted in METRO having to hire new contractors to complete de-scoped portions of the work (ADA concrete corrections, pipe protection, security enclosure of the mechanical platform) and performing corrections of the work (re-painting of all of the exterior stairs), and remediation efforts required by the County of Santa Cruz on the site of the temporary facility in Harvey West Park.

Financial actions:

- Previously allocated Cash Reserves in the amount of \$1,216 will be removed from the Project.
- Previously allocated CalOES funds in the amount of \$18,085 will be removed from the Project.
- Previously allocated PTMISEA in the amount of \$339,804 will be removed from the Project.

If the reallocation of PTMISEA funds is approved today, the current PTMISEA FY15 funding allocation of \$5,989,824 would be committed as follows:

\$5,989,824	Total amount of funding
\$2,746,443	Judy K. Souza Operations Facility
\$ 357,216	LCTOP Local Match
\$ 645,028	\$5339 Local Match
\$2,241,137	Pacific Station Project

The fiscal impact of these actions, as reflected in this Board report, is that the final MetroBase Phase II - Operations Building Life of Project (LOP) budget and total cost is \$29,069,687.

V. ALTERNATIVES CONSIDERED

- The Board could decline to approve the proposed revision and/or accept the Project as complete. This is not recommended as the Project requires this action as part of the closeout process for many of the funding sources.

VI. ATTACHMENTS

Attachment A: Proposed Final Revised Life of Project Budget

Prepared by: Erron Alvey, Purchasing & Special Projects Director

VII. APPROVALS:

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

dkelow for AA

Alex Clifford, CEO/General Manager

A handwritten signature in blue ink, appearing to read 'Alex Clifford', written over a horizontal line.

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Attachment A

Construction Contract	10/27/2017	12/14/18 Revision	Resulting Budget
Lewis C. Nelson and Sons Inc. Prime Construction Contract	\$13,440,760.00		\$13,440,760.00
CalOES Portion of original contract	\$52,702.00		\$52,702.00
Construction Contract Contingency (includes a-e below)	\$2,160,129.00		\$2,160,129.00
a. Security cameras conduit (Cal OES funding)	\$55,891.00		
b. Security fencing (Cal OES funding)	\$45,929.00		
c. Security gates (Cal OES funding)	\$0.00		
d. Building access control (Cal OES funding)	\$0.00		
e. Radio tower & equipment relocation (Cal OES funding)	\$19,751.00		
Mutual Release and Settlement Agreement (CCO No. 174)	\$1,650,000.00		\$1,650,000.00
Settlement Agreement - RNL	(\$225,000.00)	\$1.00	(\$224,999.00)

SC Metro Project Management	10/27/2017	12/14/18 Revision	Resulting Budget
Project Manager Budget FY13& FY14	\$194,234.00		\$194,234.00
Administrative Specialist Budget FY13& FY14	\$160,438.00		\$160,438.00
PM and Admin Specialist FY15 Applied to Other expenses 10/15	\$278,298.00		\$278,298.00
Administrative Assistant	\$9,747.00		\$9,747.00
Inside Document Control Services	\$7,315.00		\$7,315.00

Consultant Costs	10/27/2017	12/14/18 Revision	Resulting Budget
#15-04 Hill International, Inc:	\$3,669,178.00	\$6,922.00	\$3,676,100.00
#12-34 TRC Const Mgmt Applied to Other expenses 10/15	\$1,378,383.00		\$1,378,383.00
RNL Design Original contract 03-2012	\$1,839,977.00	(\$6,201.00)	\$1,833,776.00
Contingency 10% -A&E	\$0.00		\$0.00
Contracted professional services	\$149,507.00		\$149,507.00
Mesiti-Miller Engineering, Inc. - Pipe Protection	\$18,560.00	(\$2,465.00)	\$16,095.00
Mesiti-Miller Engineering, Inc. - Mechanical Platform	\$20,000.00	\$2,332.00	\$22,332.00

Additional Costs and Services	10/27/2017	12/14/18 Revision	Resulting Budget
4VSW's hired 3/4/13 –through 2016	\$787,869.00		\$787,869.00
Dubois temporary facility and related ongoing costs	\$1,228,025.00		\$1,228,025.00
Dubois property remediation after move out	\$330,000.00	(\$120,363.00)	\$209,637.00
Harvey West Security	\$66,290.00		\$66,290.00
Furniture and cubicles for new facility	\$140,438.00		\$140,438.00
Inside & outside counsel expenses (Sakata Lane/Cash Reserves)	\$836,600.00	(\$1,216.00)	\$835,384.00
Land mobile radio tower & equipment relocation	\$88,251.00		\$88,251.00
Security anti-climb panels for back fencing (CalOES)	\$0.00		\$0.00
Access Control System (CalOES)	\$253,998.00	\$561.00	\$254,559.00
Secure Mechanical Platform Enclosure (CalOES)	\$135,000.00	(\$18,619.00)	\$116,381.00
ADA Accessibility Corrections	\$252,000.00		\$252,000.00
Contingency 10% ADA Concrete Contract	\$10,806.00		\$10,806.00
Pipe Protection and Guard Rails	\$121,500.00	(\$57,479.00)	\$64,021.00
Procore software	\$25,930.00		\$25,930.00
Other project expenses	\$347,830.00	(\$162,551.00)	\$185,279.00

Life of Project Total	12/14/18 Revision	\$29,069,687
	10/27/2018	\$29,428,765
	Difference	(\$359,078)

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*Santa Cruz Metropolitan
Transit District*



DATE: January 25, 2019
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: CY19 STATE AND FEDERAL LEGISLATIVE AGENDA

I. RECOMMENDED ACTION

That the Board of Directors approve the Santa Cruz Metropolitan Transit District CY19 State and Federal legislative agenda as presented in this report and support the Chair's decision to appoint an Ad Hoc Legislative Committee

II. SUMMARY

- At the start of each new legislative cycle, the CEO requests the Board to review, comment upon and approve the proposed State and Federal legislative agenda for the upcoming calendar year.
- The overall goal of the program is to advocate for stable and growing State and Federal capital and operating funding and to avoid costly unfunded mandates.
- This year's legislative agenda includes additional emphasis on active participation in the State discussion about Transportation Development Act (TDA) reform and the initiation at the Federal level of early discussions about the Fixing America's Surface Transportation Act (FAST Act) or extension or replacement (Oct. 1, 2016 – Sept. 30, 2020).
- General Counsel has identified some possible changes needed to Santa Cruz Metropolitan Transit District's (METRO) enabling legislation. The Chair has decided to appoint an Ad Hoc Legislative Committee to discuss the problems and to determine if sponsoring legislation is needed.
- If the calendar year 2019 (CY19) Legislative Program is approved, the CEO will work with METRO's State and Federal lobbyists, the California Transit Association (CTA), the American Public Transportation Association (APTA), The Bus Coalition, the Community Transportation Association of America (CTAA) and the State TDA Reform Task Force to focus on successful outcomes in the key areas presented in this report.

III. DISCUSSION/BACKGROUND

CY18 State & Federal Outcomes

State

- Proposition 6 – SB 1 (Beall/Frazier), known as the Road Repair and Accountability Act of 2017, survived a voter initiative challenge. Proposition 6 would have eliminated the new transportation taxes and fees enacted by SB 1, and therefore placed at risk over \$2.5 million annually that METRO receives and, had it passed, would have immediately triggered a need for service and new bus purchase reductions.
- California Air Resources Board Innovative Clean Transit Regulation (ICT) – Replaces the 2002 Fleet Rule for Transit Agencies which expired at the end of 2015. The 2002 Fleet Rule resulted in METRO choosing the Alternative Fuels path and purchasing Compressed Natural Gas (CNG) powered buses since then.

Since the introduction of the draft ICT in December 2017, the CEO has worked closely with the CTA and transit partners across the state as a member of the Transit Electrification Committee to educate CARB staff about certain important modifications needed to the draft Regulation. The final version, adopted by the California Air Resources Board on December 7, 2018, while nowhere near perfect, reflects many of the changes sought by METRO and other transit agencies across the state. One of those important changes was the proposed interpretation of large versus small transit agencies. Initially, METRO was classified as a large transit agency. That would have triggered mandatory zero emission bus purchases as early as 2023. Now that METRO has been classified as a small transit agency, mandatory purchase requirements do not start until 2026, when 25% of all purchase must be electric. From January 1, 2029 any new purchase by all transit agencies, large and small, must be a 100% zero emission bus (ZEB).

- AB 3124 (Bloom) – Governor Brown signed into law AB 3124, a CTA-sponsored bill, which authorizes the use of three-position bike racks on 60-foot articulated buses. This was important legislation for METRO since METRO now owns four 60-foot articulated buses and it was our goal to install three-position bike racks on these buses.
- SB 1119 (Beall) – Governor Brown also signed SB 1119, a bill co-sponsored by the CTA and the Orange County Transportation Authority, which amends the Low-Carbon Transit Operations Program (LCTOP) by waiving the Disadvantaged Community (DAC) investment requirement for certain types

of expenditures authorized by the program – transit passes, expanded or improved bus service to a DAC and zero-emission bus (ZEB) purchases. Previously, Low carbon Transit Operation Program (LCTOP) recipients with service areas, including DAC, must expend at least 50% of LCTOP funds on projects or services that benefit those DACs. This bill will waive the above requirement if METRO expends the funding on certain transit activities like those listed above.

- Applied for a discretionary (competitive) State AB 2766 grant to operate the Watsonville zero emission bus. We did not receive an award.
- Applied for a discretionary State FY18 Local Partnership Program grant for nine buses. We did not receive an award.
- Applied for two discretionary State FY18 Transit Intercity Rail Capital Program (TIRCP) grants for six Highway 17 over-the-road coaches and an Account-Based Fare Solution. We did not receive an award.

Federal

- Applied for a discretionary Federal Transit Administration (FTA) Bus and Bus Facilities Program grant (5339b) to fund seven Compressed Natural Gas (CNG) buses. We did not receive an award.
- Applied for a discretionary FTA Low or No Emission Vehicle Program grant (5339c) to fund solar-battery charging infrastructure. We did not receive an award.
- Applied for a discretionary US Department of Transportation (DOT) Better Utilizing Investments to Leverage Development (BUILD) Transportation Grant for yard charging infrastructure, including yard canopies, solar energy and energy storage. We did not receive an award. (BUILD is the former Tiger Program)
- We continue to have success in the annual process to renew the Alternative Fuels Tax Credit.
- We worked successfully with the FTA Region IX Acting Administrator to achieve their concurrence that our 2016 FTA Low or No Emission Vehicle Program grant (5339c) award for \$3.8 million will be preserved and held in abeyance on our behalf until at least one more zero emission over-the-road coach manufacturer enters the market - expected in 2019 or 2020. This grant will purchase three zero emission over-the-road coaches for the Highway 17 commuter service.

Economic Background

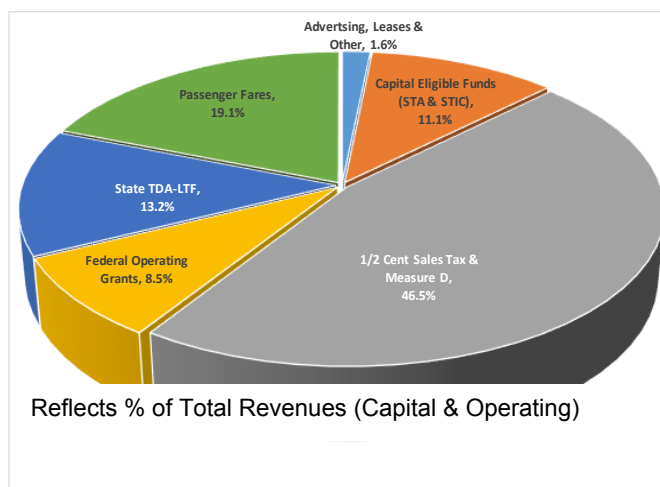
METRO serves the County of Santa Cruz, which has a population of over 262,000. Surveys show that 39% of METRO riders use the service to get to and from work. Santa Cruz County is home to the University of California, Santa Cruz (UCSC) and Cabrillo College. METRO's ridership data also reflects that over 50% of METRO riders are students and faculty of these institutions.

METRO helps implement the California Global Warming Solutions Act of 2006 (AB 32) by reducing greenhouse gas emissions with deployment of low-emission, high capacity buses. METRO's buses reduce fuel consumption by delivering more trips with fewer vehicle miles of travel than single-occupant vehicles. In CY2020 METRO's first zero emission buses will go into service and in CY2019 METRO will deploy its first diesel/electric hybrid buses. Over their life, these buses will reduce diesel fuel consumption by thousands of gallons. Additionally, METRO's routes 69 A, 69W, 71 and 91X provide much needed traffic congestion relief to gridlocked Highway 1.

METRO, a California Special District, employs approximately 300 people and provides over 5 million passenger trips per year with an FY19 budget of nearly \$50 million. METRO supports the local economy through the purchase of goods and services for its operations. Labor costs (wages and benefits) represent approximately 80% (FY19) of the operating costs and since 88% of METRO's employees reside in Santa Cruz County, the local multiplier effect of these labor dollars to the region is high as our employees' income is reinvested locally in housing, goods, services and recreation.

Current Funding for Capital & Operations

Capital and Operations is substantially supported by the ½ cent local sales tax approved by the voters in 1978, and further augmented by METRO's share of Measure D, State and Federal grants and customer fares. The FY19 budget includes: \$49,995,359 for Operations and for \$3,735,883 Capital projects.



Operating Grants vs. Capital Grants

Think of the operating budget as “running buses” and the capital budget as “buying buses.” State and federal discretionary grants do not typically provide revenue for the operating budget, and local grants that might provide operating funds are few and far between. Nearly all state and federal grant opportunities are for capital improvements and augment METRO’s ability to buy buses.

Formula Grants

State and federal formula grants come to METRO as a result of legislation; usually require an annual application; and, always require follow-up information on how METRO used the money. While this is a cumbersome and time-consuming process, METRO always follows the directed processes and never risks or jeopardizes its state and federal formula grant allocations. These state and federal formula dollars are typically used for operations; are sometimes flexible for use in both operations and capital; but, are most often restricted to capital only.

In 2018, METRO received \$9,576,001 in State and Federal Formula Grants.

Discretionary (Competitive) Grants

In any given year, there are a number of state and federal discretionary grant programs offered. METRO always submits highly competitive grant applications for programs for which it qualifies.

When grants become available for competition, they are always extremely oversubscribed. Typically, the value of the federal grant applications nationwide exceed by ten times the actual grant awards available, and the amount awarded is typically a fraction of the amount requested.

The Changing Landscape of Grants Availability

The grant funding landscape has changed dramatically over the past several years. Here are just a few examples:

- Up until 2012, the federal transportation authorization included a Bus and Bus Facilities Program, which was a discretionary capital grant program. Up until then, METRO had competed successfully for some of this funding. With MAP-21 in 2012, the Bus and Bus Facilities discretionary grant program was eliminated. It was not until the FAST Act reauthorization in 2016 that the Bus and Bus Facilities discretionary grant program was reestablished, albeit at a substantially reduced funding level. In 2017 METRO applied for nine CNG buses from this program and received four.

- In 2006 the California voters created a capital funding source through Proposition 1B. This ten-year capital program, which expired in 2016, funded numerous METRO security, facilities and bus procurements. Fortunately, the Governor signed the Road Repair and Accountability Act (SB1) in April 2017 to partially replace Proposition 1B and to provide additional State Transit Assistance (STA). Again, this legislation favors capital projects for the use of this money, although some of it can be used for operating assistance if METRO meets specific performance criteria.
- The American Recovery and Reinvestment Act of 2009 (ARRA) signed into law by President Barack Obama on February 17, 2009 was an economic stimulus package which provided METRO valuable capital dollars. ARRA was a one-time program and did not provide recurring resources.
- In 2012, the US Congress eliminated federal “earmarks,” a process which provided legislative appropriations to specific projects in a congressman’s district. Up until then, METRO had frequently secured federal earmarks to fund multiple capital projects.

Each year federal subsidies for public transit are threatened. The result of this constant threat is often flat or nominal growth in federal transportation funding, in an environment where operational costs typically grow at a rate equal to or greater than the Consumer Price Index (CPI).

With the loss of several substantial capital funding programs since 2012, METRO’s capital challenge in the coming years will be one of trying to find the resources with which to replace over 50 buses which have reached the end of their useful life and are in need of replacement at an estimated cost of \$38 - \$50 million, depending on whether METRO purchases CNG or electric buses.

In order to attempt to catch up and keep up with the capital needs of the Agency, in the coming years, starting in FY18 METRO established a policy of budgeting \$3 million per year to a Bus Replacement Fund within the capital budget in an effort to leverage these local resources for state and federal discretionary grants. Even with this funding commitment, METRO will not be able to completely eliminate buses in the fleet that are beyond their useful life.

IV. FINANCIAL CONSIDERATIONS/IMPACT

There are no direct financial considerations to approving the proposed State and Federal legislative program. The overall goal of the program is to secure

stable and growing State and Federal capital and operating funding for the Agency and to avoid costly unfunded mandates.

V. ALTERNATIVES CONSIDERED

- Take no action. The CEO does not recommend this approach since he will need Board direction on where to focus his State and Federal legislative efforts in CY19.
- Accept the proposed legislative program with Board adopted edits/changes.

VI. ATTACHMENTS

Attachment A: State Legislative Agenda

Attachment B: Federal Legislative Agenda

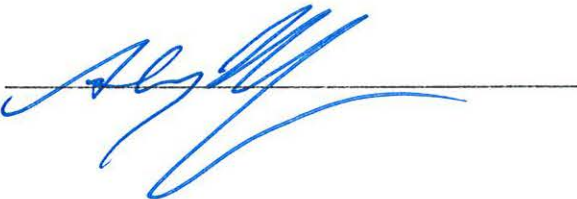
Prepared by: Alex Clifford, CEO/General Manager

VII. APPROVALS

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

ok low for AA

Alex Clifford, CEO/General Manager

A handwritten signature in blue ink, appearing to read "Alex Clifford", written over a horizontal line.

Attachment A

CY19 State Legislative Agenda

- Cap-and-Trade: Continue to seek maximum flexibility in the use of Cap-and-Trade dollars and work to ensure growth in Cap-and-Trade funding available to transit.
- Support efforts to amend the State Constitution to reduce the voter threshold required for a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs.
- Protect against the elimination or diversion of any State-directed funds that support Santa Cruz County transportation needs.
- Seek/support legislation that could result in electricity providers charging transit properties off-peak or reduced rates at meters used to recharge Zero Emission Buses (ZEBs).
- Support establishing new funding sources for Transit Oriented Development (TOD) and bus facilities.
- Bus on Shoulder Expansion: Support other transit systems as they define and seek an expansion of the existing, very limited bus on shoulder statutory authorization granted to Monterey-Salinas Transit District and Santa Cruz Metropolitan Transit District by AB 946 (Stone) [Chapter 426, Statutes of 2013].
- Continue active involvement in the California Transit Association (CTA) and the California Association for Coordinated Transportation (CalACT) and their associated sub-committees, advocating for the METRO Legislative Agenda with these organizations.
- Staff and General Counsel have identified some potential changes to METRO's enabling legislation that should be considered. Prior to initiating any such legislative action, the CEO and General Counsel will meet with a Board Ad Hoc Committee to discuss the identified changes and the benefits and risks of pursuing legislative changes.
- The CEO has been appointed to a statewide Transportation Development Act (TDA) Reform Task Force. On behalf of METRO, the CEO will seek various changes to the current law that will protect or increase the TDA funds received today by METRO. The CEO will seek to reduce the burden of the current

Attachment A

outdated performance measures; explore the creation of new and useful performance measures; simplify and create a pass-through of TDA dollars directly to transit agencies; reduce the TDA dollars that today go to non-public transit uses/entities; and reduce or eliminate the “off the top” dollars that are today taken by Regional Transportation Planning Agencies (RTPAs) and Metropolitan Planning Organizations (MPOs) for various line items such as administration, planning and reserves.

Attachment B

CY19 Federal Legislative Agenda

- Advocate for increasing the Small Transit Intensive Cities (STIC) Program to 3%.
- Advocate for the 2018 Alternative Fuels Tax Credit to be approved retroactively to January 1, 2018 and seek to enact a permanent extension of the Alternative Fuels Tax Credit Program instead of continuing the annual renewal via the “Tax Extenders” approach.
- Advocate for the Alternative Fuels Tax Credit Program to be modified to include zero emission electric buses.
- Fund a real and meaningful transportation infrastructure State-of-Good-Repair program at a minimum funding level of \$6.74 billion, or roughly half of the stated need for bus replacement across the country. The nation is overdue for another Federal Capital Program. Such a program must include bus transit and should be structured with a combination of formula and competitive grants.
- Continue to seek annual FAST Act appropriations that are higher than anticipated in the FAST Act, seeking to substantially increase funding to the FTA 5307, 5311 and 5339 (a), (b) & (c) Programs.
- Support funding levels for the FTA Bus and Bus Facility program (Sec. 5339) in the FAST Act reauthorization starting at \$1.5 billion annually and growing at 10 percent annually over six years to \$2.4 billion annually.
- Support funding allocation for the FTA Bus and Bus Facilities program (Sec. 5339) evenly among the discretionary and competitive accounts.
- Encourage Congress to continue to seek creative solutions to securing sufficient, long-term dependable and recurring revenues to ensure the stability of the federal Highway Trust Fund and address the growing transportation infrastructure needs of the country.
- Advocate for and seek congressional support for an increase the federal gasoline and diesel fuel tax which would increase funding to the Highway Trust Fund and the Mass Transit Account. Federal gas tax has been unchanged since 1993 at 18.4 cents/gallon. Federal diesel fuel tax has been unchanged since 1993 at 24.4 cents/gallon. These Federal gas and diesel taxes provide revenues to the Federal Highway Trust Fund (HTF). 2.86 cents/per gallon from each of these two fuel taxes go to the Mass Transit Account. Federal bus transit funding comes from the Mass Transit Account. The Mass Transit Account,

Attachment B

combined with other Federal funding sources, help to fund METRO operations through the FTA-5307 & 5311 grant programs.

- Lift the ban on congressionally-directed spending (earmarks) and prepare background on potential projects for the congressional delegation should they return.
- Support continued annual funding for the BUILD program at or above current levels.
- Develop and advocate for strong METRO grant submissions to DOT discretionary (competitive) programs such as BUILD, Bus and Bus Facilities, and Low and No Emissions Bus programs.
- Ensure that DOT implementation of MAP-21 and FAST Act rules and regulations do not have a negative impact on METRO operations.
- Maintain tax parity with parking and tax benefits for employer-provided public transportation benefits.
- Carefully monitor the next Census to encourage the U.S. Census Bureau to maintain separate urbanized area (UZA) designations for the cities of Santa Cruz, Watsonville, and Salinas following the 2020 Census.
- Amend the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program at DOT to make it more attractive as a tool to assist bus purchases.
- Support establishing new dedicated funding sources for Transit Oriented Development (TOD) and bus facilities and allow planning, engineering, and design to be eligible activities.
- Work with Congress and the FTA to help them understand the significant challenges for small to mid-size transit properties to fund operating and capital programs and to keep up with State of Good Repair.
- Work through APTA to increase the federal requirement that bus manufacturers only support their vehicles with parts for ten years. The current federal life of a bus is twelve years and that is expected to move to fourteen years.
- Oppose federal efforts to preempt local authority over the use of autonomous vehicles in their communities.
- Oppose unfunded federal mandates.

Attachment B

- Start talking with Congress now about identifying stable, dependable and recurring funding sources for the successor or extension of the FAST Act.
- Continue active involvement in the STIC Coalition, Bus Coalition, CTAA, CalACT, APTA and various associated sub-committees, advocating the METRO Legislative Agenda with these organizations.
- Continue the annual transit funding advocacy trip to Washington, DC in April/May and encourage up to four Board members to participate.

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DATE: January 25, 2019
TO: Board of Directors
FROM: Angela Aitken, CFO
**SUBJECT: ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT
AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2018**

I. RECOMMENDED ACTION

That the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ended June 30, 2018.

II. SUMMARY

- The **Financial Statements with Independent Auditor's Report** (Attachment A) prepared by the firm Brown Armstrong, Certified Public Accountants present Santa Cruz METRO's financial position as of June 30, 2018, with a comparison to the financial position as of June 30, 2017. The auditors have found that Santa Cruz METRO's financial statements present fairly, in all material respects, the financial position of Santa Cruz METRO as of June 30, 2018.
- In the **Independent Auditor's Report on Compliance Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with the Statutes, Rules, and Regulations of the California Transportation Development Act and the Allocation Instructions and Resolutions of the Transportation Commission** (page 61-62), the auditors found nothing that came to their attention that indicated Santa Cruz METRO failed to comply with the Statutes, Rules, and Regulations of the California Transportation Development Act, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission (SCCRTC) during the course of their audit. Additionally, the auditors tested Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) program receipts and expenses for the year audited.
- In the **Schedule of Findings and Questioned Costs** (pages 63-64), the auditors identified no findings associated with their testing of major federal program expenditures in connection with their audit performed under *Government Auditing Standards* (GAS) and in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

- The **Required Communication to the Board of Directors in Accordance with Professional Standards** letter (Attachment B) provides information related to the auditors' responsibilities under generally accepted auditing standards as well as observations arising from the audit.
- There were two current year conditions and recommendations detailed in an **Agreed upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting** letter issued by the auditors this year.

III. DISCUSSION/BACKGROUND

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

The **Independent Auditor's Report** (pages 1-3) documents that the audit was conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The auditors have found that Santa Cruz METRO's financial statements present fairly, in all material aspects, the financial position of Santa Cruz METRO as of June 30, 2018.

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

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

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

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

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

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

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

- The Schedule of Changes in the Net Pension Liability and Related Ratios (page 50) and the Schedule of Contributions (page 51) for Santa Cruz METRO's defined benefit pension plan presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.
- The Schedule of Changes in the Net OPEB Liability and Related Ratios for post-employment medical, dental, vision and life insurance benefits (OPEB) (page 52) and the Schedule of Contributions (page 53) are required under new standards on accounting and financial reporting for OPEB plans (GASB 75), implemented in FY18. At this time, Santa Cruz METRO is not prefunding the liability for retiree medical or other post-employment benefits.

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

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

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

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

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

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

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

The AUC letter reflects two current year conditions, along with the (same) prior year conditions that were reported, each with an accompanying recommendation by the auditors and a response from Santa Cruz METRO management. Staff is currently in the process of developing corrective procedures and actions in order to address the conditions raised in the AUC letter. Management anticipates reporting back to the Finance, Budget, and Audit Standing Committee and providing an update on the status of the management letter conditions, and ensuring that progress is made to implement the auditor’s “best practices” recommendations.

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

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

FINANCIAL CONSIDERATIONS/IMPACT

There is no fiscal impact from the Board’s formal acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA) payments from the SCCRTC, the final audit must be submitted to the SCCRTC within 180 days of the end of the fiscal year. Santa Cruz METRO has met this TDA compliance requirement and the SCCRTC has accepted the FY18 audited financial statements.

In addition, Santa Cruz METRO is required to submit annual audit reporting packages to numerous governmental agencies within specified deadlines in order to meet grant compliance requirements and continue to receive Federal,

State and Local grant awards and funding. Santa Cruz METRO has timely filed and distributed the FY18 audited financial statements to all required grantor agencies.

IV. ALTERNATIVES CONSIDERED

N/A

V. ATTACHMENTS

Attachment A: Santa Cruz METRO Financial Statements with Independent Auditor's Report for the year ended June 30, 2018

Attachment B: Required Communication to the Board of Directors in Accordance with Professional Standards (letter from Brown Armstrong, CPAs)

Attachment C: Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting (Management Letter from Brown Armstrong, CPAs)

Attachment D: Santa Cruz METRO Measure D Fund Financial Statements with Independent Auditor's Report for the year ended June 30, 2018

VI. APPROVALS:

Angela Aitken, CFO

delow for AA

Alex Clifford, CEO/General Manager



Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

JUNE 30, 2018 AND 2017

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT JUNE 30, 2018 AND 2017

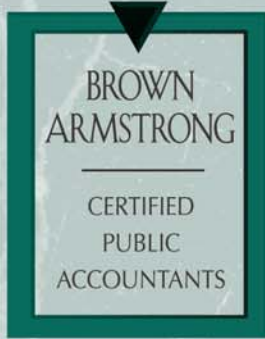
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FINANCIAL SECTION

Attachment A



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Attachment A

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Santa Cruz METRO as of June 30, 2018 and 2017, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the year ended June 30, 2018, Santa Cruz METRO adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion was not affected by the implementation.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Attachment A

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018, on our consideration of Santa Cruz METRO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 31, 2018

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2018 AND 2017

Introduction

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Santa Cruz Metropolitan Transit District (Santa Cruz METRO or the District) provides a narrative and analytical overview of the financial activities of Santa Cruz METRO with selected comparative information for the years ended June 30, 2018 and 2017. Following the MD&A are the basic financial statements of Santa Cruz METRO together with the notes thereto, which are essential for a full understanding of the data contained in the financial statements.

Activities and Highlights

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

The Financial Statements

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

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

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

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

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

Attachment A

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

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

Financial Highlights

- The liabilities and deferred inflows of resources assets and deferred outflows of resources of Santa Cruz METRO exceeded its assets and deferred outflows of resources at the close of the year ended June 30, 2018, resulting in a Total Net Position (Deficit) of \$(56,618,944).
- Of this amount, \$84,442,069 consisted of Net Investment in Capital Assets, which reflects investment in capital assets used for operational and administrative functions (e.g. facilities, vehicles, and equipment). Accordingly, these assets are not available for future spending.
- The remaining balance of Total Net Deficit represents Unrestricted Net Position (Deficit) of \$(141,061,013). The Unrestricted Net Deficit is the result, in large part, of the District incurring increasing pension obligations (Net Pension Liability) that reached \$60,072,122 by June 30, 2018, and increasing retiree medical benefits obligations (OPEB) in fiscal year 2018 totaling \$106,945,439 at year end. These liabilities are required to be accounted for under Governmental Accounting Standards Board (GASB) Statement No. 68, and GASB Statement No. 75, which replaces GASB Statement No. 45, effective fiscal year 2018. Net Pension Liability represents a future long-term pension obligation, but for the most part does not significantly affect the District's ability to meet immediate (short-term) operational cash flow needs. Therefore, although the projected long-term pension and OPEB obligation costs have generated a deficit net position balance on the financial statements, Santa Cruz METRO is able to utilize current, available funds to pay for ongoing obligations for pension and retiree medical expenses as they come due.
- Total passenger fares revenue increased 17.6% during the year ended June 30, 2018, to \$10.3 million compared to a 2% decrease during the year ended June 30, 2017, over the previous year. The increase in the current year resulted from an increase in contract fares revenue due to higher University of California, Santa Cruz (UCSC) negotiated fares rate, enrollment and student ridership from the previous fiscal year. A contract increase of 2.5% is budgeted for UCSC in fiscal year 2019. The decrease in fares revenues in fiscal year 2017 was due primarily to service reductions implemented in September 2016.
- Operating expenses (excluding depreciation) increased 3.2% during the year ended June 30, 2018, to \$53,527,521 million compared to a 3.8% increase during the year ended June 30, 2017, over the previous year. The increase in the current year was mainly attributable to the increase in pension and settlement costs over the prior year. In the prior year, the increase was mainly attributable to the increase in provisions required for long-term pension and workers' compensation liabilities.
- In 2018, Santa Cruz METRO's Capital Assets (after the application of accumulated depreciation) decreased \$215 thousand, compared to a decrease in 2017 of \$424 thousand over the previous year. Depreciable Asset additions and transfers were \$3.4 million, offset by asset retirements and transfers of \$538 thousand and an increase in accumulated depreciation of \$4.5 million offset by a \$538 thousand write-off of accumulated depreciation associated with retired assets. Asset additions were attributed primarily to the purchase of revenue vehicles during fiscal year 2018. Capital Asset procurements are funded by a combination of federal, state, and local grants as well as Operating and Capital Reserves.

Attachment A

Financial Activities

The following discussion provides an overview of the financial activities related to operations (operating revenue and expense) and capital funding (contributions) received for facilities improvements and the purchase of capital equipment for the year ended June 30, 2018.

Operating Revenue and Expense:

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

As with many transit and public agencies across the region and throughout the state, Santa Cruz METRO continues to face financial challenges due to significant increases in operating and capital costs with no significant increases in operating or capital contributions; the growth in recurring revenues has not kept pace with the growth in recurring expenses.

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

Capital Program:

In fiscal year 2018, Santa Cruz METRO spent \$2.9 million on the purchase of capital assets and on new and ongoing capital projects. A total of \$2.6 million of these capital additions were paid for with capital grant contributions, funded by a variety of sources, including from the Federal Transit Administration (FTA), California Proposition 1B Transportation Bonds (Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) and California Office of Emergency Services California Transit Security Grant Program (Cal-OES CTSGP), STA, STA State of Good Repair (STA-SGR), the State-Local Partnership Program (SLPP), the State Transportation Improvement Program (STIP), Measure D sales tax allocations. A total of \$307 thousand of these capital purchases were made using Operating and Capital Reserve Funds.

Operating buses and owning/maintaining transit facilities is a capital-intensive business. Funding Santa Cruz METRO's overall operation is a delicate balance between identifying the resources to operate the service and identifying the resources to purchase and maintain the vehicles and facilities with which to operate the service. Santa Cruz METRO needs to reduce its dependence on using capital-eligible funds and cash reserves in the operating budget, and concentrate on restoring these funding sources to the capital program in order to achieve a "state-of-good-repair" and ensure that new capital grant opportunities that require matching funds from reserves can be pursued. To that end, the Santa Cruz METRO Board adopted a new capital budget funding strategy in fiscal year 2018 that will result in an estimated \$3 million per year to be dedicated to the annual capital budget. The strategy of creating a "Bus Replacement Fund" establishes an ongoing commitment to the Capital Budget and efforts to maintain the District's assets in a state of good repair.

Attachment A

Noteworthy capital project activity this fiscal year includes:

- Judy K. Souza Operations Facility – The Operations facility opened for business on Friday, March 18, 2016, the official ribbon cutting event was held on Friday, May 6, 2016, and Santa Cruz METRO received final occupancy on December 12, 2016. Follow-up activity continued on the project into 2018 including an upgrade to the mechanical platform, and pipe protection in the parking garage. This entire project will formally close out in December 2018, completing another phase of the District's MetroBase consolidated operations in the Harvey West area of Santa Cruz. This fiscal year activity was funded with a combination of Proposition 1B - Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) funds, Cal-OES funds and local Operating and Capital Reserves.
- Cameras on Buses: Santa Cruz METRO was one of the last public transit agencies in the nation operating without an onboard security surveillance system, however with funding from Cal-OES California Transit Security Grant Program funds (CTSGP) cameras were installed on Santa Cruz METRO's buses in fiscal year 2018. Having this type of equipment on Santa Cruz METRO's buses and paratransit vehicles is important to the safety and security of bus riders and employees, and fulfills Santa Cruz METRO's commitment to follow TDA triennial audit recommendations to install them. This project is to be completed in fiscal year 2019.
- Paracruz Vehicles: STIP and Measure D sales tax funds were used to purchase three (3) vehicles in fiscal year 2018. In fiscal year 2019 we will accept and pay for the (11) Paracruz vans on premises- that were purchased through the Bus and Bus Facilities FTA § 5339 Program funds and Measure D sales tax funds. Additionally, one (1) Paracruz van is being accepted/purchased in fiscal year 2019 with FTA §5310 funds.
- Transit Security Projects - The Cal-OES California Transit Security Grant Program (CTSGP) funds were spent primarily on the Cameras on Buses project referenced above
- Three (3) 2016 New Flyer Buses – Santa Cruz METRO entered into a lease-to-purchase agreement (capital lease) in fiscal year 2018 for three New Flyer Xcelsior buses. This purchase is part of Santa Cruz METRO's effort to replace and update its aging fleet. The principal portion of the monthly lease payments is funded by Measure D funds.
- Electric Bus & Infrastructure Project – Consulting work continues on Santa Cruz METRO's FTA § 5339 Low and No Emission Bus Program (Low-No) project. The Low-No program makes funding available nationwide to purchase battery-electric, fuel cell or hybrid-energy buses to accelerate the deployment and acceptance of advanced vehicle technologies to reduce greenhouse gas emissions. This project is in alignment with the District's "Electric Bus Implementation Strategy" adopted in September 2015. This grant funds three Over the Road Coaches (OTRCs) and the partnership with several vendors including The Center for Transportation and the Environment (CTE) for project management consulting services. Santa Cruz METRO matched this grant with PTMISEA funds and local Operating and Capital Reserves.
- Mid-Life Bus Engine Overhauls Campaign – The Mid-Life Bus Engine Overhauls Campaign increases bus reliability and reduces maintenance cost during years 7 to 12, usually enabling an additional 2 years of lower maintenance cost. This project is funded by FTA § 5339 funds matched with Measure D funds; seven buses received a mid-life engine overhaul in fiscal year 2018.
- Bus Repaint Campaign – Santa Cruz METRO was able to repaint 21 buses this year. Bus exterior paint deteriorates through bus washing and sun UV fading. Repainting provides a protective seal for body seams, a good public image and enables ease of cleaning. This project was also funded with FTA § 5339 funds matched with Measure D funds.
- Non-Revenue Vehicle Replacements – The District was able to replace six Ford Focuses that are used as driver relief vehicles, one Ford 250 truck, and one aerial boom truck. The aerial boom truck allows staff to access cameras, windows, etc., eliminating the rental expense paid in the past for this specialized type of vehicle. These vehicles were purchased with FTA § 5339 funds matched with STA funds.

Attachment A

Comprehensive Operational Analysis and Service Changes:

In August 2015, Santa Cruz METRO began efforts on a Comprehensive Operational Analysis (COA). The study took a fresh look at Santa Cruz METRO's current service offering and analyzed how best to provide a balanced level of service that properly serves the needs of the community while remaining within budgetary limitations. This study also focused on the needs at the customer level and included an in-depth survey of Santa Cruz METRO's riders and travel habits through a public outreach plan that included community meetings, informational "pop-up" events and customer input. The COA identified system-wide and chronic problems, as well as new service opportunities, through an extensive qualitative and quantitative analysis that was used to recommend service changes to the existing fixed-route service. From the information and recommendations provided by the study, the Board approved a modification/restructuring of the entire network of fixed-route bus service, reducing the amount of service by approximately 19% effective September 8, 2016.

Ridership:

At the end of fiscal year 2018, the Santa Cruz METRO fixed-route bus system consisted of 26 routes, and provided 5,048,512 rides with a fleet of 98 Compressed Natural Gas (CNG) and diesel buses, a decrease of 42,882 fixed-route rides (0.8%) from the previous year. As with many transit agencies across the nation, ridership has eroded due to prolonged low fuel costs, necessary fare increases and service reductions implemented to improve operational efficiency, as well as the rising popularity and public usage of ride-sharing services such as Uber and Lyft.

Paracruz, Santa Cruz METRO's paratransit service, provided 72,209 paratransit rides to mobility impaired patrons on 50 specially equipped minibuses and minivans during fiscal year 2018. This represents a 3.8% decrease in Paracruz ridership from the prior year (2,907 fewer paratransit rides), resulting primarily from the discontinuation of Demand Response-Taxi Paracruz service in fiscal year 2017. Another factor contributing to the drop was the migration of some Paracruz passengers to fixed-route bus usage, as this service became comparatively more economical for certain passengers after the 2016 Paracruz fare and service changes.

Factors Effecting Financial Conditions

The Santa Cruz local economy has continued to recover after the global financial crisis of 2007-2008.

A significant source of revenue for Santa Cruz METRO is retail sales and use tax in Santa Cruz County. Sales tax accounts for almost 50% of budgeted revenue while the TDA Local Transportation Fund (TDA-LTF), also funded by sales tax, provides an additional 13% to the budget. Santa Cruz METRO's actual sales tax receipts increased 4.4% in fiscal year 2018, and 3% in fiscal year 2017, while the TDA-LTF receipts increased by 6.7% and decreased by 0.54%, respectively.

Operating expenses continue to outpace the moderate increases anticipated in operating revenues and include pension costs, medical premiums, services, materials and supplies, legal and insurance costs, along with maintenance and repairs to aging vehicles and facilities. The District implemented the FTA's Transit Asset Management Plan in fiscal year 2018. Transit asset management (TAM) is a business model that prioritizes funding based on the condition of transit assets to achieve and maintain a state of good repair (SGR) for the nation's public transportation assets. The 2016 TAM Final Rule develops a framework for transit agencies to monitor and manage public transportation assets, improve safety, increase reliability and performance, and establish performance measures in order to help agencies keep their systems operating smoothly and efficiently. Hopefully, funding will be made available in the future to help the District achieve and maintain a state of good repair.

Despite the modest recovery experienced in the local economy, Santa Cruz METRO continues to employ cost control measures to balance its budget due to the reasons enumerated above.

Attachment A

Future Outlook

Santa Cruz METRO's fiscal year 2019 budget was again balanced without the expectation of drawing from reserves. This is another step in the right direction after many years of relying on reserves to balance the District's budget after the economic meltdown of 2007-2008. Sales tax and TDA-LTF revenues are expected to increase by 7.8% and 1.9%, respectively. Federal Operating Assistance is expected to increase by 5.6% and STA is budgeted at a 4.8% increase. As the economy continues to improve, the District expects to experience moderate increases in sales tax and related revenues of approximately 3% in fiscal year 2020 and for the next three (3) budget years. Passenger fare revenues continue to decline as ridership declines. This decline in ridership is not specific to Santa Cruz METRO. Nationwide transit ridership in March 2018 was 5.9% below March 2017, according to data published by the FTA. Following three years of steady declines, these numbers present a significant challenge to the nation's transit industry. Contributing factors include the low price of gas and low-cost ride-sharing transportation alternatives such as Uber and Lyft. Santa Cruz METRO is currently researching options to improve the passenger experience with the intention of retaining and hopefully growing ridership. Fiscal year 2019 operating expenses increased moderately at 3.5% with labor costs contributing 1.9% growth while non-labor costs contributed 11% growth. Repairs and maintenance costs to vehicles increased by 23% due to an aging fleet coupled with increased insurance costs of 25% due to global natural disaster losses and their impact on the insurance market. The employee training budget was increased fairly significantly as the District prepares to introduce electric buses to its existing CNG and diesel bus fleet.

Future Funding:

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

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

Prior to the outcome of Proposition 6 and in response to this financial threat, Santa Cruz METRO was able to dialogue with key funding partners in the community. Cabrillo College students voted to impose a mandatory transportation fee of \$40 per student per semester effective Fall semester 2016 to sustain bus service that was scheduled to be eliminated due to the COA service restructuring. The fee provides each student with a bus pass valid seven days a week during the semester term, providing Santa Cruz METRO bus service throughout Santa Cruz County with transfers to Monterey-Salinas Transit. Cabrillo College students voted again in November 2017 to approve this transportation fee for the 2017-18 school year. UCSC increased its level of funding for student transit services for the 2016-17 academic year and increased it further for the 2017-18 academic year.

In the coming years, Santa Cruz METRO will seek to retain and attract new customers, particularly customers who have a transportation mode choice. With increased revenues through Measure D and SB 1, Santa Cruz METRO will work hard to improve the frequency of service on routes, improve span of service and possibly improve weekend service. A pilot project is currently underway for the Highway 17 Commuter Express route to test fare payment systems which will likely result in a mobile ticketing application option. The hope is to minimize boarding times and simplify the ticket purchase process.

Attachment A

Future Capital Needs & Bus Replacement Fund:

The financial challenges facing Santa Cruz METRO are not unique. The Federal government's inability to agree on a long-term surface transportation funding program resulted in numerous short-term Continuing Resolutions and provided relatively flat Federal operating assistance since fiscal year 2010, which had placed public transit funding on perilous footing nationwide. In December 2015, President Obama signed the Fixing America's Surface Transportation (FAST Act) into law. This long-awaited successor to the Moving Ahead for Progress in the 21st Century Act (MAP-21) increases annual spending authority for transit programs across the nation through 2020. The bill includes important policy and structural changes to federal surface transportation programs that are intended to improve mobility, streamline capital project construction and acquisition, and increase the safety of public transportation systems across the country. As a result of the unreliable and flat Federal and State transit funding in the past several years, the annual balanced operating budgets were achieved by using non-traditional capital-eligible FTA-STIC and STA funds and non-recurring revenues (Operating and Capital Reserves) to fill the budget gaps and cover operational costs.

Through the early 2000s, Santa Cruz METRO had always been able to acquire new buses to replace those that had reached their useful life of 12 years. Due to the extended recession, which limited funding availability and the elimination of the ability to acquire new buses through the federal earmark process, over half of Santa Cruz METRO's fleet is now beyond its useful life. Older buses are still operational, but have significantly increased maintenance costs.

To that end, in December 2018, Santa Clara Valley Transportation Authority (VTA), as part of a Highway 17 Express partnership, provided Santa Cruz METRO with 14 buses to supplement the District's fleet:

- Ten of these buses are hybrid diesel-electric and will become part of the Highway 17 Express fleet, replacing older buses.
- Four of the buses are articulated (longer buses with additional capacity) and will be used on the UCSC routes and replace the buses which are currently being leased.

Looking ahead, addressing the challenge of aging equipment and the attrition of rolling stock inventory continues to be a priority. Therefore, Santa Cruz METRO has an immediate and urgent need to replace approximately sixty buses and eight paratransit vehicles. Thanks to the support from Santa Cruz County residents and State legislators, revenues resulting from Measure D and California State SB 1 will allow Santa Cruz METRO to identify local matching revenues with which to attempt to leverage State and Federal capital grants and well as pursue a combination of initiatives to manage the aging fleet including:

- Refurbishing existing buses to extend their useful life
- New buses to be funded by future grants; Santa Cruz METRO will become more competitive with increased available funds to match grant proposals
- Lease-to-purchase agreements
- Purchase of buses with Santa Cruz METRO capital funding

Santa Cruz METRO staff has analyzed the useful life status of the current fixed-route bus fleet, the District's financial capacity, and the bus manufacturing industry status and has developed a viable plan to reduce the average age of Santa Cruz METRO's fixed-route bus fleet while maintaining the number of buses to meet operational needs. The key component of the bus replacement plan is the budgetary strategy adopted for the fiscal year 2018 budget of committing \$3 million annually in capital funding for a Bus Replacement Program. With the passage of Measure D and SB 1 (the Road Repair and Accountability Act of 2017), Santa Cruz METRO now has recurring revenue sources to fund this \$3 million annual Bus Replacement Program to address Santa Cruz METRO's critical issue of operational buses beyond their intended useful life.

Santa Cruz METRO staff continue to pursue new grant opportunities that will help with these capital funding challenges, while further developing comprehensive funding strategies to replace and modernize its fleet. This grant application strategy resulted in Santa Cruz METRO being awarded five new buses last year; three of these buses are Federally-funded (Low-No) zero emissions electric buses for Highway 17 commuter service, one State-funded (LCTOP) zero emissions electric bus for a circulator service in Watsonville, and one new CNG bus for fixed-route service.

Attachment A

Fare Structure and Ticketing Initiatives:

Presently, staff is analyzing the current fixed-route fare structure and will initiate a discussion with the Board related to their findings, as well as opportunities for fare payment technology improvements. New Single-Ride tickets were introduced in October 2018, to help shorten wait times while boarding the Highway 17 Express and local routes. It is anticipated that staff will be working closely with the Finance, Budget and Audit Committee to further develop and explore fare restructuring recommendations for the future.

Future Operational Improvements:

Intelligent Transportation System (ITS) – In October 2018, Santa Cruz METRO received funding from the State of California for an ITS which will contain the following subsystems:

- Automatic Vehicle Location (AVL)

AVL describes the use of computers and Global Positioning Systems (GPS) in dispatching and tracking transit vehicles. Transit agencies and its riders benefit from the improvements to service planning and customer service through real-time information. This technology will provide Santa Cruz METRO with much needed data that will be used to improve the accuracy of on-time performance, making for better system service. AVL will also significantly enhance the customer's experience by providing real-time information on bus arrival times and system disruptions. The successful passage of SB 1 has resulted in providing Santa Cruz METRO with state funds to purchase an AVL system for the fixed-route bus network in fiscal year 2019.

- Audio/Visual Annunciation System (AVAS)

AVAS provides automatic audio announcements and visual displays of destination and stop information for passengers with disabilities utilizing GPS to obtain a vehicles location on a path of travel. Santa Cruz METRO procured an AVAS in response to ADA related litigation in 2002. Santa Cruz METRO's current AVAS is no longer supported and is faced with dwindling parts availability. Therefore, an updated AVAS is deemed an essential element to this project.

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

Zero Emission Buses (ZEBs) – In early 2017, the Santa Cruz METRO Board renewed their commitment to air quality and sustainability by adopting a resolution to achieve a fully zero emissions bus fleet by 2040. To that end, Santa Cruz METRO has secured funding that will purchase seven zero emissions buses:

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

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

Attachment A

Financial Analysis

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

Statements of Net Position:

	2018	2017	2016	2018 to 2017		2017 to 2016		
				Increase/(Decrease) Amount	%	Increase/(Decrease) Amount	%	
Assets								
Current Assets	\$ 28,260,602	\$ 22,587,204	\$ 23,342,903	\$ 5,673,398	25.1%	\$ (755,699)	-3.2%	
Capital Assets - Net	85,856,420	86,071,566	86,495,631	(215,146)	-0.2%	(424,065)	-0.5%	
Restricted Assets	8,513,085	8,354,300	9,177,768	158,785	1.9%	(823,468)	-9.0%	
Total Assets	\$ 122,630,107	\$ 117,013,070	\$ 119,016,302	\$ 5,617,037	4.8%	\$ (2,003,232)	-1.7%	
Deferred Outflows of Resources								
Pension & OPEB Contributions	\$ 16,717,218	\$ 13,585,398	\$ 8,634,713	\$ 3,131,820	23.1%	\$ 4,950,685	57.3%	
Total Deferred Outflows of Resources	\$ 16,717,218	\$ 13,585,398	\$ 8,634,713	\$ 3,131,820	23.1%	\$ 4,950,685	57.3%	
Liabilities								
Current Liabilities	\$ 6,735,562	\$ 6,909,520	\$ 6,599,776	\$ (173,958)	-2.5%	\$ 309,744	4.7%	
Non-Current Liabilities	9,339,794	6,947,590	9,887,060	2,392,204	34.4%	(2,939,470)	-29.7%	
Other Long-Term Liabilities	170,972,880	91,066,828	76,736,756	79,906,052	87.7%	14,330,072	18.7%	
Total Liabilities	\$ 187,048,236	\$ 104,923,938	\$ 93,223,592	\$ 82,124,298	78.3%	\$ 11,700,346	12.6%	
Deferred Inflows of Resources								
Pension & OPEB deferrals	\$ 8,918,033	\$ 5,306,999	\$ 7,973,400	\$ 3,611,034	68.0%	\$ (2,666,401)	-33.4%	
Total Deferred Inflows of Resources	\$ 8,918,033	\$ 5,306,999	\$ 7,973,400	\$ 3,611,034	68.0%	\$ (2,666,401)	-33.4%	
Net Position								
Net Investment in Capital Assets	\$ 84,442,069	\$ 86,071,566	\$ 86,495,631	\$ (1,629,497)	-1.9%	\$ (424,065)	-0.5%	
Unrestricted Net Position	(141,061,013)	(65,704,035)	(60,041,608)	(75,356,978)	-114.7%	(5,662,427)	-9.4%	
Total Net Position	\$ (56,618,944)	\$ 20,367,531	\$ 26,454,023	\$ (76,986,475)	-378.0%	\$ (6,086,492)	-23.0%	

2018 vs 2017 Analysis

Key changes include:

Current assets increased by \$5.7 million, or 25.1%, to \$28.3 million, primarily due to an infusion of funds from Measure D sales tax revenues as well as an increase in grants receivables for STA funding at year-end.

- *Capital assets – net* decreased by \$215 thousand, or 0.2%, to \$85.9 million, primarily due to increased depreciation of existing assets as well as the new Judy K. Souza Operations Facility. The rate of aging capital assets/expensing off the use of capital assets over their estimated period of utility is outpacing the rate of construction and procurement of new vehicles and equipment.
- *Restricted assets* increased by \$159 thousand, or 1.9%, to \$8.5 million. Even though PTMISEA restricted monies were spent down on Metrobase projects during fiscal year 2018, this first full year of Measure D funding resulted in creating a net increase of unearned and restricted cash at year-end.
- *Deferred outflows of resources* totaling \$16.7 million reflect \$3.8 million in OPEB retiree medical, dental and vision insurance premium contributions and \$12.9 million in pension contributions that were recorded in the current year as required by GASB Statements No. 75 and No. 68, respectively.

Attachment A

- *Current liabilities* decreased by \$174 thousand, or 2.5%, to \$6.7 million in total. The final settlement payout for the balance of construction costs of the Judy K. Souza Operations Facility was accrued at the end of the prior year (fiscal year 2017). This resulted in a comparative decrease in 2018 fiscal year-end liabilities, which was offset, to a lesser degree, by an increase in current liabilities from the new Capital Lease (current portion) debt that was incurred in fiscal year 2018 (to purchase three (3) CNG buses).
- *Non-current liabilities* increased by \$2.4 million, or 34.4%, to \$9.3 million due to the receipt of Measure D sales tax allocations, STA and LCTOP grant funding. Capital grant funds and subsidies received are restricted and reported as liabilities (unearned revenue) until spent on the specific purpose for which they were awarded.
- *Other long-term liabilities* increased by \$79.9 million, or 87.7%, to \$171.0 million. The majority of this increase (\$73.3 million) is due to the sharp increase in the actuarially-determined liability for OPEB that resulted from the first year implementation of GASB Statement No. 75 in fiscal year 2018.
- *Deferred inflows of resources* of \$8.9 million in pension investment earnings and OPEB deferrals were recognized in the current year through the application of GASB Statement No. 68 and No. 75, respectively.

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

	2018	2017	2018 to 2017	
			Increase/(Decrease)	
			Amount	%
Operating Revenues	\$ 10,280,559	\$ 9,720,871	\$ 559,688	5.8%
Operating Expenses	58,054,672	56,141,378	1,913,294	3.4%
Net Operating Loss	(47,774,113)	(46,420,507)	(1,353,606)	2.9%
Non-Operating Revenues	40,580,481	36,701,352	3,879,129	10.6%
Capital Grant Contributions	2,594,506	3,632,663	(1,038,157)	-28.6%
Decrease in Net Position	\$ (4,599,126)	\$ (6,086,492)	\$ 1,487,366	-24.4%
	2017	2016	2017 to 2016	
			Increase/(Decrease)	
			Amount	%
Operating Revenues	\$ 9,720,871	\$ 9,923,862	\$ (202,991)	-2.0%
Operating Expenses	56,141,378	53,878,081	2,263,297	4.2%
Net Operating Loss	(46,420,507)	(43,954,219)	(2,466,288)	5.6%
Non-Operating Revenues	36,701,352	35,100,875	1,600,477	4.6%
Capital Grant Contributions	3,632,663	7,571,302	(3,938,639)	-52.0%
Decrease in Net Position	\$ (6,086,492)	\$ (1,282,042)	\$ (4,804,450)	374.7%

2018 vs 2017 Analysis

Operating Revenues (Passenger Fares) increased by \$560 thousand, or 5.8%, this year over the prior year as a result of an increase in contract fares revenue due to a higher UCSC negotiated fares rate, increases in enrollment and student ridership from the previous fiscal year

Attachment A

Operating Expenses increased by \$1.9 million, or 3.4%, overall when compared to last year due to several factors: increases in settlement claims costs, a year-end accrual for a remittance for 2015 alternative fuel tax rebate over-payments received, and increases in the annual adjusting entries for pension and OPEB expenses.

Non-Operating Revenues increased overall by \$3.9 million, or 10.6%, over last year, primarily due to the growth of two revenue sources. Sales and use tax revenue increased by \$1.9 million in fiscal year 2018, as a result of increased consumer spending and the first full year of the new sales tax allocation generated by local Measure D. Also, an increase in STA funding of \$1.5 million over prior year - generated by the passage of SB 1 - additionally contributed to the overall increase in Non-Operating Revenues.

Capital Grant Contributions are capital grant funds received for facilities improvements and the purchase of capital equipment including revenue vehicles. The receipt of capital grant funds can fluctuate year over year based on a variety of factors including project eligibility requirements, formula-based funding criteria, the economy, etc. Capital contributions decreased by \$1.0 million, or 28.6%, over last year primarily due to the winding down of various capital projects.

Statements of Cash Flows:

	2018	2017	2018 to 2017 Change
Net Cash Used in Operating Activities	\$ (37,051,184)	\$ (34,366,265)	\$ (2,684,919)
Net Cash Provided by Non-Capital Financing Activities	39,956,902	35,801,841	4,155,061
Net Cash Provided by (Used in) Capital and Related Financing Activities	774,168	(2,038,501)	2,812,669
Net Cash Provided by Non-Transportation Activities	<u>283,038</u>	<u>263,508</u>	<u>19,530</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,962,924	(339,417)	4,302,341
Cash and Cash Equivalents, Beginning of Year	<u>24,060,708</u>	<u>24,400,125</u>	<u>(339,417)</u>
Cash and Cash Equivalents, End of Year	<u>\$ 28,023,632</u>	<u>\$ 24,060,708</u>	<u>\$ 3,962,924</u>
	2017	2016	2017 to 2016 Change
Net Cash Used in Operating Activities	\$ (34,366,265)	\$ (42,965,652)	\$ 8,599,387
Net Cash Provided by Non-Capital Financing Activities	35,801,841	34,897,175	904,666
Net Cash Provided by (Used in) Capital and Related Financing Activities	(2,038,501)	242,452	(2,280,953)
Net Cash Provided by Non-Transportation Activities	<u>263,508</u>	<u>242,287</u>	<u>21,221</u>
Net (Decrease) in Cash and Cash Equivalents	(339,417)	(7,583,738)	7,244,321
Cash and Cash Equivalents, Beginning of Year	<u>24,400,125</u>	<u>31,983,863</u>	<u>(7,583,738)</u>
Cash and Cash Equivalents, End of Year	<u>\$ 24,060,708</u>	<u>\$ 24,400,125</u>	<u>\$ (339,417)</u>

Economic Factors and Next Year's Budget

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

Attachment A

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

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

The fiscal year 2019 Operating budget was adopted by the Board on June 22, 2018, totaling \$49,995,359, representing a 4.0% growth over that of the previous year. The Operating Budget is one of restrained optimism, planning for a future in which recent enacted local and state legislation will provide the District with a much-needed infusion of revenue. The District continues to work with its funding partners and employees to pursue its goals of excellent service. The Capital Budget of \$21,972,877 contains projects necessary and essential to sustain the District's existing service and operating facilities.

These significant factors were considered as budget assumptions when preparing Santa Cruz METRO's budget for the fiscal year 2019:

- Expectation that passenger fare revenue will experience an 8.2% decrease from prior year budget primarily due to decreased fixed-route ridership.
- Expectation that sales and use tax revenues will increase at a rate of 8.4% over the next year.
- Expectation that Santa Cruz County Measure D will infuse approximately \$3.2 million of sales tax revenue funding into the annual budget for fiscal year 2019.
- Revenues generated from the passage of SB 1 to increase 4.8%
- Bus service plans must continue to be sensitive to funding constraints and revenue projections due to economic uncertainty and legislative issues.
- Sensitivity to employee wages, health care benefits, workers' compensation, and pension benefits. Budget savings are expected from employee retirements, eliminated vacant positions due to service reductions, and reductions in Bus Operator overtime. California Public Employees Retirement System (CalPERS) retirement employer contribution rate increases from 23.656% to 26.803% for the fiscal year 2019. An average increase of 5% in medical insurance premiums is anticipated.
- Sensitivity to and monitoring of controllable costs and consumables.
- Continued efforts to identify efficiencies in costs.
- No anticipated increases in Special Transit (contract) fares revenue from Cabrillo College.
- Anticipated increases in Special Transit (contract) fares revenue from UCSC of \$175 thousand.

Contacting Santa Cruz METRO's Financial Management

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

Attachment A

BASIC FINANCIAL STATEMENTS

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF NET POSITION JUNE 30, 2018 AND 2017

ASSETS	2018	2017
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 19,510,547	\$ 15,706,408
Sales and Use Taxes, Grants, and Other Receivables	7,457,858	5,789,956
Inventory	722,933	600,565
Prepaid Expenses	569,264	490,275
Total Current Assets	28,260,602	22,587,204
RESTRICTED ASSETS		
Cash and Cash Equivalents	8,513,085	8,354,300
CAPITAL ASSETS		
Building and Improvements	76,426,089	76,065,867
Revenue Vehicles	48,319,563	46,181,700
Operations Equipment	6,570,546	6,396,280
Other Equipment	2,131,733	2,131,733
Other Vehicles	1,244,205	1,071,767
Office Equipment	3,962,129	3,901,469
Total Depreciated Capital Assets	138,654,265	135,748,816
Less Accumulated Depreciation	(68,452,779)	(64,463,790)
Total Depreciated Capital Assets Net of Accumulated Depreciation	70,201,486	71,285,026
Construction-in-Progress	4,058,623	3,190,229
Land	11,596,311	11,596,311
Total Capital Assets	85,856,420	86,071,566
Total Assets	122,630,107	117,013,070
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts from Other Postemployment Benefits (OPEB)	3,784,611	-
Deferred Amounts from Pension Activities	12,932,607	13,585,398
Total Deferred Outflows of Resources	\$ 16,717,218	\$ 13,585,398

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

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF NET POSITION (Continued) JUNE 30, 2018 AND 2017

LIABILITIES	2018	2017
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 1,528,697	\$ 2,164,097
Accrued Payroll and Employee Benefits	4,069,796	3,930,006
Deferred Rent	3,141	3,050
Workers' Compensation Liabilities, Current	710,917	690,677
Other Accrued Liabilities	166,714	109,306
Security Deposit	12,384	12,384
Capital Lease	243,913	-
	6,735,562	6,909,520
NON-CURRENT LIABILITIES		
Unearned Revenue - State Transit Assistance (STA)	1,003,033	413,612
Unearned Revenue - PTMISEA Grant	4,776,955	4,620,355
Unearned Revenue - Proposition 1B Grant	409,201	955,066
Unearned Revenue - Measure D	1,560,667	-
Unearned Revenue - LCTOP	1,589,938	958,557
	9,339,794	6,947,590
OTHER LONG-TERM LIABILITIES		
Workers' Compensation Liabilities, Net of Current	2,784,881	2,681,595
Capital Lease	1,170,438	-
OPEB	106,945,439	33,663,105
Net Pension Liability	60,072,122	54,722,128
	170,972,880	91,066,828
Total Other Long-Term Liabilities	170,972,880	91,066,828
Total Liabilities	187,048,236	104,923,938
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts from OPEB	6,520,486	-
Deferred Amounts from Pension Activities	2,397,547	5,306,999
	8,918,033	5,306,999
Total Deferred Inflows of Resources	8,918,033	5,306,999
NET POSITION (DEFICIT)		
Net Investment in Capital Assets	84,442,069	86,071,566
Unrestricted Net Position	(141,061,013)	(65,704,035)
	84,442,069	86,071,566
Total Net Position (Deficit)	\$ (56,618,944)	\$ 20,367,531

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

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES		
Passenger Fares	\$ 4,483,352	\$ 4,791,959
Special Transit Fares	5,797,207	4,928,912
Total Operating Revenues	10,280,559	9,720,871
OPERATING EXPENSES		
Wages, Salaries, and Employee Benefits	45,022,896	44,578,599
Purchased Transportation Services	-	100,760
Materials and Supplies	3,135,709	3,171,221
Other Expenses	5,368,916	3,993,351
Depreciation	4,527,151	4,297,447
Total Operating Expenses	58,054,672	56,141,378
Net Operating Loss	(47,774,113)	(46,420,507)
NON-OPERATING REVENUES (EXPENSES)		
Sales and Use Taxes	22,796,094	20,869,028
Transportation Development Act (TDA) Assistance	6,767,933	6,804,838
State Transit Assistance (STA)	3,196,463	1,671,333
Federal Transit Administration (FTA) Section 5307 Operating Assistance	6,568,455	6,286,136
FTA Section 5311 Rural Operating Assistance	170,428	168,738
Alternative Fuel Tax Credit	354,826	284,419
Planning Grants	-	9,749
Interest Income	141,653	133,298
Rental Income	141,385	130,210
Other Revenue	433,750	342,926
Gain on Sale and Disposal of Property, Equipment, and Inventory	9,494	677
Total Non-Operating Revenues (Expenses)	40,580,481	36,701,352
Net Loss Before Capital Contributions	(7,193,632)	(9,719,155)
CAPITAL CONTRIBUTIONS		
Grants Restricted for Capital Expenditures	2,594,506	3,632,663
NET POSITION		
Change in Net Position	(4,599,126)	(6,086,492)
Net Position, Beginning of Year	20,367,531	26,454,023
Prior Period Adjustment	(72,387,349)	-
Total Net Position (Deficit), Beginning of Year, as restated	(52,019,818)	26,454,023
Total Net Position (Deficit), End of Year	\$ (56,618,944)	\$ 20,367,531

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

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 10,268,086	\$ 10,575,093
Payments to Employees	(41,128,720)	(39,372,302)
Payments to Suppliers	(9,283,883)	(6,914,484)
Payments from (to) Other	3,093,333	1,345,428
	(37,051,184)	(34,366,265)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Operating Grants Received, Including Sales and Use Taxes	39,956,902	35,801,841
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Sale of Property and Equipment	9,494	3,319
Capital Grants Received	3,662,328	1,834,204
Capital Expenditures	(4,312,005)	(3,876,024)
Acquisition of Capital Lease	1,533,558	-
Payments Made on Capital Lease	(119,207)	-
	774,168	(2,038,501)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment and Rental Income Received	283,038	263,508
NET DECREASE IN CASH AND CASH EQUIVALENTS	3,962,924	(339,417)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	24,060,708	24,400,125
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 28,023,632	\$ 24,060,708
FINANCIAL STATEMENT PRESENTATION:		
Cash and cash equivalents	\$ 19,510,547	\$ 15,706,408
Cash and cash equivalents - Restricted	8,513,085	8,354,300
Total cash and investments	\$ 28,023,632	\$ 24,060,708

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

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF CASH FLOWS (Continued) FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Net Operating Loss	\$ (47,774,113)	\$ (46,420,507)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	4,527,151	4,297,447
Changes in Assets and Liabilities:		
(Increase)/Decrease in Receivables	(12,473)	854,222
(Increase) in Inventory	(122,368)	(1,602)
(Increase) in Prepaid Expenses	(78,989)	(118,555)
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(635,400)	863,276
Increase in Net Pension Liabilities	3,093,333	1,345,428
Increase in OPEB	3,630,860	5,255,998
Increase/(Decrease) in Other Liabilities	320,815	(441,972)
Net Cash Used in Operating Activities	<u>\$ (37,051,184)</u>	<u>\$ (34,366,265)</u>

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

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2018 AND 2017

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) was formed February 9, 1969, following a favorable election in conformity with Section 9800 et. seq. of the Public Utilities Code (PUC). The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, and Capitola and the unincorporated areas of Santa Cruz County. The Board of Directors (Board) consisting of eleven directors and two ex-officio directors representing the University of California, Santa Cruz and Cabrillo College govern Santa Cruz METRO. At June 30, 2018, the directors were as follows:

Chairperson:	Bruce McPherson		
Vice Chair:	Cynthia Chase		
Members:	Ed Bottorff	John Leopold	Trina Coffman-Gomez
	Jimmy Dutra	Donna Lind	J. Dan Rothwell
	Donald Norm Hagen	Cynthia Mathews	Mike Rotkin
Ex-Officio:	Davon Thomas	Liber McKee	

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

B. Reporting Entity

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

Scope of Public Service:

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

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

Accountability:

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

Attachment A

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

B. Reporting Entity (Continued)

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

C. Basis of Accounting and Presentation

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

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

Contributed Capital/Reserved Retained Earnings:

Santa Cruz METRO receives grants from the Federal Transit Authority (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant had been incurred. Capital grant funds earned, less amortization, equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, Santa Cruz METRO changed its method of accounting for capital grants from capital contributions to reserved non-operating revenues. In accordance with GASB Statement No. 33, capital grants are required to be included in the determination of net income (loss) resulting in an increase in net revenue of \$2,594,583 and \$3,632,663 for the fiscal years ended June 30, 2018 and 2017, respectively.

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

Attachment A

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

C. Basis of Accounting and Presentation (Continued)

Proprietary Accounting and Financial Reporting:

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

Net Position:

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

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

D. Cash and Cash Equivalents

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

E. Inventory

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

F. Restricted Assets

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

The cash resulting from a design and construction settlement agreement, as described in Note 8, represents proceeds restricted by the FTA. Grants from the State Transit Assistance (STA) program, Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA), Proposition 1B Office of Homeland Security (OHS), California Transit Security Grant Program (CTSGP), and the Low Carbon Transit Operations Program (LCTOP) are restricted for capital expenditures. Restricted assets at June 30 are as follows:

Attachment A

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

F. Restricted Assets (Continued)

	2018	2017
Cash and Cash Equivalents		
Proposition 1B PTMISEA Grant	\$ 4,776,955	\$ 6,270,355
Proposition 1B OHS CTSGP Grant	409,201	955,066
STA Grant	778,601	413,612
Measure D	1,578,202	-
LCTOP	970,126	715,267
Total Restricted Assets	\$ 8,513,085	\$ 8,354,300

G. Property and Equipment

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

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

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

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

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

H. Sales and Use Taxes Receipts

1979 Gross Sales Tax (1/2-cent): In June 1978, voters in Santa Cruz County approved Measure G which changed the basis of transit support for Santa Cruz METRO from property tax to a ½-cent sales and use tax effective January 1979. This 0.5% sales and use tax levied on all taxable sales in Santa Cruz County is collected and administered by the California State Board of Equalization. Actual receipts of sales and use tax for the fiscal years ended June 30, 2018 and 2017, were \$21,526,675 and \$20,338,220, respectively.

Attachment A

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

H. Sales and Use Taxes Receipts (Continued)

2017 Net Sales Tax (Measure D): This local ordinance to fund a comprehensive package of county-wide transportation improvements, passed in November 2016 by over 2/3 of Santa Cruz County voters. The transportation tax measure levies a 0.5% sales and use tax on retail sales within Santa Cruz County for a thirty-year period, effective April 1, 2017. Measure D sales and use tax receipts are administered by the Santa Cruz County Regional Transportation Commission according to the Expenditure Plan identified in the ordinance. Santa Cruz METRO is allocated 16% of Measure D sales and use tax receipts collected, net of administrative costs, to provide transit and paratransit service for seniors and people with disabilities. Measure D sales and use tax receipts were \$3,362,419 and \$530,808 for the fiscal years ended June 30, 2018 and 2017, respectively. During fiscal year 2018, \$1,269,419 of Measure D funds were earned and spent on Operating expenses, and \$532,333 of Measure D funds were earned and spent on Capital projects. During fiscal year 2017, \$530,808 of Measure D funds were earned and spent on Operating expenses. At June 30, 2018, \$1,560,667 of Measure D funds were unspent and recorded as unearned (deferred) revenue.

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

I. Operating Assistance Grants

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

J. Self-Insurance

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

K. Employee Benefits

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

L. Payroll

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

M. Pension Costs

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

Attachment A

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

N. Other Postemployment Benefits (OPEB)

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

O. Use of Estimates

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

P. Implementation of GASB Statements

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The provisions of this statement are effective for fiscal years beginning after June 15, 2017. Santa Cruz METRO has implemented the provisions of GASB Statement No. 75 in the current year. As a result of this implementation, Santa Cruz METRO reported a prior period adjustment to net position in the amount of \$72,387,425 and recognized a net OPEB liability and deferred outflow of resources associated with OPEB as of June 30, 2018. See Note 17 for a detailed discussion of the effects of Santa Cruz METRO's current and prior period financial statements as a result of the adoption of this standard.

GASB Statement No. 81 – *Irrevocable Split-Interest Agreement*. The requirements of this statement are effective for reporting periods beginning after December 15, 2016. There was no effect on Santa Cruz METRO's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 85 – *Omnibus 2017*. The requirements of this statement are effective for periods beginning after June 15, 2017. There was no effect on Santa Cruz METRO's accounting and financial reporting as a result of implementing this standard.

GASB Statement No. 86 – *Certain Debt Extinguishment Issues*. The requirements of this statement are effective for periods beginning after June 15, 2017. There was no effect on Santa Cruz METRO's accounting and financial reporting as a result of implementing this standard.

Q. Future GASB Statements

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The requirements of this statement are effective for the reporting periods beginning after June 15, 2018. Earlier application is encouraged. Santa Cruz METRO has not fully judged the effect of implementation of GASB Statement No. 83 as of the date of the basic financial statements.

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

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

Attachment A

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

GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* The requirements of this statement are effective for periods beginning after June 15, 2018. Santa Cruz METRO has not fully judged the effect of implementation of GASB Statement No. 88 as of the date of the basic financial statements.

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

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

NOTE 2 – CASH AND CASH EQUIVALENTS

Total cash and cash equivalents, (restricted and unrestricted), consist of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash on Hand	\$ 15,084	\$ 15,341
Demand Deposits	380,137	497,006
Certificate of Deposit (CD)	110,050	100,000
Deposits in Santa Cruz County Pooled Investment Fund	<u>27,518,361</u>	<u>23,448,361</u>
	<u>\$ 28,023,632</u>	<u>\$ 24,060,708</u>

Cash on Hand and Cash in Banks

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

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

Attachment A

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Negotiable CDs	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	None	None
Medium-Term Notes	5 years	None	None
Mutual Funds	N/A	None	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	None	None
Santa Cruz County Pooled Investment 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 Santa Cruz METRO's investments to market interest rate fluctuations is provided by the following table that shows the distribution of Santa Cruz METRO's investments by maturity:

2018

<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>
Santa Cruz County Pooled Investment Fund	\$ 27,518,361	\$ 27,518,361	\$ -	\$ -	\$ -

2017

<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>
Santa Cruz County Pooled Investment Fund	\$ 23,448,361	\$ 23,448,361	\$ -	\$ -	\$ -

Attachment A

NOTE 2 – CASH AND CASH EQUIVALENTS (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, Santa Cruz METRO's investment policy, and the actual rating as of year-end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

2018

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

2017

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End		
				AAA	Aa	Not Rated
Santa Cruz County Pooled Investment Fund	\$ 23,448,361	N/A	\$ -	\$ -	\$ -	\$ 23,448,361

Concentration of Credit Risk

The investment policy of Santa Cruz METRO contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Santa Cruz METRO did not have any investments in any one issuer (other than external investment pools) that represent 5% or more of total Santa Cruz METRO's investments at June 30, 2018 or 2017.

Custodial Credit Risk

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

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

Attachment A

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Investment in Santa Cruz County Pooled Investment Fund

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

Fair Value Measurements

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

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

Santa Cruz METRO has the following recurring fair value measurements as of June 30, 2018 and 2017:

2018

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

2017

		<u>Fair Value Measurement Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Certificate of Deposit (CD)	\$ 100,000	\$ 100,000	\$ -	\$ -
Total investments measured at fair value	100,000	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Santa Cruz County Pooled Investment Fund	<u>23,448,361</u>			
Total pooled and directed investments	<u>\$ 23,548,361</u>			

Attachment A

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Fair Value Measurements (Continued)

Investments in the Santa Cruz County Pooled Investment Fund pool totaling \$27,518,361 and \$23,448,361 as of June 30, 2018 and 2017, respectively, are measured at amortized cost, which approximates fair value.

NOTE 3 – RECEIVABLES

Receivables at June 30 are as follows:

	<u>2018</u>	<u>2017</u>
Federal Grants	\$ 792,757	\$ 478,405
State Grants	1,929,881	923,644
Sales and Use Tax Revenue	4,033,526	3,679,108
Other	701,694	708,799
	<u>\$ 7,457,858</u>	<u>\$ 5,789,956</u>

NOTE 4 – CHANGES IN CAPITAL ASSETS

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

June 30, 2018

	<u>Balance July 1, 2017</u>	<u>Additions and Transfers</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2018</u>
Non-Depreciated Assets				
Land	\$ 11,596,311	\$ -	\$ -	\$ 11,596,311
Construction-in-Progress	3,190,229	4,315,667	(3,447,273)	4,058,623
Total Non-Depreciated Assets	14,786,540	4,315,667	(3,447,273)	15,654,934
Depreciated Assets				
Building and Improvements	76,065,867	360,222	-	76,426,089
Revenue Vehicles	46,181,700	2,450,930	(313,067)	48,319,563
Operations Equipment	6,396,280	175,130	(864)	6,570,546
Other Equipment	2,131,733	-	-	2,131,733
Other Vehicles	1,071,767	306,234	(133,796)	1,244,205
Office Equipment	3,901,469	151,094	(90,434)	3,962,129
Total Depreciated Assets	135,748,816	3,443,610	(538,161)	138,654,265
Less Accumulated Depreciation	(64,463,790)	(4,527,150)	538,161	(68,452,779)
Depreciated Assets Net of Accumulated Depreciation	71,285,026	(1,083,540)	-	70,201,486
Total Capital Assets	<u>\$ 86,071,566</u>	<u>\$ 3,232,127</u>	<u>\$ (3,447,273)</u>	<u>\$ 85,856,420</u>

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

Attachment A

NOTE 4 – CHANGES IN CAPITAL ASSETS (Continued)

June 30, 2017

	Balance July 1, 2016	Additions and Transfers	Retirements and Transfers	Balance June 30, 2017
Non-Depreciated Assets				
Land	\$ 11,596,311	\$ -	\$ -	\$ 11,596,311
Construction-in-Progress	27,839,498	3,876,024	(28,525,293)	3,190,229
Total Non-Depreciated Assets	39,435,809	3,876,024	(28,525,293)	14,786,540
Depreciated Assets				
Building and Improvements	47,711,978	28,358,183	(4,294)	76,065,867
Revenue Vehicles	48,522,953	50,393	(2,391,646)	46,181,700
Operations Equipment	6,431,866	116,717	(152,303)	6,396,280
Other Equipment	2,131,733	-	-	2,131,733
Other Vehicles	1,164,604	-	(92,837)	1,071,767
Office Equipment	3,933,237	-	(31,768)	3,901,469
Total Depreciated Assets	109,896,371	28,525,293	(2,672,848)	135,748,816
Less Accumulated Depreciation	(62,836,549)	(4,297,447)	2,670,206	(64,463,790)
Depreciated Assets Net of Accumulated Depreciation	47,059,822	24,227,846	(2,642)	71,285,026
Total Capital Assets	\$ 86,495,631	\$ 28,103,870	\$ (28,527,935)	\$ 86,071,566

Depreciation expense at June 30, 2017, was \$4,297,447.

NOTE 5 – CAPITAL GRANTS

Santa Cruz METRO receives grants from the FTA, which provides financing for the acquisition of rolling stock and construction of facilities. Santa Cruz METRO also receives grants under the State TDA primarily for the acquisition of rolling stock and support equipment, and purchase of furniture and fixtures.

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

	2018	2017
Federal Grants	\$ 552,748	\$ 373,234
State Grants	1,509,425	2,968,872
Measure D	532,333	-
Other - Settlement Agreement Proceeds	-	290,557
Total Capital Grants	\$ 2,594,506	\$ 3,632,663

Attachment A

NOTE 6 – COMMITMENTS

Santa Cruz METRO leases a number of its facilities under operating leases through August 2018. For the years ended June 30, 2018 and 2017, rental costs relating to the leases were \$173,925 and \$219,034, respectively. In addition, Santa Cruz METRO receives rent income from retail space in its transit centers. Minimum net lease payments for existing operating leases are as follows:

<u>Year Ending June 30</u>	<u>Lease Commitments</u>	<u>Rental Income</u>	<u>Net</u>
2019	\$ 154,927	\$ 139,085	\$ 15,842
2020	160,456	140,566	19,890
2021	165,270	141,670	23,600
2022	27,679	80,286	(52,607)
2023	-	41,394	(41,394)
2024-2027	-	35,654	(35,654)
	<u>\$ 508,332</u>	<u>\$ 578,655</u>	<u>\$ (70,323)</u>

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

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

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

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

	<u>2018</u>	<u>2017</u>
Total Assets	\$ 30,061,842	\$ 29,754,341
Total Liabilities	<u>20,215,367</u>	<u>21,321,678</u>
Fund Balance	<u>\$ 9,846,475</u>	<u>\$ 8,432,663</u>
Total Revenues	\$ 11,960,679	\$ 13,797,663
Total Expenditures	<u>10,546,867</u>	<u>11,020,349</u>
Net Increase in Fund Balance	<u>\$ 1,413,812</u>	<u>\$ 2,777,314</u>

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

Attachment A

NOTE 8 – WATSONVILLE FLEET MAINTENANCE FACILITY SETTLEMENT RECEIPT

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

In addition, due to design and construction deficiencies by the design and building contractors involved in the original project, Santa Cruz METRO initiated litigation against the contractors and came to a settlement agreement with said contractors on May 30, 1995. In accordance with this agreement, the contractors remitted \$4,776,858 (including \$171,538 in costs) to Santa Cruz METRO during fiscal year 1996, representing damages less attorney fees. FTA Section 3/5309 restricts the use of these proceeds, and the interest earned thereon. As of June 30, 2018, all settlement funds have been expended.

NOTE 9 – CONTINGENCIES

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLAN

A. General Information About the Pension Plan

Plan Description

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

Funding Policy

There were 311 and 315 active plan members in the Plan as of June 30, 2018 and 2017, respectively, who were required to contribute a percentage of their annual covered salary. Santa Cruz METRO is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. Beginning in fiscal year 2018, CalPERS changed how they bill/collect employer contributions. The total minimum required employer contribution is now the sum of the Plan's Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars). The required employer contribution for fiscal year 2018 was 8.911% of covered payroll plus twelve (12) monthly payments of \$254,857. The required employer contribution rate for fiscal year 2017 was 22.165% of covered payroll. 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.

Attachment A

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information About the Pension Plan

Funding Policy (Continued)

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

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

The Plan's provisions and benefits in effect at June 30, 2017, are summarized as follows:

Hire Date	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit Formula	2.5%@55	2%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	2.000% - 2.500%	1.000%-2.500%
Required Employee Contribution Rates	8.000%	6.250%
Required Employer Contribution Rates	22.165%	22.165%

Employees Covered – At June 30, 2018 and 2017, the following employees were covered by the benefit terms for the Plan:

	<u>2018</u>	<u>2017</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	356	332
Inactive Employees Entitled to but not yet Receiving Benefits	180	174
Active Employees	<u>311</u>	<u>315</u>
Total	<u><u>847</u></u>	<u><u>821</u></u>

B. Net Pension Liability

Santa Cruz METRO's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Attachment A

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 and 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016	June 30, 2015
Measurement Date	June 30, 2017	June 30, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service ⁽¹⁾	Varies by Entry Age and Service ⁽¹⁾
Investment Rate of Return	7.50% ⁽²⁾	7.50% ⁽²⁾
Mortality	Derived using ⁽³⁾ CalPERS' Membership Data for all Funds	Derived using ⁽³⁾ CalPERS' Membership Data for all Funds

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

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 and 2015 valuations were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liabilities for June 30, 2018 and 2017, was 7.15% and 7.65%, respectively. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% and 7.65% discount rate for 2018 and 2017, respectively, is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate 7.15% and 7.65% for 2018 and 2017, respectively, will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15% and 7.65% investment return assumption used in this accounting valuation for 2018 and 2017, respectively is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 8.15% and 8.65% for 2018 and 2017, respectively. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

Attachment A

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

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

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

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

2017 Measurement Date

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

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

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

Attachment A

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

2016 Measurement Date

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	0.05%
Liquidity	2.0%	(0.55%)	(1.05%)
Total	100.00%		

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

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

Attachment A

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability

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

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

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

⁽²⁾ Net of administrative expenses.

Attachment A

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015 ⁽¹⁾	\$ 156,141,654	\$ 110,382,040	\$ 45,759,614
Changes in the year:			
Service Cost	3,160,455	-	3,160,455
Interest on the Total Pension Liability	11,775,833	-	11,775,833
Differences between Actual and Expected Experience	162,174	-	162,174
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Contribution - Employer	-	3,991,447	(3,991,447)
Contribution - Employee (Paid by Employer)	-	-	-
Contribution - Employee	-	1,603,071	(1,603,071)
Net Investment Income ⁽²⁾	-	608,702	(608,702)
Administrative Expenses	-	(67,272)	67,272
Benefit Payments, Including Refunds of Employee Contributions	(7,903,179)	(7,903,179)	-
Net Changes	7,195,283	(1,767,231)	8,962,514
Balance at June 30, 2016 ⁽¹⁾	\$ 163,336,937	\$ 108,614,809	\$ 54,722,128

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

(2) Net of administrative expenses.

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

2017

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

Attachment A

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability (Continued)

2016

1% Decrease Net Pension Liability	\$ 74,773,465
Current Discount Rate Net Pension Liability	\$ 54,722,128
1% Increase Net Pension Liability	\$ 37,952,701

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

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

For the years ended June 30, 2018 and 2017, Santa Cruz METRO recognized a pension expense of \$7,780,109 and \$5,216,311, respectively. At June 30, 2018 and 2017, Santa Cruz METRO reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2018

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

2017

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 3,870,883	\$ -
Differences between Actual and Expected Experience	118,343	(201,817)
Changes in Assumptions	-	(1,249,398)
Net Differences between Projected and Actual Earnings on Plan Investments	9,596,172	(3,855,784)
Total	\$ 13,585,398	\$ (5,306,999)

Attachment A

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

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

The \$4,686,776 and \$3,870,883 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended June 30, 2018 and 2017, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30		
2018	\$	1,407,225
2019		3,939,726
2020		1,704,352
2021		<u>(1,203,019)</u>
Total	\$	<u>5,848,284</u>

E. Payable to the Pension Plan

At June 30, 2018 and 2017, Santa Cruz METRO reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the years ended June 30, 2018 and 2017.

NOTE 11 – DEFERRED COMPENSATION PLAN

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

At June 30, 2018 and 2017, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying statements of net position as required under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.

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

NOTE 12 – RISK MANAGEMENT

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

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

Attachment A

NOTE 12 – RISK MANAGEMENT (Continued)

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

	<u>2018</u>	<u>2017</u>
Workers' Compensation Liabilities:		
Unpaid Claims, Beginning of Fiscal Year	\$ 3,372,272	\$ 3,239,794
Other Adjustments (Including IBNRs)	(347,227)	(530,114)
Claim Payments	<u>470,753</u>	<u>662,592</u>
Unpaid Claims Liability, End of Fiscal Year	<u>\$ 3,495,798</u>	<u>\$ 3,372,272</u>

NOTE 13 – TRANSPORTATION DEVELOPMENT ACT/CALIFORNIA CODE OF REGULATIONS

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

Section 6634

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

Section 6637

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

Sections 99267, 99268.1, and 99314.6

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

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

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

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

Attachment A

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

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

During the fiscal year ended June 30, 2018, Santa Cruz METRO applied for and received proceeds of \$0 and earned interest of \$60,860 from the State's PTMISEA account for construction funding for the Consolidated MetroBase Project. Additionally, Santa Cruz METRO received settlements of \$224,998. During the fiscal year ended June 30, 2018, qualifying expenditures of \$129,259 were incurred and the remaining balance of \$4,776,955, including accrued interest, was deferred. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of encumbrance.

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

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

During the fiscal year ended June 30, 2017, Santa Cruz METRO applied for and received proceeds of \$0 and earned interest of \$58,550 from the State's PTMISEA account for construction funding for the Consolidated MetroBase Project. During the fiscal year ended June 30, 2017, qualifying expenditures of \$2,969,299 were incurred and the remaining balance of \$4,620,335, including accrued interest, was deferred. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of encumbrance.

	2017
Balance - beginning of the year	\$ 7,531,104
Receipts:	
Grant received	-
Interest accrued 7/1/2016 through 6/30/2017	58,550
Expenses:	
MetroBase Construction	(2,969,299)
	\$ 4,620,355

Attachment A

NOTE 15 – OPEB

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

Employees covered – As of the June 30, 2017 valuation, the following current and former employees were covered by the benefit terms for the OPEB plan:

	<u>2018</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	277
Inactive Employees Entitled to but not yet Receiving Benefits	79
Active Employees	<u>295</u>
Total	<u><u>651</u></u>

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

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

Attachment A

NOTE 15 – OPEB (Continued)

Reporting Date	June 30, 2018
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	7.50%
Mortality Rate	Derived using CalPERS' Membership Data for all Funds ⁽¹⁾
Pre-Retirement Turnover	Derived using CalPERS' Membership Data for all Funds ⁽²⁾

⁽¹⁾ Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

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

Asset Class	New Strategic Allocation	Real Return Years 1-10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	100.00%		

Attachment A

NOTE 15 – OPEB (Continued)

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

Changes in the net OPEB Asset – The changes in the net OPEB asset for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2017	\$ 109,949,235	\$ -	\$ 109,949,235
Changes in the Year:			
Service Cost	5,708,352	-	5,708,352
Interest	3,047,381	-	3,047,381
Changes in Assumptions	(7,860,824)		(7,860,824)
Contribution - Employer	-	3,898,705	3,898,705
Contribution - Employee	-	-	-
Net Investment Income	-	-	-
Administrative Expenses	-	-	-
Benefit Payments	(3,898,705)	(3,898,705)	(7,797,410)
Net Changes	(3,003,796)	-	(3,003,796)
Balance at June 30, 2018	\$ 106,945,439	\$ -	\$ 106,945,439

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

2017	
1% Decrease	2.13%
Net OPEB Liability	\$ 125,320,088
Current Discount Rate	3.13%
Net OPEB Liability	\$ 106,945,439
1% Increase	4.13%
Net OPEB Liability	\$ 91,946,276

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

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

Attachment A

NOTE 15 – OPEB (Continued)

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

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

The \$3,784,611 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as an increase to the net OPEB liability during the fiscal year ending June 30, 2019. In addition, future recognition of the deferred inflows of resources is shown below.

Fiscal Year Ended June 30	
2019	\$ (1,340,388)
2020	(1,340,388)
2021	(1,340,388)
2022	(1,340,388)
2023	(1,158,934)
Total	\$ (6,520,486)

NOTE 16 – CAPITAL LEASE

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

	Balance June 30, 2017	Additions	Payments Payments	Balance June 30, 2018	Due Within One Year
Capital Lease	\$ -	\$ 1,533,558	\$ (119,207)	\$ 1,414,351	\$ 243,913
Total long-term debt	\$ -	\$ 1,533,558	\$ (119,207)	\$ 1,414,351	\$ 243,913

Santa Cruz METRO entered into a lease/purchase agreement with Key Government Finance, Inc. on November 21, 2017 for the purchase of three CNG buses. The terms of the lease/purchase call for monthly payments of \$23,627 over a 72 month period beginning in December 2017, and include a 3.04% effective interest rate. At June 30, 2018, the outstanding balance was \$1,414,351.

Attachment A

NOTE 16 – CAPITAL LEASE (Continued)

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

Fiscal Year	Principal	Interest	Total
2019	\$ 243,913	\$ 39,614	\$ 283,527
2020	251,430	32,097	283,527
2021	259,182	24,347	283,529
2022	267,172	16,357	283,529
2023	275,409	893	276,302
2024-2028	117,245	-	117,245
Total	\$ 1,414,351	\$ 113,308	\$ 1,527,659

NOTE 17 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to Net Position as follows:

Net Position June 30, 2017	\$ 20,367,531
Implementation of GASB Statement No. 75 Change in Accounting Principle	<u>(72,387,349)</u>
Prior period adjustment	<u>(72,387,349)</u>
Restated net position at June 30, 2017	<u><u>\$ (52,019,818)</u></u>

NOTE 18 – DEFICIT NET POSITION

As of June 30, 2018, Santa Cruz METRO had a deficit net position. The deficit was mostly due to the implementation of GASB Statement No. 75. Refer to Note 17.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through December 31, 2018, which is the date of issuance.

Attachment A

REQUIRED SUPPLEMENTARY INFORMATION

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2018 LAST 10 YEARS*

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

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

Notes to Schedule:

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

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

Attachment A

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018
LAST 10 YEARS***

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

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

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS FOR THE MEASUREMENT PERIOD ENDED JUNE 30

	<i>Measurement Period</i>	2017
Total OPEB Liability		
Service Cost	\$	5,708,352
Interest		3,047,381
Actual and Expected Experience Difference		-
Changes in Assumptions		(7,860,824)
Changes in Benefits Terms		-
Benefit Payments		(3,898,705)
Net Change in Total OPEB Liability		(3,003,796)
Total OPEB Liability - Beginning		109,949,235
Total OPEB Liability - Ending (a)		\$ 106,945,439
 Plan Fiduciary Net Position		
Contributions - Employer	\$	3,898,705
Net Investment Income		-
Benefit Payments		(3,898,705)
Administrative Expenses		-
Net Change in Plan Fiduciary Net Position		-
Plan Fiduciary Net Position - Beginning		-
Plan Fiduciary Net Position - Ending (b)		\$ -
Net OPEB Liability - Ending [(a) - (b)]		\$ 106,945,439
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		0.00%
Covered-Employee Payroll	\$	21,929,916
Net OPEB Liability as a Percentage of Covered-Employee Payroll		487.67%

Notes to the Schedule:

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

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2018 LAST 10 YEARS*

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

Notes to the Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2018 were from the June 30, 2017 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	7.50%
 Mortality Rate	 Derived using CalPERS' Membership Data for all Funds ⁽¹⁾
 Pre-Retirement Turnover	 Derived using CalPERS' Membership Data for all Funds ⁽²⁾

⁽¹⁾ Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

* Fiscal year 2018 was the 1st year of implementation; therefore, only one year is shown.

Attachment A

SUPPLEMENTARY INFORMATION

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF OPERATING EXPENSES FOR THE YEARS ENDED JUNE 30, 2018 and 2017

	2018	2017
Labor		
Operators' salaries and wages	\$ 8,268,866	\$ 7,989,496
Other salaries and wages	7,367,973	6,938,437
Overtime	3,090,876	3,470,460
	18,727,715	18,398,393
Fringe Benefits		
Absence with pay	3,594,668	3,587,305
Pension plans	4,686,776	3,870,883
Vision, medical, and dental plans	6,408,324	10,379,365
Workers' compensation insurance	594,279	795,070
Disability insurance	334,220	321,079
Other fringe benefits	168,110	625,078
Other postemployment benefits	10,508,804	6,601,426
	26,295,181	26,180,206
Services		
Accounting	87,661	84,476
Administrative and banking	387,189	369,684
Professional and technical services	1,024,675	874,072
Security	499,252	490,351
Outside repairs	1,138,627	958,900
Other services	93,472	85,248
	3,230,876	2,862,731
Materials and Supplies Consumed		
Fuels and lubricants	1,566,002	1,808,694
Tires and tubes	185,340	184,066
Vehicle parts	958,537	780,545
Other materials and supplies	427,088	398,429
	3,136,967	3,171,734
Utilities	579,259	533,399
Casualty and Liability Costs	696,292	107,928
Taxes and Licenses	41,918	43,407
Purchased Transportation Services		
Paratransit	-	100,760
Miscellaneous Expenses	481,951	222,761
Equipment and Facility Lease	337,362	222,612
Depreciation		
Property acquired with operator funds	4,527,151	304,039
Property acquired by federal, state, or TDA funds	-	3,993,408
	4,527,151	4,297,447
Total Operating Expenses	\$ 58,054,672	\$ 56,141,378

Attachment A

OTHER SCHEDULES AND REPORTS

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Federal Transit Administration (FTA)				
Cluster Defined by the Department of Transportation				
Section 3/5309 Consolidation				
Pacific Station Expansion FY2006 (Design/Engineering)	20.500	CA-04-0021	\$ -	\$ 10,925
Section 9/5307				
Operating Assistance	20.507	CA-2018-049	-	6,568,455
Section 5339				
FY13 Bus & Bus Facilities (Caltrans)	20.507	644908	-	174,568
FY14 Bus & Bus Facilities	20.507	CA-2017-038-00	-	188,925
FY16 Bus & Bus Facilities	20.507	CA-2017-070-00	-	57,838
FY16 Low No Discretionary	20.507	CA-2017-071-00	-	118,596
			-	539,927
Section 18/5311-5317				
Rural Operating Assistance - 5311	20.509	64BO17-00534	-	170,428
Section 18/5310				
Caltrans FY14 5310	20.513	SA-64AC16-00069	-	1,898
Total Expenditures of Federal Awards			\$ -	\$ 7,291,633

See accompanying notes to schedule of expenditures of federal awards.

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 – GENERAL

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

NOTE 2 – BASIS OF ACCOUNTING

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

NOTE 3 – INDIRECT COST RATE

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

Attachment A

BROWN ARMSTRONG

Certified Public Accountants

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

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

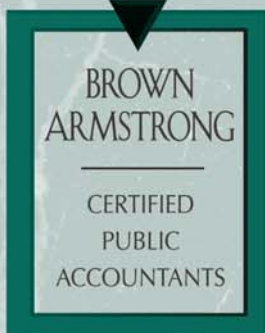
We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's basic financial statements, and have issued our report thereon dated December 31, 2018.

Internal Control Over Financial Reporting

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

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

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



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Attachment A

Compliance and Other Matters

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

Purpose of this Report

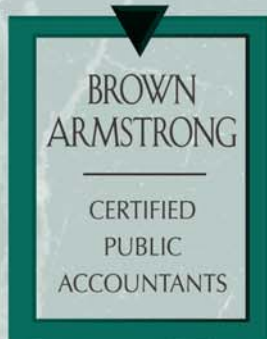
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance. This report is an integral part of an audit performed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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 31, 2018

Attachment A



BROWN ARMSTRONG

Certified Public Accountants

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

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

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Report on Compliance for Each Major Federal Program

We have audited the Santa Cruz Metropolitan Transit District's (Santa Cruz METRO) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Santa Cruz METRO's major federal programs for the year ended June 30, 2018. Santa Cruz METRO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Santa Cruz METRO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Attachment A

Report on Internal Control Over Compliance

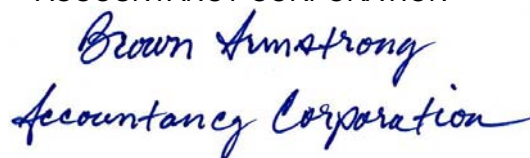
Management of Santa Cruz METRO is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Santa Cruz METRO's internal control over compliance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

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

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

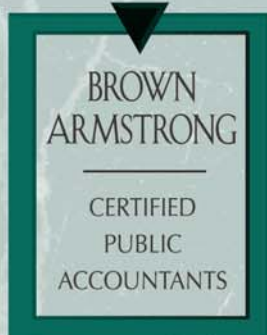
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the firm.

Bakersfield, California
December 31, 2018

Attachment A



BROWN ARMSTRONG

Certified Public Accountants

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the U.S. Office of Management and Budget (OMB) *Compliance Supplement*, the financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) as of and for the year ended June 30, 2018, and have issued our report thereon dated December 31, 2018.

Compliance

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

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

Other Matters

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

Attachment A

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

During the fiscal year ended June 30, 2018, Santa Cruz METRO received \$0 from the State's PTMISEA funds. As of June 30, 2018, PTMISEA interest received and funds expended were verified in the course of our audit as follows:

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

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


Purpose of this Report

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

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 31, 2018

Attachment A

FINDINGS AND QUESTIONED COSTS SECTION

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2018

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weakness identified? Yes No

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

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

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Clusters

20.500
20.507

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

Dollar threshold used to distinguish type A and B programs: \$750,000

Auditee qualified as low risk auditee? Yes No

II. Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards

None.

III. Federal Award Findings and Questioned Costs

None.

Attachment A

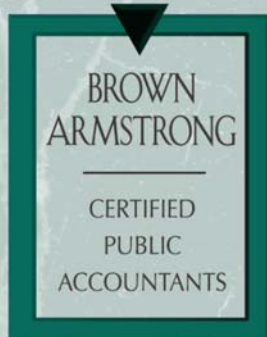
IV. State Award Findings and Questioned Costs

None.

V. A Summary of Prior Audit (all June 30, 2017) Findings and Current Year Status Follows

None.

Attachment B



BROWN ARMSTRONG

Certified Public Accountants

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

We have audited the financial statements of Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 19, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Santa Cruz METRO are described in Note 1 to the financial statements. During the year ended June 30, 2018, Santa Cruz METRO implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We noted no transactions entered into by Santa Cruz METRO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

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Attachment B

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 31, 2018.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Attachment B

Restriction on Use

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

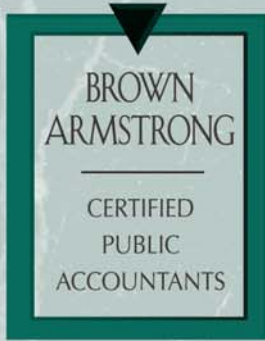
BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 31, 2018

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Attachment C



BROWN ARMSTRONG

Certified Public Accountants

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

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

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the year ended June 30, 2018, and have issued our report thereon dated December 31, 2018. In planning and performing our audit of the basic financial statements of Santa Cruz METRO, we considered its internal control structure over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control.

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

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

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

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Current Year Agreed Upon Conditions and Recommendations

Agreed Upon Condition 2018-1 – Passenger Sales

Condition:

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

Criteria:

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

Cause of Condition:

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

Potential Effects:

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

Recommendation:

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

Views of Responsible Officials:

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

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

- New models of the PEMs were purchased in 2018 from Genfare (GFI)
- In October 2018, the Information Technology (IT) and Planning departments worked with Genfare to implement a system-wide software upgrade to the GFI VIP system in an attempt to resolve reporting issues.

Attachment C

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

Agreed Upon Condition 2018-2 – Paracruz Transit Ticket

Condition:

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

Criteria:

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

Cause of Condition:

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

Potential Effects:

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

Recommendation:

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

Views of Responsible Officials:

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

Attachment C

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

Status of Prior Year Agreed Upon Conditions and Recommendations

Agreed Upon Condition 2017-1 – Passenger Sales

Condition:

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

Criteria:

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

Cause of Condition:

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

Potential Effects:

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

Recommendation:

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

Attachment C

Views of Responsible Officials:

Management agrees with the recommendation. Customer Service staff will draft new ticket-related procedures to reconcile all PEM ticket sales reported in the VIP system to ticket revenue collected on a daily and weekly basis. Our Information Technology (IT) department will work with Genfare (GFI) to troubleshoot and remedy the programming and configuration issues with all PEMs and the VIP application in order to ensure that the ticket sales reporting function is consistently accurate and reliable.

Current Year Status:

See current year Agreed Upon Condition 2018-1.

Agreed Upon Condition 2 – Paracruz Transit Ticket

Condition:

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

Criteria:

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

Cause of Condition:

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

Potential Effects:

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

Recommendation:

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

Views of Responsible Officials:

Management agrees with the recommendation. Staff is in the process of designing and developing Paracruz tickets that can be electronically generated through the GFI PEMs so that paratransit ticket sales can be tracked through the GFI VIP.

Current Year Status:

See current year Agreed Upon Condition 2018-2.

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 31, 2018

Attachment D

**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT
MEASURE D**

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

**FOR THE YEAR ENDED
JUNE 30, 2018**

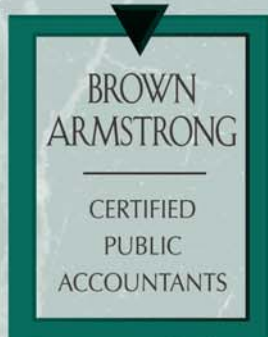
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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D
FOR THE YEAR ENDED JUNE 30, 2018

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Attachment D



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure D Program and do not purport to, and do not, present fairly the financial positions of Santa Cruz METRO as of June 30, 2018, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure D financial statements. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018, on our consideration of Santa Cruz METRO's internal control over financial reporting relating to the Measure D Program and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance relating to the Measure D Program and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance relating to the Measure D Program. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance relating to the Measure D Program.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 31, 2018

Attachment D

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D
BALANCE SHEET
JUNE 30, 2018

ASSETS

Cash and investments	\$ 1,578,202
Intergovernmental receivables	
Receivables from SCCRTC for Measure D Allocations	<u>514,798</u>
Total assets	<u><u>\$ 2,093,000</u></u>

LIABILITIES AND NET POSITION

Liabilities	
Unearned income	\$ 1,560,667
Interfund payable	<u>532,333</u>
Total liabilities	<u>2,093,000</u>
Net position	
Restricted	<u>-</u>
Total net position	<u>-</u>
Total liabilities and net position	<u><u>\$ 2,093,000</u></u>

See accompanying Notes to Financial Statements.

Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

REVENUES

Measure D revenue	\$ 1,782,105
Interest income	<u>19,647</u>
Total revenues	<u><u>1,801,752</u></u>

EXPENDITURES

Transit operations	1,269,419
Transit capital	<u>532,333</u>
Total expenditures	<u><u>1,801,752</u></u>

REVENUES OVER EXPENDITURES -

NET POSITION

Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

Attachment D

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MEASURE D NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Measure D Program by the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) are included as an enterprise fund in the basic financial statements of Santa Cruz METRO. These statements account for Santa Cruz METRO's share of revenues earned and expenditures incurred under Santa Cruz METRO's Transportation for Seniors and People with Disabilities Program. The accompanying financial statements are for Measure D only and are not intended to fairly present the financial position or results of operations of Santa Cruz METRO.

B. Basis of Accounting and Measurement Focus

Santa Cruz METRO uses an enterprise fund format to report its activities for financial statement purposes. The accompanying financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred regardless of when the related cash flows take place.

C. Use of Estimates

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

NOTE 2 – MEASURE D PROGRAM

Under Measure D, approved by the voters of Santa Cruz County in 2016, Santa Cruz METRO receives a portion of the proceeds of a one-half cent sales tax to be used for transportation-related expenditures. This measure was adopted with the intention that the funds generated by the sales tax will not fund transportation-related expenditures previously paid for by existing funds, revenues, and other resources, but rather, will be used for additional projects and programs, so as to supplement (and not replace) the revenue funds designated and used for transportation programs and expenditures.

The major project funded by Measure D was as follows:

Transportation for Seniors and People with Disabilities Program – To provide transit services to seniors and people with disabilities, and to purchase transportation capital improvements.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consisted of \$1,578,202.

See Santa Cruz METRO's basic financial statements for disclosures related to the cash and investments as prescribed by GASB Statement No. 40. The basic financial statements may be obtained from Santa Cruz METRO at 110 Vernon Street, Santa Cruz, CA 95060.

Attachment D

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$514,798 represent the Measure D sales tax allocations for fiscal year 2018 that were received from the Santa Cruz County Regional Transportation Commission (SCCRTC) after June 30, 2018.

NOTE 5 – UNEARNED INCOME

Measure D sales tax funds that are allocated to Santa Cruz METRO during the fiscal year are restricted and reported as liabilities (unearned income) until spent on the specific purpose for which they were intended, as outlined in the 5-Year Program of Projects approved by the Santa Cruz METRO Board of Directors and submitted to the SCCRTC.

NOTE 6 – INTERFUND PAYABLE

Interfund payables of \$532,333 represent amounts due to Santa Cruz METRO's general operating fund, in order to reimburse the agency for Measure D capital expenditures paid for with Santa Cruz METRO unrestricted monies during the fiscal year.

Attachment D

SUPPLEMENTARY INFORMATION

Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Measure D revenue	\$ 2,978,897	\$ 2,978,897	\$ 1,782,105	\$ (1,196,792)
Interest income	-	-	19,647	19,647
Total revenues	<u>2,978,897</u>	<u>2,978,897</u>	<u>1,801,752</u>	<u>(1,177,145)</u>
EXPENDITURES				
Transit operations	1,175,000	1,175,000	1,269,419	(94,419)
Transit capital	1,803,897	1,803,897	532,333	1,271,564
Total expenditures	<u>2,978,897</u>	<u>2,978,897</u>	<u>1,801,752</u>	<u>1,177,145</u>
REVENUES OVER EXPENDITURES	-	-	-	-
NET POSITION				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXPENDITURES IN EXCESS OF PROJECT BUDGET

Santa Cruz METRO must receive Board approval of a 5-year Program of Projects prior to expending Measure D funding on any project or program, in accordance with the requirements of the Measure D Master Funding Agreement. The approved 5-year Program of Projects is submitted to the SCCRTC annually, and includes information about each of the projects to be funded with the estimated annual Measure D revenues, allocated according to the Measure D Ordinance and Expenditure Plan.

The fiscal year 2018 project list and expenditure plan used preliminary estimates for assigning costs of fixed-route and paratransit operator wages and benefits and vehicle consumables to various transit service improvements. Subsequent to the approval of this 5-year Program of Projects, a more accurate costing method was developed and used to identify the value of operator labor, resulting in Transit operations expenditures exceeding budget for this first year of the program.

Attachment D

BROWN ARMSTRONG

Certified Public Accountants

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

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

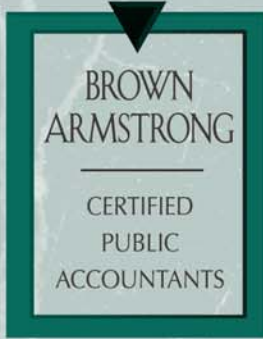
We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's Measure D Program's financial statements, and have issued our report thereon dated December 31, 2018.

Internal Control Over Financial Reporting

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

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

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



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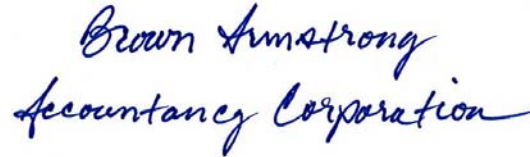
Compliance and Other Matters

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

Purpose of this Report

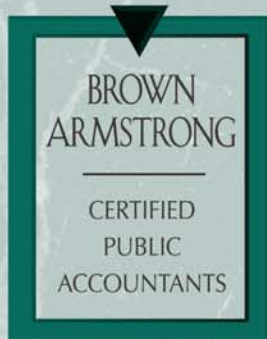
The purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the Measure D Program and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance relating to the Measure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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

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

Bakersfield, California
December 31, 2018

Attachment D



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON MEASURE D COMPLIANCE

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

Compliance

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) Measure D Program as of and for the year ended June 30, 2018, and the related notes, and have issued our report thereon dated December 31, 2018.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Santa Cruz METRO's management.

Auditor's Responsibility

Our responsibility is to express an opinion on Santa Cruz METRO's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the agreement between Santa Cruz METRO and Santa Cruz County Regional Transportation Commission (SCCRTC). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Measure D Program occurred. An audit also includes examining, on a test basis, evidence about Santa Cruz METRO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Santa Cruz METRO's compliance with those requirements.

Opinion on Measure D Program

In our opinion, Santa Cruz METRO complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure D Program for the year ended June 30, 2018.

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Internal Control Over Compliance

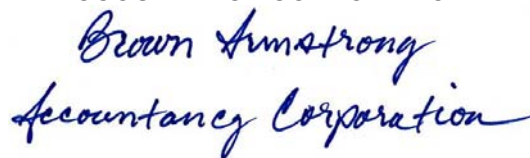
Management of Santa Cruz METRO is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered Santa Cruz METRO's internal control over compliance relating to the Measure D Program to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance relating to the Measure D Program. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control over compliance relating to the Measure D Program.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the agreement between Santa Cruz METRO and SCCRTC. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

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

Bakersfield, California
December 31, 2018



DATE: January 25, 2019
TO: Board of Directors
FROM: Ciro Aguirre, Chief Operations Officer
SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO ENTER INTO A THREE (3) YEAR LICENSE AGREEMENT WITH FLIXBUS FOR ACCOMMODATING THE USE OF A STOP TWICE PER DAY AT THE PACIFIC STATION TRANSIT CENTER

I. RECOMMENDED ACTION

That the Board of Directors authorizes the CEO to enter into a licensing agreement in a form approved by legal counsel with FlixBus for the use of a stop at the Pacific Station Transit Center

II. SUMMARY

- On July 11, 2018, Santa Cruz Metropolitan Transit District (METRO) was contacted by FlixBus, a private intercity bus operator.
- FlixBus requested permission to use a stop at the Pacific Station Transit Center, Downtown Santa Cruz twice a day for boarding and alighting.
- The request for a stop at the Transit Center was due to its desire to offer their services to the Santa Cruz community for travel between San Francisco and San Diego on a daily schedule.
- After several discussions with FlixBus representatives, METRO and FlixBus arrived at an agreement for accommodating FlixBus using a stop at the Pacific Station Transit Center for a set monetary amount per stop.
- Staff believes that this service will add another beneficial transportation option to Santa Cruz County residents and recommends the METRO Board to authorize the CEO to enter into a Licensing Agreement with FlixBus.

III. DISCUSSION/BACKGROUND

FlixBus is a German owned company, which originated in Munich Germany offering intercity bus service. FlixBus was launched in 2013 following the deregulation of the German bus market and by 2015 expanded across Europe.

On May 15, 2018, Flixbus announced its expansion into the US market. As of May 31, 2018, FlixBus offers 180 connections within the southwest parts of the country, operating from a main hub in Los Angeles. Main cities planned to be served include Las Vegas, San Diego, Tucson and Phoenix, and San Francisco. It plans to have expanded the network to over 1,000 connections by the end of

2018. The service provided to Santa Cruz consists of a route between San Francisco and San Diego.

FlixBus has expressed an interest to partner with METRO to have a stop at the Pacific Station Transit Center in order to take advantage of a well lit and secure facility that will accommodate a forty-five (45) foot bus. FlixBus will use the stop twice a day, once for the AM route and once for the PM route for approximately ten (10) to fifteen (15) minutes to board and alight passengers.

METRO staff has reviewed the Pacific Station Transit center and have identified several locations that can accommodate the stop and, if authorized, will work with FlixBus to accommodate their vehicles. FlixBus has agreed to work around METRO's scheduled routes so as not to interfere with METRO service. Once the schedule is agreed to, FlixBus will begin promoting their service.

Staff is recommending that the Board of Directors authorize the CEO to enter into this licensing agreement between METRO and FlixBus. That will be executed once all pending documents are approved by METRO's legal counsel.

IV. FINANCIAL CONSIDERATIONS/IMPACT

FlixBus and METRO have agreed to an \$11.00 per stop licensing fee. Yearly Revenue for this fee is \$8,030. The total amount will be paid in two installments of \$4,015 every six (6) months for a three-year period.

V. ALTERNATIVES CONSIDERED

- Disallow the use of the stop at the Pacific Station Transit Center – Not recommended. FlixBus is another transportation option that will become available to Santa Cruz County residents allowing for more transportation choices, situated in a convenient safe location.

VI. ATTACHMENTS

Attachment A: License Agreement
Attachment B: Certificate of Liability Insurance
Attachment C: FlixBus Presentation


Prepared by: Ciro Aguirre, COO

VII. APPROVALS:

Ciro Aguirre, Chief Operations Officer



Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



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Attachment A

LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("Agreement"), dated _____, 2018, is made by and between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a public agency, ("Licensor") and FLIXBUS, INC., at 12575 Beatrice Street, Los Angeles, 90066 CA ("Licensee").

RECITALS

Licensor, a public agency engaged in the business of public transportation, owns certain property in the City of Santa Cruz, State of California, commonly known as the Pacific Station Transit Center ("Property" or "Transit Center"), as depicted in Exhibit A;

Licensee desires the use of one (1) space at the Pacific Station Transit Center, 920 Pacific Avenue, Santa Cruz, CA 95060 ("Facility"), once in the AM and once in the PM, for approximately ten (10) to fifteen (15) minutes to board or alight passengers, as depicted in Exhibit B;

Licensor is willing to permit Licensee to use the Facility for these purposes in accordance with the terms, conditions and covenants of this Agreement; and

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the parties agree as follows:

1. GRANT OF LICENSE.

Licensor hereby grants to Licensee, subject to all of the conditions set forth herein, a non-exclusive, revocable license ("License") to use the Facility for passenger waiting, embarking and disembarking for Licensee's intercity bus service.

2. TERM/TERMINATION.

The term of this Agreement is three (3) years, commencing on _____, 2018, ("Commencement Date") provided the Licensor has received the License Fee outlined in Section 3, "License Fee" and has approved the Certificate of Insurance as required by Section 7 of this Agreement.

(a) Licensor may terminate this Agreement by giving Licensee sixty (60) calendar days' written notice.

(b) If Licensee defaults with respect to any obligation, covenant or condition of this Agreement and fails to correct the default within five (5) days after receipt of notice from Licensor to do so, Licensor may immediately terminate this Agreement by notice to Licensee. Licensee must quit and surrender the Facility to Licensor, but Licensee will remain liable as provided in all other provisions of this Agreement.

Attachment A

3. LICENSE FEE.

The annual license fee shall be the sum of Eight Thousand Thirty Dollars (\$8,030), which sum is payable in two semi-annual installments of Four Thousand Fifteen Dollars (\$4,015), in advance, on the first day each six (6) month period during the term of this Agreement. This sum comprises an estimated value of the use of the Facilities, personnel costs related to administering this Agreement, and personnel and supply costs related to maintenance and cleaning requirements associated with Licensee's use of the Facilities.

The parties may renew this Agreement. Three (3) months prior to the end of the three (3) year term, Licensor will review License Fee and the parties will negotiate in good faith with regard to a new License Fee, covering Licensee's continued permitted use of the Facilities. In the event that the parties do not agree on a mutually acceptable License Fee, this Agreement will expire.

4. USE.

Licensee shall use the Facilities only for the purposes described in the recitals and Section 1 of this Agreement. Licensee shall be solely responsible for any and all of its costs associated with the use of the Facilities.

4.1 Permitted Use. Pacific Station Transit Center: Licensee shall enter the Pacific Station Transit Center from the West entrance of Pacific Avenue bearing left to position the vehicle on lane two (2) prior to the Crosswalk (see Exhibit B). To exit proceed forward from lane two (2) onto Front Street turning left on Front street. Licensee may use the Facility twenty-four (24) hours a day, seven days a week, access to the sites Public Restrooms is from 0600 to 2300 hours. Licensee shall abide by the five (5) mile per hour speed limit. Licensee shall conduct its operations in a an orderly, courteous and professional manner and shall follow any directions or instructions provided by Licensor's employees, security personnel, and Police or Fire personnel.

4.2 Prohibited Use. Licensee shall not use the Facility for any purpose other than as specifically authorized by this Agreement. Licensee shall not in any way interfere with Licensor's use of the Facility and Property. Licensee shall not use any other areas of the Property other than the Facility as designated in Exhibit B. Licensee shall not obstruct or block any crosswalk and shall yield to pedestrians and Licensor's vehicles. Licensee shall not remain on the Property for extended periods of time, but only shall remain on the Property as is reasonably necessary to pick up and drop off passengers. Licensee shall not enter or park on the Property when the Property is completely occupied by Licensor's vehicles or other vehicles authorized to use the Property. Licensee shall not maintain or repair its vehicles while the vehicles are located on the Property, except for emergency repairs or maintenance. Licensee shall not make any alterations to the Property without Licensor's prior written consent.

4.3 Prior Rights. This License is made subject and subordinate to the prior and continuing right and obligation of Licensor and its successors and assigns, to use the Property in the performance of its own transit operations. There is reserved unto Licensor, and its successors and assigns, the right to construct, reconstruct, maintain and use existing and

Attachment A

future facilities and appurtenances, including, without limitation, existing and future transportation and communication facilities and appurtenances in, upon, over, under, across and along the Property. This License is made subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens and claims of title which may affect the Property. By entering into this Agreement, the Licensor is not abandoning, extinguishing or otherwise limiting its right to operate on the Property. The parties acknowledge and agree that this License does not create any possessory or property interest in the Property, but is merely a temporary, revocable authorization for a non-exclusive, non-possessory use of the Property.

4.4 Compliance with Laws. Licensee shall not do or permit anything to be done in, on or about the Facility, or bring or keep anything in, on or about the Property, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation (collectively "laws") now in force or which may hereafter be enacted or promulgated by any public authority. Licensee shall be solely responsible for any and all costs associated with noncompliance with any such laws. Prior to the use of the Premises, Licensee shall obtain all required permits and licenses from other governmental agencies and, as a condition of this License, shall maintain them in force throughout the term of the use.

4.5 Condition, Use and Zoning of Property. Licensor makes no warranty or representation of any kind concerning the condition of the Facility, or the fitness of the Facility for the use intended by Licensee, and hereby disclaims any personal knowledge with respect thereto, it being expressly understood by the parties that Licensee has personally inspected the Facility, knows its condition, finds it fit for Licensee's intended use, accepts it as is, and has ascertained that it can be used for the limited purposes specified in this Agreement. Licensor makes no warranty or representation as to the condition of title to the Facility.

4.6 Hazardous Materials. No hazardous materials shall be handled, stored, transported or otherwise kept at any time upon the Property. The Licensee shall bear full and exclusive responsibility for any release of hazardous or nonhazardous chemicals or substances arising from its use of the Property. In the event of such release, the Licensee shall immediately notify Licensor. Licensee shall be solely responsible for all claims and expenses associated with the response to, removal and remediation of the release, including, without limit, payment of fines or penalties levied against Licensor by any agency as a result of the release and shall hold harmless, indemnify and defend (with counsel satisfactory to Licensor) Licensor from any claims arising from such release. This indemnification shall survive the termination of this Agreement.

For purposes of this section only, the term "claims" shall include (i) all notices, orders, directives, administrative or judicial proceedings, fines, penalties, fees or charges imposed by any governmental agency with jurisdiction, and (ii) any claim, cause of action or administrative or judicial proceeding brought against the indemnified party, its directors, officers, employees or agents, or for any loss, cost (including reasonable attorneys' fees), damage or liability, sustained or suffered by any person or entity, including the indemnified party.

5. MAINTENANCE, REPAIRS AND ALTERATIONS.

If the Facility or any improvement located on the Facility is damaged or destroyed by Licensee's or its passengers' use, Licensee must immediately notify Licensor of such damages.

Attachment A

Licensee must, at its sole cost and expense, repair the Property or improvement located thereon, to the condition it was in before Licensee's use of the Facility.

5.1 Return of Property. Licensee, at its sole cost and expense, shall repair any damage to the Property occasioned by the use by Licensee or its passengers.

5.2 Licensor's Rights. If Licensee fails to perform Licensee's obligations under this Section 5, or under any other section of this Agreement, within five (5) days from the date of notice by Licensor, Licensor, in addition to terminating this Agreement, may at its option (but shall not be required to) enter upon the Facility after prior notice to Licensee (except in the case of an emergency, in which case no notice shall be required), to perform such obligations on Licensee's behalf and put the same in good order, condition and repair, and the cost thereof together with interest thereon at the maximum rate then allowable by law shall become due and payable as an additional fee to Licensor.

6. ASSUMPTION OF RISK.

Licensee shall assume all risk of damage to any and all property of Licensee and any injury to persons upon the Facility, except for any damage or injury caused solely by the active negligence or willful misconduct of the Licensor. Licensee waives all claims, demands and lawsuits and releases the Licensor from any and all liability Licensee may have against Licensor concerning the Facility or Licensee's use of said Facility.

7. INDEMNITY AND INSURANCE.

7.1 Indemnity. Licensee shall indemnify, keep and save harmless Licensor, and its directors, officers, agents and employees (collectively, "Indemnitees") against any and all suits, claims or actions arising out of any injury or injuries to, or death or deaths of, persons or property that may occur, or that may be alleged to have occurred, from any cause or causes whatsoever, while in, upon, about, or in any way connected with the use of the Facility by Licensee, its agents, employees, contractors, subcontractors or invitees. Provided, however, that the foregoing shall not apply to any claims for loss, damage, injury or liability caused solely by the gross negligence or willful misconduct on the part of Indemnitees. Licensee further agrees to defend (with counsel reasonably satisfactory to Licensor) any and all such actions, suits or claims and pay all charges of attorneys and all other costs and expenses arising therefrom or incurred in connection therewith, and if any judgment be rendered against the Indemnitees in any such action, Licensee shall, at its expense, satisfy and discharge the same. Licensee waives any and all rights to any type of express or implied indemnity against Indemnitees arising out of Licensee's use of the Facility. This indemnity shall survive the termination of this Agreement. If any term of this indemnity provision is found to be void or unenforceable, the remainder of the provision shall remain in full force and effect.

7.2 Insurance.

Licensee shall maintain in full force and effect during the term of this License the following insurance:

Attachment A

(a) **Workers' Compensation.** As required by Section 1860 of the California Labor Code (Chapter 1000, Statutes of 1965), or any subsequent amendments or successor acts thereto governing the liability of employers to their employees, the Licensee shall secure Workers' Compensation coverage with an Employer's Liability limit of \$1,000,000. Lessee shall insure the procurement and maintenance of such insurance by all contractors or subcontractors engaged on the Property. The policy shall contain a waiver of subrogation in favor of the Santa Cruz Metropolitan Transit District, and its directors, officers, employees, agents, contractors and any other person acting on Licensor's behalf, as they now or as they may hereafter be constituted singly, jointly or severally.

(b) **Commercial General Liability.** Licensee shall, at its own cost and expense, procure and maintain Commercial General Liability. The policy shall be primary and contain cross liability and severability of interest clauses. The policy shall have a combined single limit of Five Million Dollars (\$5,000,000) for bodily injury and property damage per occurrence. This insurance shall include but not be limited to: premises and operations; contractual liability covering the indemnity provisions contained in this Agreement; personal injury; explosion, collapse and underground coverage; products and completed operations and broad form property damage. The policy shall include as additional insureds the Santa Cruz Metropolitan Transit District, and its directors, officers, employees, agents, contractors and any other person acting on Licensor's behalf. The policy shall contain a waiver of subrogation in favor of the Santa Cruz Metropolitan Transit District, and its directors, officers, employees, agents, contractors and any other person acting on Licensor's behalf, as they now or as they may hereafter be constituted singly, jointly or severally. Inclusion of Licensor as an additional insured shall not in any way affect its rights as respects to any claim, demand, suit or judgment made, brought or recovered against Licensee. Said policy shall protect Licensee and Insureds in the same manner as though a separate policy had been issued to each; but nothing in said policy shall operate to increase the Insurer's liability as set forth in the policy beyond the amount or amounts shown or to which the Insurer would have been liable if only one interest had been named as an insured.

(c) **Automobile Liability Insurance.** Licensee shall, or shall require each entity or its affiliates carrying out the passenger transport services using certain Licensee branding (each a "Bus Partner"), at its own cost and expense, procure and maintain Automobile Liability Insurance, providing bodily injury and property damage with a combined single limit of at least Eight Million Dollars (\$8,000,000) per occurrence for all owned, non-owned, and hired vehicles. The insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance. Such insurance shall include as additional insureds the Santa Cruz Metropolitan Transit District, and its directors, officers, employees, agents, contractors, as they now or as they may hereafter be constituted singly, jointly or severally. The policy shall contain a waiver of subrogation in favor of the Santa Cruz Metropolitan Transit District, and its directors, officers, employees, agents, contractors and any other person acting on Licensor's behalf, as they now or as they may hereafter be constituted singly, jointly or severally.

(d) **Additional Policies of Insurance.** In addition to the requirements described above, Licensee shall maintain any other insurance that may be required by law, statute or governmental regulations.

Attachment A

(e) **Evidence of Insurance.** Prior to occupying the Premises, Licensee shall file a Certificate(s) of Insurance with the Licensor evidencing the required coverage and endorsement(s) held by Licensee or Licensee's Bus Partner(s) as required, and upon request, a certified duplicate original of any of those policies. Said Certificate(s) shall stipulate:

1. The insurance company(ies) issuing such policy(ies) shall give written notice to the Licensor of any material alteration, cancellation, non-renewal, or reduction in aggregate limits, if such limits apply, and provide at least thirty (30) days' notice of cancellation. Licensee shall, at least thirty (30) days prior to the expiration of such policies furnish Licensor evidence of renewal or insurance binders evidencing renewal thereof.
2. That the policy (ies) is primary insurance with respect to any policy of insurance maintained by any insured, and the insurance company(ies) providing such policy(ies) shall be liable thereunder for the full amount of any loss or claim up to and including the total limit of liability, without right of contribution from any other insurance effected or which may be effected by the Indemnitees.
3. The policy(ies) shall also stipulate: inclusion of the Indemnitees as additional insureds shall not in any way affect rights of Indemnitees in respect to any claim, demand, suit or judgment made, brought or recovered against the Licensee. Said policy shall protect Licensee and the Indemnitees in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.
4. The insurance shall be issued by an insurance company or companies authorized to do business in the State of California with minimum "Best's" ratings of B+ and with minimum policyholder surplus of Twenty-five Million dollars (\$25,000,000). All policies shall be issued in a form satisfactory to the CEO of the Licensor and shall be issued specifically as primary insurance over and above any insurance that the Licensor may carry. The insurer shall agree that its policy for the full amount of any loss up to and including the total limit of liability without right of contribution from any other insurance affected by the Licensor.

8. ASSIGNMENT.

Licensee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of Licensee's interest in this License or in the use of the Property, without Licensor's prior written consent, which may be withheld in Licensor's sole discretion. Licensor shall respond to Licensee's request for consent thereunder in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a breach of this Agreement.

Attachment A

9. GENERAL PROVISIONS.

9.1 Severability. The invalidity of any provision of this Agreement as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

9.2 Entire Agreement. This Agreement contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification.

9.3 Notices. Any notice required or permitted to be given hereunder, including notice of termination, shall be in writing and may be given by personal delivery or by certified mail, and if given personally or by mail, shall be deemed sufficiently given if addressed to Licensee or to Licensor at the addresses noted below:

If to Licensee: Pierre Gourdain, President
Flixbus, Inc.
12575 Beatrice Street
Los Angeles, CA 90066

If to Licensor: Alex Clifford
CEO/General Manager
Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060-2101

Each notice shall specify the paragraph of this Agreement, if any, pursuant or with reference to which it is given. Either party may by notice to the other specify a different address for notice purposes. A copy of all notices required or permitted to be given to Licensor hereunder shall be concurrently transmitted to such party or parties at such addresses as Licensor may from time to time hereafter designate by notice to Licensee. Notice given under this section shall be deemed in compliance with applicable statutory notice requirements, if any.

9.4 Waivers. No waiver by Licensor or Licensee of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Licensor or Licensee of the same or any other provision. Licensor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Licensor's consent to or approval of any subsequent act by Licensee. The acceptance of License fees hereunder by Licensor shall not be a waiver of any preceding breach by Licensee of any provision hereof, other than the failure of Licensee to pay the particular fees so accepted, regardless of Licensor's knowledge of such preceding breach at the time of acceptance of such fees.

9.5 Cumulative Remedies. No remedy or election under this Agreement shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

Attachment A

9.6 Binding Effect: Choice of Law. Subject to any provisions hereof governing assignment by Licensee, this Agreement shall bind the parties, their personal representatives, successors and assigns. This Agreement shall be governed by the laws of the State of California applicable to licenses entered into, and to be wholly performed, within the State. The language of all parts of this Agreement shall be construed with its fair meaning and not strictly for or against the Licensor or Licensee.

9.7 Attorneys' Fees. If either party named herein brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to its reasonable attorneys' fees and court costs to be paid by the losing party.

9.8 Inspection of Records. The Licensee shall permit Licensor to inspect all records and other data of Licensee pertaining to this Agreement, including but not limited to Licensee's records regarding the number of taxi cabs using the Property.

9.9 Consent. Whenever under this Agreement the consent or approval of either party is required or a determination must be made by either party, no such consent or approval shall be unreasonably withheld or delayed and all such determinations shall be made on a reasonable basis and in a reasonable manner.

9.10 Authority. Each individual executing this Agreement on behalf of Licensee and Licensor represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of said party.

9.11 Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way amplify the terms or provisions hereof.

9.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but both of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

LICENSOR:

**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT**

By: _____
Alex Clifford
Its: CEO/General Manager

LICENSEE:

FLIXBUS, INC.*

By: _____
Its: _____

By: _____
Its: _____

Attachment A

APPROVED AS TO FORM

Attorney for the Licensor

*This Agreement must be executed by two authorized corporate officers, consisting of: (1) the President, Vice President or Chair of the Board, and (2) the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer. In the alternative, this Agreement may be executed by a single officer or a person that other than an officer provided that evidence satisfactory to the Licensor is provided demonstrating that such individual is authorized to bind the corporation (e.g. a copy of a certified resolution from the corporation's board or a copy of the corporation's bylaws).

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/11/2018

Attachment B

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER SullivanCurtisMonroe Insurance Services 550 South Hope Street, Suite 1000 Los Angeles, CA 90071 www.SullivanCurtisMonroe.com License # 0E83670		CONTACT NAME: Olivia Barajas PHONE (A/C No. Ext): 949 852-4836 FAX (A/C, No): 949 250-7172 E-MAIL ADDRESS: obarajas@sullicurt.com	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Indian Harbor Insurance Company	NAIC # 36940
		INSURER B: Scottsdale Insurance Company	41297
		INSURER C: Certain Underwriters at Lloyds	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 44863403

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Ded Per Occ: \$10,000 BI/PD GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input checked="" type="checkbox"/> OTHER: Desingated Locations: ALL	<input checked="" type="checkbox"/>		ESG0052074	5/31/2018	5/31/2019	EACH OCCURRENCE	\$2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$50,000
							MED EXP (Any one person)	\$ Excluded
							PERSONAL & ADV INJURY	\$2,000,000
							GENERAL AGGREGATE	\$2,000,000
							PRODUCTS - COMP/OP AGG	\$2,000,000
							Designated Location Agg	\$6,000,000
C	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input checked="" type="checkbox"/> Per Accident SIR-BI/SIR-PD			SL18070771	7/9/2018	7/9/2019	COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
							Contingent Auto Liab	\$5,000,000
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			XLS0107520	5/31/2018	5/31/2019	EACH OCCURRENCE	\$3,000,000
							AGGREGATE	\$3,000,000
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE	
							OTH-ER	
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

OMNITRANS, its directors, officials, officers, employees and agents are named as additional insureds per attached endorsement.

CERTIFICATE HOLDER
 OmniTrans
 1700 W. Fifth Street
 San Bernardino CA 92411
CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Linda Gonzales

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ACORD 25 (2016/03)

The ACORD name and logo are registered marks of ACORD

19B.1

POLICY NUMBER: ESG0052074

COMMERCIAL GENERAL LIABILITY
CG 20 26 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – DESIGNATED
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

<p>Name Of Additional Insured Person(s) Or Organization(s):</p> <p>AS REQUIRED BY WRITTEN CONTRACT SIGNED BY BOTH PARTIES PRIOR TO A LOSS</p>
--

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

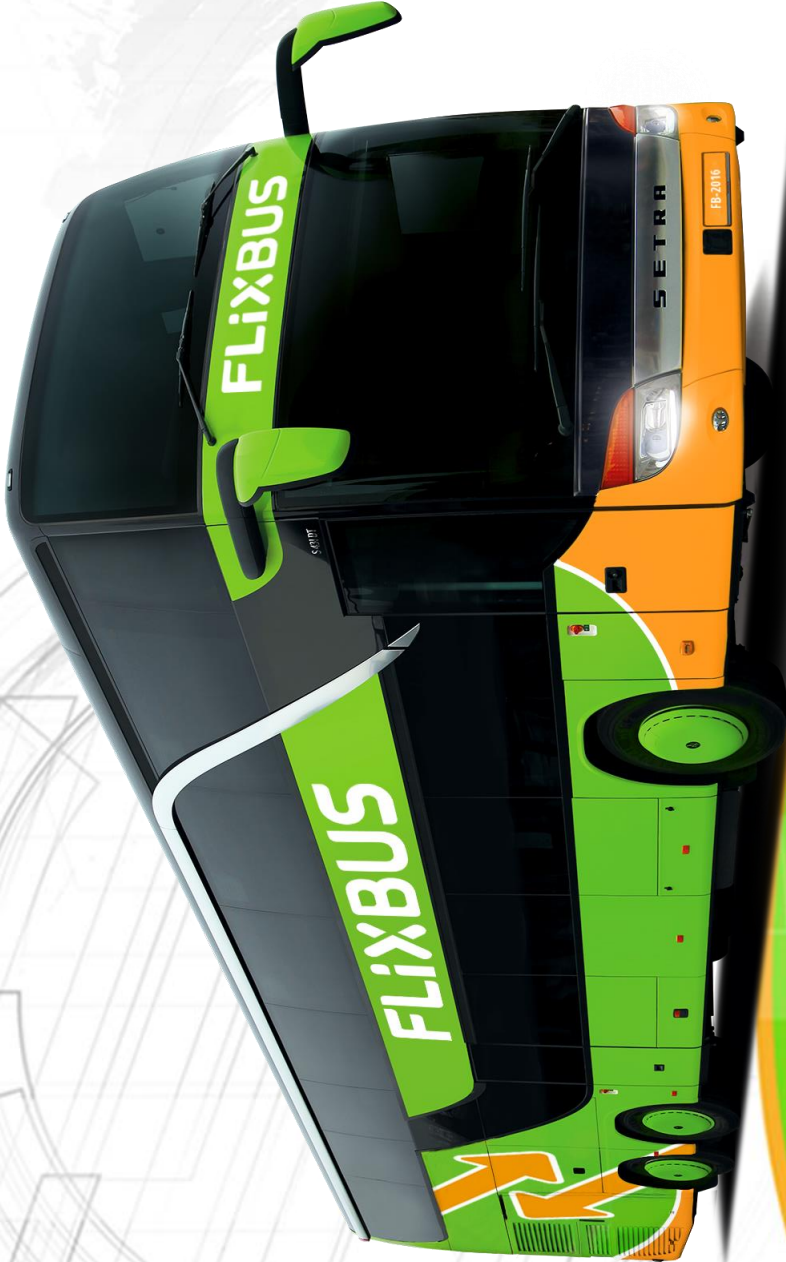
If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All terms and conditions apply unless modified by this endorsement.

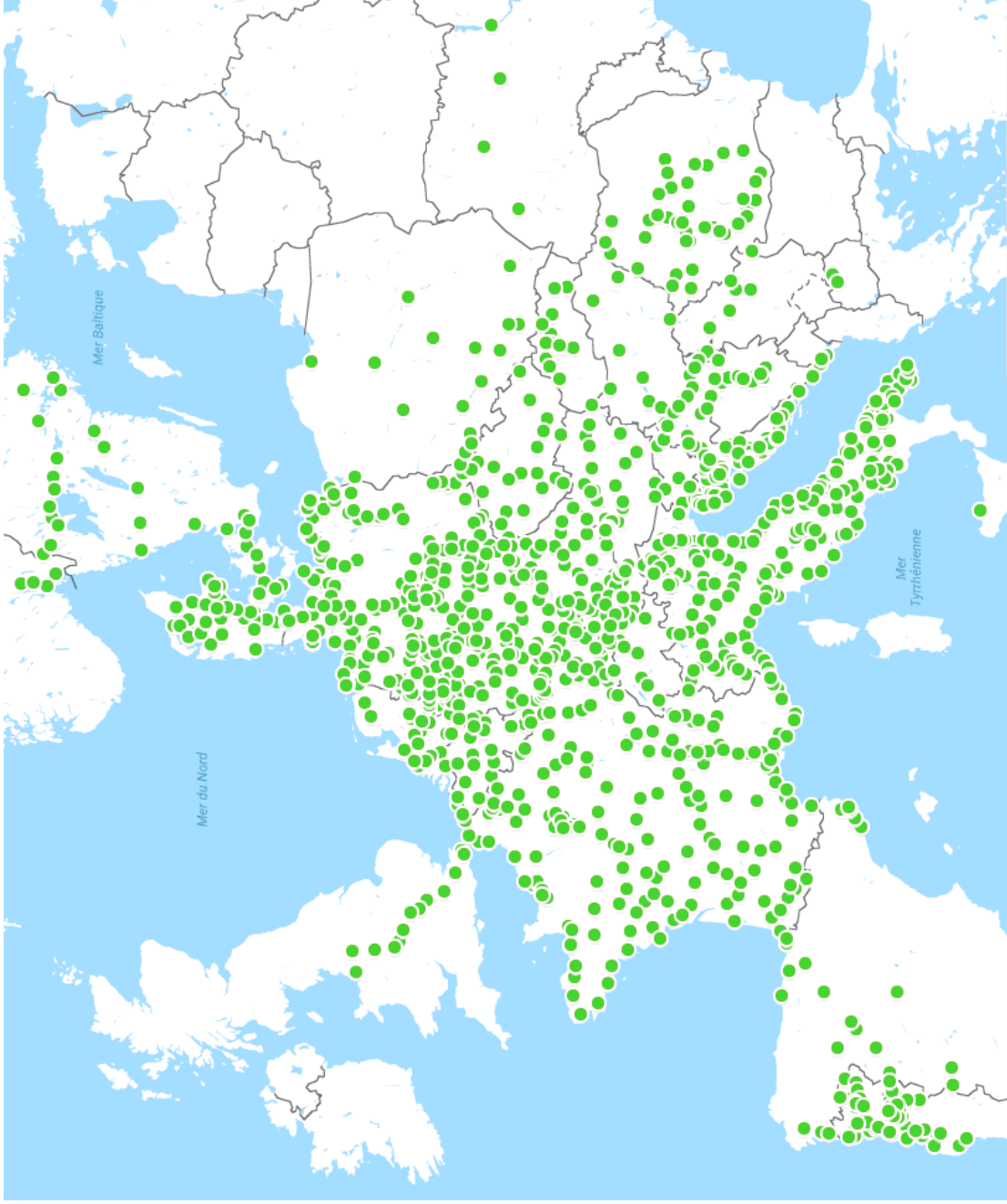
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19C.1

Santa Cruz

Introducing FlixBus: In 5 years, we became a global industry leader



250,000



Connections

110,000,000



Customers Served

1,700



Coaches

19C.2

1,000



Employees

28



Countries

6,000



Drivers

A trusted partner for communities



**1,500 bus stops
in 28 countries!**



**+6.5% avg.
visitors each year
for cities!**

19C.3



Our goal is to encourage car-free travel!

We are revolutionizing long haul transportation!

- ✓ We service **long-distance city to city travel**
- ✓ We are different from other bus services in that we partner with **local bus operators**, creating **local jobs**
- ✓ We **don't compete** with public transit agencies, in fact we work together to provide travelers intermodal, **car-free** transit
- ✓ Our customer base began as students seeking cheaper alternatives and evolved into travelers of all ages. **We have carried over 100 million people since launch!**

19C.5

TRANSPORTATION

FlixBus testing electric buses, service in U.S. this spring

Already a popular option across Europe, German bus service plans

By Patrick Sisson | Mar 16, 2018, 11:56am EDT



Most busses still run on gas, but FlixBus is at the forefront and just launched the first all electric long haul bus line in the world,

How to move forward?

What we do

- We provide **affordable, efficient** transportation to your community
- We offer travelers a **car-free** option to **visit** your city (less traffic and more business!)
- FlixBus is a **trusted** brand by travelers around the world
- After partnering with FlixBus, a city has **never turned back!**
- We partner with **local** bus companies
- All at **no cost** to you!

How you can help us

- A **location** to load/unload passengers (**busses use the stop only during five minutes** with our mobile ticket express check in technology):
 - Bus station
 - Curbside/right of way
 - Loading zones
 - Parking lot
 - Or any other option (we are flexible!)
- A sign with a FlixBus logo (if possible)
- **That's it!**

1. Location

2. Signage

3. Occupancy Agreement

Launch Line!

19C.6

The FlixBus brand & quality is standardized

Standardized Onboard Product



Comfort spacing



WiFi
On-board entertainment



Restrooms on board



Power outlets

Modern Fleet

- Average age of 1-3 years
- Max 5 years in line service
- Max ~800,000 Miles



Standardized Exterior Design

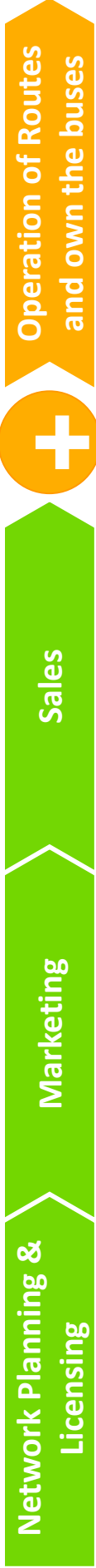







Our Partnership Business Model

FlixBus is unique from other long haul coach services because we **partner with local operators**. This allows:

- ✓ us to focus on what we do best! (Network planning, marketing, sales, etc.)
- ✓ and local operators to do what they do best! (Drive the buses!)

This enables small operators to serve major network lines with the support of FlixBus's experience, quality, and recognition.



Our Passengers

Most Frequent...

- ✓ 18-35 years old
- ✓ 60% = female
- ✓ Students/youths
- ✓ International travelers



... But Also

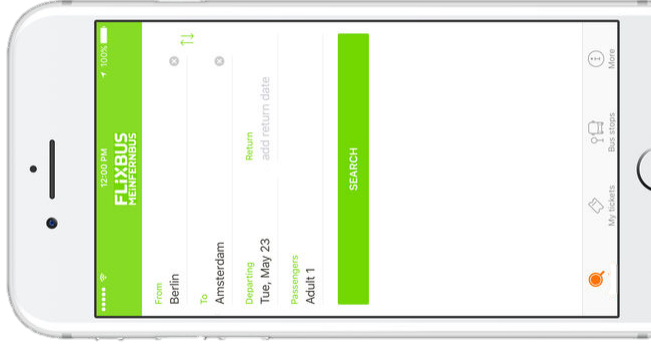
- ✓ Families
- ✓ Retirees
- ✓ Professionals
- ✓ Many more!



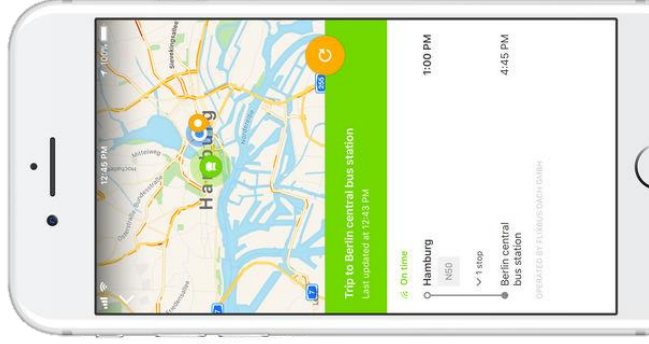
19C.9

The FlixBus mobile application

How it works for our customers

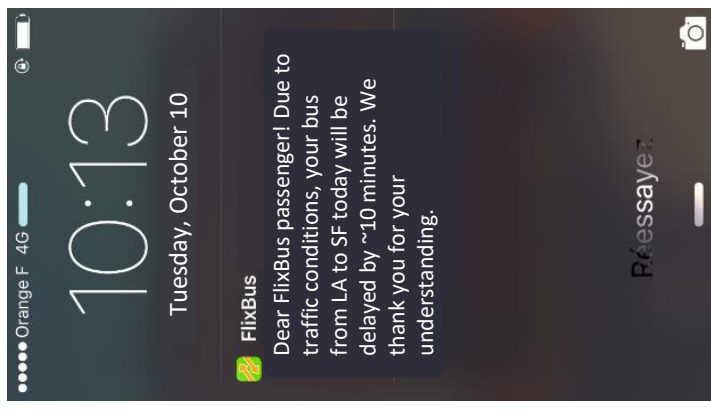
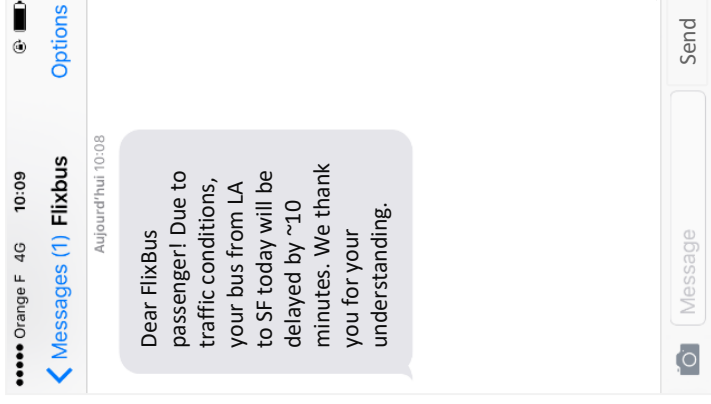


Book directly in the app



See where your bus is

Customer Information Automatically Send via SMS & Push Notification

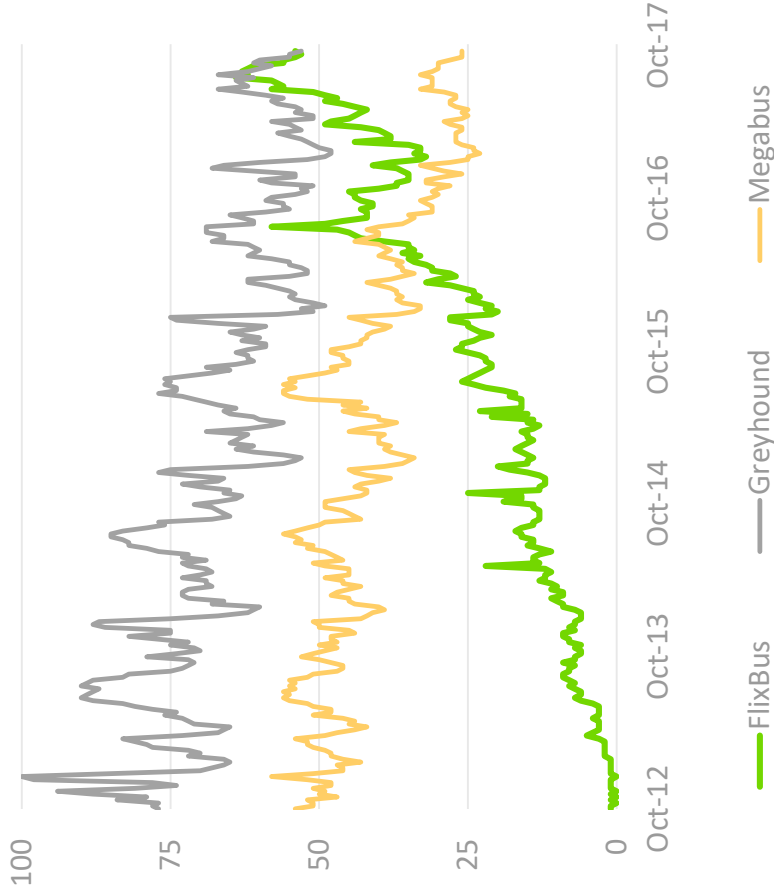


Automatic, real-time updates directly to your phone... a first in our industry!

FlixBus is the most searched bus company in the world

Interest in competitors has been steadily declining...

Google Trend numbers represent worldwide search interest over time, indexed to the highest value



Source: Worldwide Google Trend data as of October 2017

...while interest in FlixBus has soared over just 5 years

FlixBus Connects Three Croatian Cities Directly For First Time!



Green Wednesday! 50,000 tickets for only €1 - App only!

When was the last time you found a bargain? Too long ago? Don't worry! Here you can find all our great FluCreaks on a regular basis - always different cities, always different objectives!



FlixBus offers you:

- 50,000 tickets for €1
- On direct domestic lines in Czech Republic
- Book quickly - action today!
- For trips from 04.10.2017
- Only available in the FluBus



Bringing customer engagement to a whole new level

91% Satisfied Customers

Customer Voices



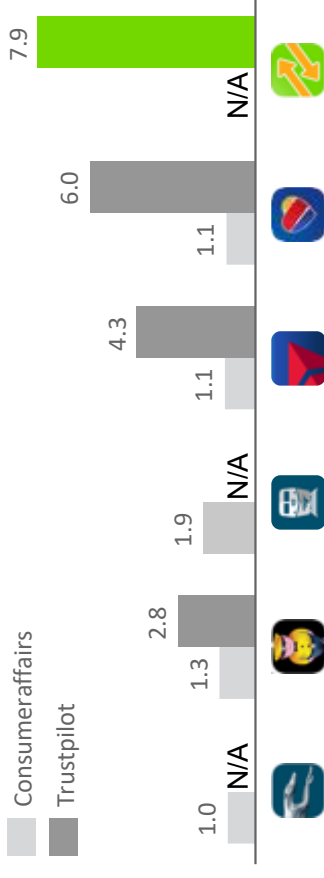
- “I took a bus last month. It was really nice journey from London to Amsterdam, and on my way back, loved it”
- “Great company. Lovely bus driver, very comfortable bus, quick affordable travel. See you soon again”
- “Great service and a nice, quiet ride. Many thanks to the driver for a safe journey”



19C.13

Customer Feedback

Rating based on reviews at Trustpilot.com [scale from 0 (lowest) to 10 (highest)] and on consumeraffairs.com [scale from 0 (lowest) to 5 (highest)]



From left to right: Greyhound, Megabus, Amtrak, Delta Airlines, Southwest Airlines, FlixBus
 Note: Ratings based on less than 100 reviews are not considered (“N/A”) – prepared in Oct 16

Negative comment with almost every post on Facebook:

“Sitting on the side of the road for over two hours because of a flat tire... perched on a jack... bus is swaying with every passing semi-truck. To my family: if I die, sue the hell out of this incompetent company.”

“They lied to me not once, but twice about a refundable ticket. Got this IM then a month or so ago. Still waiting. They do nothing but lie. Management down. A company that lacks integrity will soon fall from within.”

10.08.16, Megabus

13.10.16, Greyhound



Joe Eyan
Government Relations Sr. Manager
 Direct (916) 770-9726
 joseph.eyan@flixbus.com

12575 Beatrice St.
 Los Angeles, CA 90066
 www.flixbus.com/company



➤ **Thanks for your attention, Please call or email anytime!**

- We welcome the opportunity to speak with you further and are available to discuss by phone, email, or in-person
- Don't hesitate to reach out (contact above), and we will follow up with you in less than 24 hours.

Sincerely,
 The FlixBus team

VERBAL PRESENTATION ONLY

UPDATE ON ITS CONTRACT OPTIONS

Isaac Holly, IT and ITS Director

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DATE: January 25, 2019
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Director
**SUBJECT: 10-YEAR (FISCAL YEAR 2020-29) STRATEGIC BUSINESS PLAN
UPDATE**

I. RECOMMENDED ACTION

That the Board receive a presentation on the 10-Year Strategic Business Plan; and,

A. Approve the proposed seven Strategic Priorities.

B. Approve the list of Key Tactical Initiatives in support of the Strategic Priorities.

C. Direct staff to develop implementation plans for the Key Tactical Initiatives in Item B above.

II. SUMMARY

- At the October 17, 2018 Santa Cruz Metropolitan Transit District (METRO) Board Strategic Business Plan initial work session, the Board and management team established a preliminary set of Strategic Priorities (see Attachment A).
- The METRO management team has proposed a number of Key Tactical Initiatives in support of the Strategic Priorities (see Attachment B).
- The Strategic Priorities and Key Tactical Initiatives are intended to prioritize the use of METRO's financial and staff resources.
- Pending adoption of the Strategic Priorities and Key Tactical Initiatives, staff proposes to develop implementation plans for the Key Tactical Initiatives within the context of the 10-Year financial outlook.

III. DISCUSSION/BACKGROUND

At the October 17, 2018 METRO Board Strategic Business Plan initial work session, the Board and management team established a preliminary set of strategic priorities (see Attachment A).

These Strategic Priorities were developed within the context of the existing METRO Mission Statement:

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

Among issues discussed at the October 17th work session were a number of specific key ongoing tactical initiatives identified by the METRO management team, including timeframes and cost contexts where appropriate. For the purpose of the next step in the Strategic Business Plan process, these Key Tactical Initiatives have been assigned to one or more of the seven draft Strategic Priorities (see Attachment B).

A primary theme from the October 17th work session was that for at least the last four years METRO has been in a survival mode, staving off a financial structural deficit which could have undermined its ability to continue to provide public transportation services to the County.

The management team sees a period of relative consolidation or maintaining of service levels, while reinvesting in the bricks of the business, improving the quality and promotion and public awareness of the current services prior to growing the system significantly. As METRO hopefully moves beyond this “fix” stage and towards a “build” phase, it is important that it be clear on its mission and focus its limited financial and staff resources on only its core business initiatives.

Next Steps

Pending adoption of the Strategic Business Plan Strategic Priorities and Key Tactical Initiatives, staff proposes to develop implementation plans for the Key Tactical Initiatives within the context of the 10-Year financial outlook. This task is now able to be done within the context of SB-1 funding remaining part of METRO’s revenue assumptions.

The assumptions of the 5-Year Budget Plan, adopted annually as part of the Fiscal Year budget process, will be used as the financial/budget basis/context for for creating implementation plans for the key tactical initiatives. In addition, if adopted, the Strategic Priorities and Key Tactical Initiatives will be used to prioritize the ongoing METRO 10-Year Unfunded Capital Project List.

Staff would include these Strategic Priorities and Key Tactical Initiatives as the basis of future budget proposals and departmental workplans.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Although the 10-Year Strategic Business Plan does not direct specific budget related items in the near term, it does identify key tactical initiatives METRO staff will endeavor to implement within this timeframe. Specific financial considerations/impacts will be identified as individual initiatives move forward.

V. ALTERNATIVES CONSIDERED

The 10-Year Strategic Business Plan and its priorities are intended to provide context and direction to the METRO Board and staff when considering new initiatives. The clarity and focus provided by the seven Strategic Priorities will support efficient decision making processes at METRO.

Not pursuing development of a Strategic Business Plan is not recommended.

VI. ATTACHMENTS

Attachment A: METRO Strategic Priorities

Attachment B: Key Tactical Initiatives

Prepared by: Barrow Emerson, Planning & Development Director

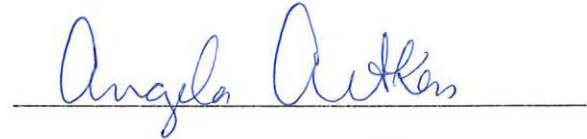
VII. APPROVALS:

Barrow Emerson,
Planning & Development Director



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Approved as to fiscal impact:
Angela Aitken, CFO



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Alex Clifford, CEO/General Manager



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Santa Cruz METRO Strategic Business Plan Priorities

1. Safety First Culture
2. Financial Responsibility, Stability, Stewardship, Accountability
3. Service Quality and Delivery
4. Internal and External Technology
5. Employee Engagement: Attract, Retain, Develop
6. State of Good Repair
7. Strategic Alliances and Community Outreach

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Attachment B

Key Tactical Initiatives in Support of the METRO 10-Year Strategic Business Plan Priorities

The following Key Tactical Initiatives are assumed as 10-year priorities for implementation and are the primary candidates for commitment of financial and staff resources. These are generally issues with either significant annual operating costs and/or large one-time capital costs.

1. Safety First Culture

- a. Implement policies, procedures, and security and safety training agency-wide in order to:
 - i. Reduce workers' compensation claims
 - ii. Reduce accident claims
- b. Secure METRO facilities as required by law
- c. Enhance security force
- d. Continuously monitor workplace injuries and actively engage the Safety & Risk Department in retraining following incidents
- e. Regular review of all facilities for safe working conditions
- f. Complete the installation of surveillance equipment on the remainder of the fleet

2. Financial Responsibility: Stability, Stewardship, Accountability

- a. Adopt balanced budgets without the use of reserves
- b. Develop balanced 5-year budget plans
- c. Enforce the Reserve Policy and funding levels of the "buckets" to provide a buffer against any impacts of revenue levels, including ebbs and flows of economy or changes in funding levels from revenue providers
- d. Within the context of the available budget, reinvest in the "bricks" of the company to support cost-effective, efficient and quality customer service
- e. Implement a Fare Restructure during 2019 which could increase revenue by \$500,000 - \$1.5 million and provides improved customer fare payment amenities
- f. Manage future labor costs so as to maintain the capacity to provide at least the current service level without impacting the integrity of long term budgets
- g. When applicable, use carryover funds from a previous fiscal year only for one-time expenditures rather than for recurring costs

Attachment B

- i. Following the annual audit (August – October each year), present to the Board Finance Committee a recommendation for appropriation of any carryover funds, if available, from the previous fiscal year
 - ii. If recurring surplus revenues are identified, engage the Service Planning Review Committee (SPRC) early to develop a priority list of service needs and then present such service needs to the Board Finance Committee (January - March each year)
- h. Continue to develop strategies to reduce absenteeism and unscheduled overtime
- i. Complete purchase and installation of a new Financial Information System (FIS) by June 2021
- j. Strive to leverage local funds with state and federal grants

3. Service Quality and Delivery

- a. Within financial capacity, increase service levels on existing routes including daily span of service and frequency
- b. In the allocation of fixed-route services, over time, increase the percentage of resources committed to ridership generating services versus coverage-oriented services
- c. Within financial capacity beyond the current annual cost of \$4 million, increase the Highway 17 Express service level to provide a more attractive alternative to driving alone
- d. Within financial capacity, increase the level of Customer Service staffing and marketing services to achieve excellence in Customer Service to attract new riders and meet the needs of exiting ones
- e. Within financial capacity, pursue initiatives which contribute to general community mobility rather than exclusively mass transit solutions
 - i. Monitor information and, within financial capacity, pursue implementation of alternative service models, such as Transportation Network Companies (TNCs), Microtransit, other on-demand services, and autonomous vehicles; particularly where they may be cost effective
- f. In order to increase reliability and reduce unscheduled overtime (\$2 million annually), increase the percentage of extra board Operators in support of scheduled shift assignments
- g. In response to Countywide decisions made relative to the Unified Corridor Investment Study, develop implementation plans and operating cost estimates for services in the following corridors; Soquel/Freedom Bus Rapid Transit (BRT)

Attachment B

Lite services, Highway 1 Bus On Shoulders service, and mass transit in the Rail Corridor

4. Internal and External Technology

a. External (Customer Facing)

- i. Automatic Vehicle Location (AVL) is scheduled to be implemented during 2019. AVL is also a valuable internal tool to support efficient bus scheduling by providing comprehensive data about on-time performance and average travel times on all segments of the system
- ii. A Highway 17 Express mobile ticketing pilot project will be implemented in 2019 to determine its attractiveness to users of this service. Pending results of this pilot, consideration will be given to implementing mobile ticketing system-wide
- iii. Pending the effectiveness of the mobile ticketing pilot project, implement an account based fare payment system which improves customer convenience by allowing purchasing and reloading of passes on-line

b. Internal

- i. Investigate upgrade or replacement of the current fare collection and reporting system as it is not dependable and prone to error, resulting in excessive staff time spent maintaining equipment and reconciling data.
- ii. Automatic Passenger Counting (APC) is a tool which would allow METRO to have complete system-wide data of passenger on/off by location, which allows for more effective service and stop planning, and removes the need for manual random field surveys which provide less data and are cost-inefficient to conduct
- iii. Develop new data tools for Key Performance Indicators (KPI) and Dashboards by continuing progress on creation of the data warehouse
- iv. Implement new Financial Information System (FIS).
 1. An eEarly CY2019 milestone will be the development of the scope of work for an FIS consultant to be hired to help review the existing systems and processes and to help develop the specifications and scope of work for a competitive bid for a new FIS system.

5. Employee Engagement: Attract, Retain, Develop

Attachment B

- a. Staffing Levels
 - i. Although the scheduled level of ParaCruz service is appropriate, the difficulty in maintaining a full staff of drivers impacts the effective delivery of this service. Continue to identify creative and innovative methods to recruit employees
 - ii. Difficulty in attracting fixed-route operators puts stress on existing staff and increases operating costs through unscheduled overtime. Continue to identify creative and innovative methods to recruit employees
 - iii. As many support functions at METRO are staffed at minimal levels, investigate typical staffing level ratios for comparable functions at peer agencies
- b. Attracting employees is often difficult because of the high local cost of living in Santa Cruz County. Recent Classification and Compensation studies may help address this situation.
- c. The ability to retain employees involves the opportunity to enhance one's career path with advancement opportunities which can be difficult at a small agency.
- d. Developing employee's skills, knowledge and abilities requires training which can be costly and time consuming; another difficulty at a small and minimally staffed agency.

6. State of Good Repair

- a. METRO's highest priority is to identify funds to replace the 62 fixed-route buses that have reached or surpassed the end of their useful life.
 - i. The Bus Replacement Program is funded to a level of \$3M annually. This will allow METRO to almost eliminate buses beyond their useful life by 2023. However, as existing newer buses start to reach the end of their useful life and California Air Resources Board (CARB) requirements to introduce electric buses begin in 2026, this financial challenge will re-appear and will require ongoing financial resources. The electric bus requirements will also require significant investment in charging infrastructure.
 - ii. Integrate Zero Emissions Buses (ZEBs) into the METRO fleet consistent with Board policy and comply with the impending CARB Regulation. Once the Regulation is adopted, return to the METRO Board with appropriate revisions to the METRO ZEB 2040 Plan that will make it compliant with CARB's Regulation
 - iii. To the greatest extent possible:

Attachment B

1. Provide METRO sufficient time to test its initial new ZEBs before committing to additional purchases, subject to thresholds in the impending CARB Regulation.
2. Subject to the thresholds in the impending CARB Regulation, avoid purchasing additional ZEBs until battery energy density improves sufficiently for the “end of life” range of the ZEB to run on all METRO routes (nearly 300 mile daily range)
 - iv. Design and construct the yard ZEB recharging infrastructure before the first ZEBs arrive in the second quarter of 2019
- b. Pacific Station is in need of significant rehabilitation in the near term for which METRO has approximately \$2 million available. Discussions with the City of Santa Cruz about the potential for a major redevelopment have resulted in an estimated \$10 million shortfall to implement. Subject to the results of studies currently underway, the current condition of the structure may require METRO to invest more than \$2 million in rehabilitation funds in the near future.
- c. There is a need for a METRO-owned ParaCruz facility as the current lease arrangement is financially inefficient (\$180,000 annual lease through 2021) and the landlord may not renew the lease after 2021.
- d. Create a strategy for addressing METRO’s 10-year Unfunded Capital Projects List for all equipment and facilities, which currently has a price tag approaching \$200M, including buses. Items include;
 - i. Capital maintenance and upgrades of our four Transit Centers;
 - ii. Operations, maintenance, administrative facilities, and bus stops; and
 - iii. Vehicle state-of-good-repair, and technology improvements.Some expenses associated with ongoing maintenance are treated as an operating expense.
- e. In response to Countywide decisions made relative to the Unified Corridor Investment Study, METRO may need to explore funding for facilities and equipment in the Soquel/Freedom (BRT Line), Highway 1 (Bus On Shoulders), and service to or on the Rail Corridor.

7. Strategic Alliances and Community Outreach

- a. Over half of METRO ridership is UCSC students, faculty, and staff with the University providing METRO almost \$4.5 million annually, which supported the retention of eight operators in 2016. This alliance is an important strategic and financial issue as UCSC continues to grow and draw riders from origins further from the campus than in prior years.

Attachment B

- b. Cabrillo College has been a financial partner for three school years, funding eight operators at an annual cost of approximately \$950,000, as a result of a student approved and funded bus pass program in 2016 and again in 2017, which is always subject to reconsideration by students. METRO will continue to work to meet Cabrillo needs, including improved access to its Watsonville campus.
- c. Maintain and enhance METRO's \$500,000 annual partnership with the Santa Clara County Valley Transportation Authority (VTA), AMTRAK, the Capital Corridor Joint Powers Authority (JPA), the San Joaquin JPA, and the San Joaquin Regional Rail commission (ACE) in support of the Highway 17 Express service.
- d. Enhance relationships with the Association of Monterey Bay Area Governments (AMBAG), the Santa Cruz County Regional Transportation Commission (RTC), and Caltrans who are partner transportation planning agencies involved in legislation, policy, and funding advocacy.
- e. Continue to participate in and support the Santa Cruz Chamber of Commerce and the Monterey Bay Economic Partnership (MBEP).
- f. Within the upcoming requirement to have an all electric bus fleet by 2040 METRO will explore a business relationship with Monterey Bay Community Power and PG&E.
- g. With the recent history of strong public support in Santa Cruz County for transportation funding, METRO will analyze the financial capacity and public appetite for revenue enhancing measures to address capital needs and allow for an increased level of transit service, especially focusing on frequency and span of service.
- h. Work with local jurisdictions to influence their land use strategies to encourage more transit oriented development patterns and road networks which can be efficiently serviced by public transit. Densification of nodes along existing bus trunk lines should be encouraged.
- i. Establish a Marketing & Communications function to promote services, retain customers and attract new ridership. Once the Marketing Director is aboard, pursue:
 - i. Developing communication tools and social media to educate the public on the benefits of public transportation.
 - ii. Educating the riding and non-riding residents of Santa Cruz County about how METRO uses the resources they have granted METRO and the air quality/sustainability/GHG reductions to the region
 - iii. Promoting, when appropriate, alternative service models as discussed in Item 3.e.

Attachment B

j. Legislation

- i. Provide ongoing education via the Headways, media press releases, and other mediums on legislative issues vital to METRO.
- ii. Support favorable electricity rate legislation/regulation for transit properties operating ZEBs.
- iii. Continue ongoing work with the CTA via the Executive and Legislative Committees
- iv. Continue to assert METRO's legislative agenda through APTA Committees, the Bus Coalition, and the services of the federal advocate to support various initiatives including:
 1. Increased federal formula funding including increasing the Small Transit Intensive Cities (STIC) funds to 3%;
 2. Federal transit reauthorization funded by stable and recurring funding sources and that grow formula funds to transit agencies; and
 3. Stabilizing the Highway Trust Fund - e.g., increase the federal gas tax.

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METRO 2019 Major Areas of Staff Effort in Support of Strategic Priorities

1. Safety First Culture

Implement Safety First initiatives

Secure all METRO facilities

Complete outfitting entire fleet with security cameras

Outfit JKS Fueling facility with security cameras

Maintain facilities to reduce accident risks

Continuously implement security enhancements

Minimize Traffic Accidents

Reduce workplace injuries

2. Financial Responsibility, Stability, Stewardship, Accountability

Pursue creation of new ParaCruz facility

Investigate repurposing of Soquel Park Ride

Manage/reduce ParaCruz operating cost per trip

Reduce unscheduled overtime

Reduce absenteeism

Solicit retail tenants to maximize lease revenue from retail sites at transit centers

Collaborate with the RTC to protect METRO revenues

Participate in TDA Reform Task Force

Monitor Federal funding bills

Enhance UCSC & Cabrillo partnerships

Maintain compliance with Disadvantaged Business Enterprise (DBE) program

Pursue State & Federal Grants

Maintain compliance with State & Federal regulations

Monitor and influence State & Federal legislation

Comply with new California Air Resources Board (CARB) Regulations

Conduct Labor Memorandum Of Understanding (MOU) negotiations

Reconcile budget/expenses

Pay our bills on time

Maximize cost-effective Parts Dept. stocking by maintaining efficient minimum/maximum supply levels

Provide mandated reporting to the National Transit Database (NTD)

Grow Revenues

Find best balance of bus operator extra board to minimize unscheduled overtime

Procure new FIS & Procurement Module

Facilitate competitive Procurements

Participate in Federal Transit Administration (FTA) Triennial Review

Participate in CHP Terminal Inspection

Monitor and achieve Key Performance Indicators (KPIs) (dashboard & scorecards)

Make data-driven decisions

Present 10-Year Strategic Plan to Board for adoption

Maintain Payroll reliability

Conduct mandated annual financial audit

Maintain a 2-year balanced budget and maintain a 5-year balanced budget plan

Carefully manage expenses

Comply with board reserve policy

Pursue new vinyl advertising

Increasing advertising sales

Comply with Brown Act by timely posting of board agendas and packet mail out

Resolve PERSable issues

3. Service Quality and Delivery

Deliver 39,000 hours of ParaCruz Service

Deliver 450,000 miles of ParaCruz service

Provide over 72,000 ParaCruz rides

Deliver 207,000 hours of fixed-route Revenue Service

Deliver 2.9 million fixed-route revenue service miles

Provide over 5 million fixed-route rides

Retain current customers

Grow fixed-route ridership

Grow Hwy 17 ridership

Incorporate 4 new articulated buses from VTA into METRO fleet

Move Bus on Shoulders project forward with Caltrans

Continuously pursue more efficient bus routes

On-board new fixed-route bus operator & ParaCruz driver classes

Conduct onboard Survey

Conduct Countywide non-rider survey

Implement fare restructuring process

Introduce improved fare payment technologies including electronic fare media with online fare loading features (smart card expansion)

Implement Hwy 17 Mobile Ticketing pilot project

Provide exceptional customer service

Reduce customer service complaints

Monitor Website & Ticket Vending Machines (TVMs) for ADA accessibility

Implement Marketing program

Plan for implementation of Watsonville circulator

Install of Automatic Vehicle Location (AVL) system providing real-time bus arrival information for passengers and internal operating efficiency

Pursue procurement of Automatic Passenger Counting (APC) technology

Develop quarterly service changes and implement quarterly bid process with operators

Implement Downtown Bus Pass with City of Santa Cruz

Manage balance between frequency and geographic service coverage

Maintain Americans with Disabilities Act (ADA) compliance

Improve service reliability and on-time performance

Produce quarterly HEADWAYS Riders Guide

Plan and implement alternative service model pilot projects (micro transit, taxi, UBER/Lyft)

4. Internal and External Technology

Increase server & outlook dependability

Plan for and implement charging infrastructure for electric buses including solar power and battery energy storage

Plan for upgrade of fare payment system including on-board fare boxes and off-vehicle ticket vending machines (TVMs)

Monitor and improve HASTUS scheduling and payroll software

Further develop data warehouse to provide for efficient analysis and decision making

5. Employee Engagement; Attract, Retain, Develop

Efficiently fill vacant positions

Recruit & on-board new employees in a timely manner

Implement training & professional development

On-board new Grants/Leg Analyst

Acquire replacement parking for Pacific Station employees

Continuously communicate with labor unions

Conduct interdepartmental coordination meetings

Participate in educational seminars and attend conferences

Continuously implement new & revised administrative policies and procedures

Complete Class & Compensation process for SEIU and management positions

Hire new Marketing Director

Implement new creative recruitment efforts

6. State of Good Repair

Continue effort to replace 50 + buses beyond their useful service life

Maintain and Clean 94 buses

Incorporate 10 new Diesel Electric Hybrid Buses into METRO fleet

Manage \$3 million annual bus replacement fund

Continuously reduce number of buses on daily dead list

Maintain 900 clean & safe bus stops

Upgrade ParaCruz dispatch software

Incorporate new ParaCruz vehicles into fleet

Operate and maintain Pacific Station

Plan for future of Pacific Station

Operate and maintain the Watsonville Transit Center

Operate and maintain Capitola Mall Transit Center

Operate and maintain the Scotts Valley Transit Center/Park and Ride

Conduct Mid-life overhauls & refurbishes

Complete procurement of 6 new Gillig replacement CNG buses

Install 25 new Bus Shelters from VTA

Maintain non-revenue vehicles

Maintain update the federally mandated Transit Asset Management (TAM) Plan

Keep all METRO vehicles and facilities in a State of Good Repair

Perform Periodic Maintenance Program on time

Increase mean miles between mechanical failures

7. Strategic Alliances and Community Outreach

Engage stakeholder agencies including RTC, AMBAG, Caltrans, the County and Cities,

Facilitate the METRO Advisory Committee (MAC)

Participate in annual regional transit agency meetings with MST and SLO

Nurture the Hwy 17 partnership with member agencies including increasing financial resources

Participate in First Friday events

Work with advocacy groups including APTA, CalAct, the Bus Coalition, CalTip, CSMFO, GFOA, CTE, ZEBRA, UASI, and GES

Participate in holiday parades

Participate in Santa Cruz County Fair

Process Unified Corridor study with RTC

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DATE: January 25, 2019

TO: Board of Directors

FROM: Bruce McPherson, Chair

SUBJECT: CONSIDERATION OF (1) NOMINATING DIRECTORS TO SERVE AS BOARD OFFICERS, (2) NOMINATING DIRECTORS TO POSITIONS ON VARIOUS BOARD COMMITTEES, (3) NOMINATING DIRECTORS TO FILL FOUR (4) POSITIONS ON THE SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCCIC), AND (4) NOMINATING REPRESENTATIVES AND ALTERNATES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION (SCCRTC)

I. RECOMMENDED ACTION

That the Board of Directors Nominate Directors to the following positions:

- 1) Santa Cruz Metropolitan Transit District (METRO) Board Chair and Vice Chair;**
- 2) Vacant Director Positions on various METRO Board Committees;**
- 3) Four Director Positions on the Santa Cruz Civic Improvement Corporation (SCCIC) Board; and,**
- 4) Representatives and Alternates for the Santa Cruz County Regional Transportation Commission (SCCRTC)**

II. SUMMARY

- Article 6 of the Santa Cruz Metropolitan Transit District (METRO) Bylaws provides that the Board of Directors shall annually nominate individuals to the positions of Chair and Vice Chair.
- In 2018, the Board of Directors nominated individuals to stand for election to the Standing Committee positions referenced in this staff report.
- Article III, Section 3.03 of the Santa Cruz Civic Improvement Corporation (SCCIC) Bylaws provides that the Board of Directors shall appoint METRO Directors to the SCCIC Board.
- In order to maintain representation on the Santa Cruz County Regional Transportation Commission (SCCRTC), it is necessary that the Board of Directors elect individuals to the three positions and three alternate positions that are designated for METRO Board Members.
- Elections for the positions referenced in this Staff Report are scheduled to be held at the beginning of the February 22, 2019 Board of Directors meeting.

III. DISCUSSION/BACKGROUND

The terms of the officers and appointees of the Board of Directors in the positions of Chair, Vice Chair and SCCRTC appointees expire in February 2019. One of the five SCCIC Directors' terms expired in November 2018. Another three Directors' terms are set to expire in February 2019.

SCCIC is a non-profit public benefit corporation organized under the non-profit benefit corporation law in the State of California to provide financial assistance to METRO by acquiring, constructing and financing various public facilities, land and equipment and the leasing of facilities, land and equipment for use, benefit and enjoyment of the public served by METRO.

Article III, Section 3.03 of the SCCIC Bylaws provides that METRO's Board of Directors shall appoint METRO Directors to the SCCIC Board.

Staff recommends that the METRO Board of Directors appoint METRO Directors to serve on the SCCIC Board. At this time, three appointees are needed for three expiring positions and one appointee is needed for one vacant position. The Directors filling the expiring positions will hold the office for a term of two years. The Director filling the vacant position will hold the office for a term of one year.

The METRO Bylaws provide that the Board of Directors shall identify nominees to be considered for election to the positions herein referenced.

Staff recommends that the Board of Directors provide slates to:

- 1) Elect Directors to the positions of Chair and Vice Chair
- 2) Reconfirm or nominate Directors to positions on the current Standing Committees:
 - a. Capital Projects Committee
 - b. Finance, Budget and Audit Committee
 - c. Personnel/Human Resources Committee
 - d. MAC Committee
- 3) Fill four positions on the SCCIC
- 4) Elect three representatives and three alternates to the SCCRTC.

In accordance with the METRO bylaws, nominations remain open until the positions are filled through election. The election for the referenced positions is scheduled to be held on February 22, 2019.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Funding support for the positions identified in this Staff Report is contained under Admin in the FY19 and FY20 Final Budget adopted June 22, 2018 and in the FY20 and FY21 yet to be finalized.

V. ALTERNATIVES CONSIDERED

None.

VI. ATTACHMENTS

Attachment A: Current METRO Board Officers and Appointees

Attachment B: Current SCCIC Board Roster

Attachment C: Board Nominated Slate(s) Worksheet

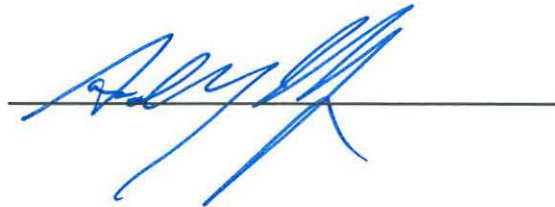
Prepared by: Gina Pye, Executive Assistant

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



Attachment A
**BOARD CHAIR & VICE CHAIR,
STANDING AND AD HOC
COMMITTEE APPOINTMENTS**



2018 Chair, Vice Chair and Standing Committees

Chair
BRUCE McPHERSON

Vice Chair
ED BOTTORFF

Capital Projects Standing Committee
Committee Established 8/26/16
ED BOTTORFF
CYNTHIA CHASE
BRUCE McPHERSON

Finance, Budget and Audit Standing Committee
(4-5 Board Members, as a ground rule)
Committee Established 8/26/16
TRINA COFFMAN-GOMEZ
JOHN LEOPOLD
DONNA LIND
CYNTHIA MATHEWS
MIKE ROTKIN

Personnel/Human Resources Standing Committee
Committee Established 8/26/16
BRUCE McPHERSON, Current Chair
ED BOTTORFF, Current Vice Chair
JIMMY DUTRA, Immediate Past Chair
NORM HAGEN
JOHN LEOPOLD

Attachment A

2018 Ad Hoc Committees

CEO Goals and Objectives Ad Hoc Committee

Committee Established 5/19/17

CYNTHIA CHASE
BRUCE McPHERSON
MIKE ROTKIN

Legislative Ad Hoc Committee

Committee Established 2/23/18

ED BOTTORFF
JIMMY DUTRA
BRUCE McPHERSON
MIKE ROTKIN

MAC Ad Hoc Committee

Committee Established 3/24/17

ED BOTTORFF
TRINA COFFMAN-GOMEZ
NORM HAGEN
BRUCE McPHERSON

2018 Other Committees

SCCIC Representatives

CYNTHIA CHASE
TRINA COFFMAN-GOMEZ
NORM HAGEN
JOHN LEOPOLD
BRUCE McPHERSON

SCCRTC Representatives

ED BOTTORFF
CYNTHIA CHASE
MIKE ROTKIN

SCCRTC Alternates (in order)

JIMMY DUTRA
DONNA LIND
DAN ROTHWELL

Attachment B



SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCIC)

BOARD OF DIRECTORS 2018 - 2019

	YEAR TERM BEGAN	YEAR TERM ENDS
Cynthia Chase, President	2017	2019
John Leopold, Vice President	2017	2019
Bruce McPherson, Secretary	2017	2019
Trina Coffman-Gomez, Treasurer	2018	2020
D. Norm Hagen, Director	2018	2020

Alex Clifford, Chief Executive Officer

Each Director holds office for a term of two (2) years from the date of appointment. The Board of Directors holds an annual meeting for the purpose of organization, selection of Directors and officers, and the transaction of other business. Annual meetings of the Board are held on the fourth Friday of March. The meetings are held in the same venue as the Santa Cruz METRO Board of Directors meeting.

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BOARD OFFICERS AND APPOINTMENTS



Board Nominated Slate(s) – January 25, 2019

Elect Board Chair (2018: Bruce McPherson)

SLATE 1

Nominee:

Nominated by:

1. _____

SLATE 2

2. _____

SLATE 3

3. _____

SLATE 4

4. _____

BOARD OFFICERS AND APPOINTMENTS



Elect Board Vice Chair (2018: Ed Bottorff)

Nominee:

Nominated by:

SLATE 1

1. _____

SLATE 2

2. _____

SLATE 3

3. _____

SLATE 4

4. _____

BOARD OFFICERS AND APPOINTMENTS



Reappoint or Nominate 3: Capital Projects Standing Committee Members

3 Total Members

2018 Members: Ed Bottorff, Cynthia Chase & Bruce McPherson

Nominee:

1. Ed Bottorff
2. Bruce McPherson
3. _____
(Director Chase, Legislating Agency Term Expired)

Nominated by:

- Currently in place
- Currently in place

SLATE 1

- Nominee:
1. _____
 2. _____
 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 2

- Nominee:
1. _____
 2. _____
 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 3

- Nominee:
1. _____
 2. _____
 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 4

BOARD OFFICERS AND APPOINTMENTS



Reappoint or Nominate 5: Finance, Budget and Audit Standing Committee Members

5 Total Members

2018 Members: Trina Coffman-Gomez, John Leopold, Donna Lind, Cynthia Mathews & Mike Rotkin

Nominee:

1. Trina Coffman-Gomez
2. John Leopold
3. Donna Lind
4. Cynthia Mathews
5. Mike Rotkin

Nominated by:

- Currently in place
- Currently in place
- Currently in place
- Currently in place
- Currently in place

SLATE 1

Nominee:

1. _____
2. _____
3. _____
4. _____
5. _____

Nominated by:

- _____
- _____
- _____
- _____
- _____

SLATE 2

Nominee:

1. _____
2. _____
3. _____
4. _____
5. _____

Nominated by:

- _____
- _____
- _____
- _____
- _____

SLATE 3

Nominee:

1. _____
2. _____
3. _____
4. _____
5. _____

Nominated by:

- _____
- _____
- _____
- _____
- _____

SLATE 4

BOARD OFFICERS AND APPOINTMENTS



Re-Appoint , Appoint or Nominate:
Personnel/Human Resources Standing Committee Members

**Current (2019) Board Chair; Current (2019) Board Vice Chair; Immediate Past
(2018) Board Chair, Bruce McPherson and 2 Board Members**

5 Total Members

**Committee Requires Current Board Chair, Current Board Vice Chair and Immediate Past Board
Chair as members PLUS two Directors
2018 Directors: Norm Hagen and John Leopold**

Nominee:

Nominated by:

SLATE 1

1. Current Board Chair, _____ (2019)

2. Current Board Vice Chair, _____ (2019)

3. Bruce McPherson, Immediate Past Chair (2018)

Automatic

4. John Leopold

Currently in place

5. _____
(Director Hagen, Retirement)

Nominee:

Nominated by:

SLATE 2

1. Current Board Chair, _____

2. Current Board Vice Chair, _____

3. Bruce McPherson, Immediate Past Chair (2018)

Automatic

4. _____

5. _____

Nominee:

Nominated by:

SLATE 3

1. Current Board Chair, _____

2. Current Board Vice Chair, _____

3. Bruce McPherson, Immediate Past Chair (2018)

Automatic

4. _____

5. _____

BOARD OFFICERS AND APPOINTMENTS



Nominate 1: SCCIC Representative

President, Cynthia Chase; Vice President, John Leopold
Secretary, Bruce McPherson; and, Treasurer, Trina Coffman-Gomez

5 Total Members

Cynthia Chase, President, Legislating Agency Term Expired
Norm Hagen, Retired Director (retirement effective December 31, 2018)

Nominee:

1. _____, President
(Director Chase, Legislating Agency Term Expired)
2. John Leopold, Vice President
3. Bruce McPherson, Secretary
4. Trina Coffman-Gomez, Treasurer
5. _____, Director
(Director Hagen Retirement)

Nominated by:

- _____
- Term expires 2019
- Term expires 2019
- Term expires 2020
- _____

SLATE 1

Nominee:

1. _____, President
2. John Leopold, Vice President
3. Bruce McPherson, Secretary
4. Trina Coffman-Gomez, Treasurer
5. _____, Director

Nominated by: Term

- Legislating Agency Term Expired
- Term expires 2019
- Term expires 2019
- Term expires 2020
- _____

SLATE 2

Nominee:

1. _____, President
2. John Leopold, Vice President
3. Bruce McPherson, Secretary
4. Trina Coffman-Gomez, Treasurer
5. _____, Director

Nominated by:

- Legislating Agency Term Expired
- Term expires 2019
- Term expires 2019
- Term expires 2020
- _____

SLATE 3

BOARD OFFICERS AND APPOINTMENTS



Reappoint or Nominate 3: SCCRTC Representatives (2018 Reps: Ed Bottorff, Cynthia Chase & Mike Rotkin) 3 Total Representatives

Nominee:

1. Ed Bottorff
2. _____
(Director Chase. Legislating Agency Term Expired)
3. Mike Rotkin

Nominated by:

Currently in place

SLATE 1

Currently in place

Nominee:

1. _____
2. _____
3. _____

Nominated by:

SLATE 2

Nominee:

1. _____
2. _____
3. _____

Nominated by:

SLATE 3

Nominee:

1. _____
2. _____
3. _____

Nominated by:

SLATE 4

BOARD OFFICERS AND APPOINTMENTS



Reappoint or Nominate 3: SCCRTC Alternates (in order) (2018) Alternates: Jimmy Dutra, Donna Lind & Dan Rothwell 3 Total Representatives

Nominee:

1. _____
(Director Dutra, Legislating Agency Term Expired)
2. Donna Lind
3. Dan Rothwell

Nominated by:

- _____
- Currently in place
- Currently in place

SLATE 1

Nominee:

1. _____
2. _____
3. _____

Nominated by:

- _____
- _____
- _____

SLATE 2

Nominee:

1. _____
2. _____
3. _____

Nominated by:

- _____
- _____
- _____

SLATE 3

Nominee:

1. _____
2. _____
3. _____

Nominated by:

- _____
- _____
- _____

SLATE 4

BOARD OFFICERS AND APPOINTMENTS



Reappoint or Nominate 3: CEO Goals & Objectives Ad Hoc Committee

Members

3 Total Members

2018 Members: Cynthia Chase, Bruce McPherson & Mike Rotkin

Nominee:

1. _____
(Director Chase, Legislating Agency Term Expired)
2. Bruce McPherson
3. Mike Rotkin

Nominated by:

- _____
- Currently in place
- Currently in place

SLATE 1

- Nominee:
1. _____
 2. _____
 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 2

- Nominee:
1. _____
 2. _____
 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 3

- Nominee:
1. _____
 2. _____
 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 4

BOARD OFFICERS AND APPOINTMENTS



Reappoint or Nominate 4: MAC Ad Hoc Committee Members

4 Total Members

2018 Members: Ed Bottorff, Trina Coffman-Gomez, Norm Hagen & Bruce McPherson

Nominee:

1. Ed Bottorff
2. Trina Coffman-Gomez
3. _____
(Director Hagen Retired)
4. Bruce McPherson

Nominated by:

Currently in place

Currently in place

Currently in place

SLATE 1

Nominee:

1. _____
2. _____
3. _____
4. _____

Nominated by:

SLATE 2

Nominee:

1. _____
2. _____
3. _____
4. _____

Nominated by:

SLATE 3

Nominee:

1. _____
2. _____
3. _____
4. _____

Nominated by:

SLATE 4

BOARD OFFICERS AND APPOINTMENTS



Reappoint or Nominate 4: Legislative Ad Hoc Committee Members

4 Total Members

2018 Members: Ed Bottorff, Jimmy Dutra, Bruce McPherson & Mike Rotkin

Nominee:

1. Ed Bottorff
2. Bruce McPherson
3. Mike Rotkin
4. _____
(Director Dutra, Legislating Agency Term Expired)

Nominated by:

- Currently in place
- Currently in place
- Currently in place
- _____

SLATE 1

Nominee:

1. _____
2. _____
3. _____
4. _____

Nominated by:

- _____
- _____
- _____
- _____

SLATE 2

Nominee:

1. _____
2. _____
3. _____
4. _____

Nominated by:

- _____
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SLATE 3

Nominee:

1. _____
2. _____
3. _____
4. _____

Nominated by:

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SLATE 4

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AT BOARD MEETING -

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NEWS CLIPS

November 16, 2018 – January 25, 2019

**SANTA CRUZ
COUNTY
ARTICLES**

GOOD TIMES

A Noodle Bowl to Cure the January Blues

The spicy sesame noodle bowl at Betty's Noodle House is delicious and wallet-friendly

By: Lily Stoicheff

Posted on January 16, 2019

The comedown from the holidays is never fun, but this year it hit me especially hard.

In the midst of the normal holiday pandemonium, my boyfriend and I brought a puppy into our lives, and then on Christmas Eve we became engaged. The last few weeks of December are a happy blur of champagne toasts and sleepless, puppy-filled nights.

As a result, my fiancé and I started the new year exhausted and fighting off colds. And like many in January, I was looking forward to making healthier meal choices and to begin undoing some of the damage that cheese plates and holiday cookies hath wrought. To top it off, the aches and pains I was feeling were nothing compared to what my credit card was going through.

I have a secret weapon for times like this: the spicy sesame noodle soup at Betty's Noodle House. You might not think that an Asian restaurant nestled in the Metro Center in downtown Santa Cruz could produce such delights, but it does. I've worked my way through many of their soups, but Spicy Sesame No. 13 continues to be my favorite because of its rich, comforting broth—nutty and aromatic, with the flavor of toasted sesame seeds.

Despite its name and a tablespoon of chili flakes, I don't find it very spicy, and I always amplify the heat, especially if I'm attempting to clear my sinuses. The bowl comes with more eggless wheat noodles than I can usually eat, and a nice portion of baby bok choy, zucchini, mushrooms and broccoli, still with a little crunch after being just-cooked in the super hot broth on its way to the table.

It's normally topped with pieces of tofu, which can be on the bland side except that they soak up the delicious broth like little sponges. It's satisfying every time, and although I consider myself to be a pretty good cook, I doubt I could recreate a broth with this kind of depth for a mere \$9.50 in my own home.

The spicy sesame noodle bowl is a meal my stomach, stuffed head and wallet can get behind every time.

Betty's Noodle House, 920 Pacific Ave., Santa Cruz. 426-2328.

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NEWS UP
YOUR PETS
SEE ADOPTABLES PAGE 17



PRESS BANNER

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New crosswalk safety projects for SLV funded

By Patrick Dwire

Most San Lorenzo Valley locals know from their own experience how careful they need to be crossing Highway 9 as a pedestrian, even in a crosswalk during the daytime. At other times, especially close to curves without crosswalks, it's downright dangerous.

Having a state highway as the town's "main street" in Felton, Ben Lomond, Brookdale and Boulder Creek makes matters worse, because motorists often pay little attention to changes in the speed limits between the highway and these small towns.

SAFETY PROJECTS CONTINUED FROM COVER

The Santa Cruz Regional Transportation Commission (RTC) was recently awarded a \$250,000 grant from CalTrans to improve pedestrian safety at five intersections along Highway 9 in the San Lorenzo Valley — three in Felton, one in Brookdale, and two in Boulder Creek. These projects will vary in their “treatments” of the problem, ranging from high-visibility striping and signage to flashing beacons to pedestrian-initiated, push-button crossing lights.

“The heavily used pedestrian routes along Highway 9 have a history of motorist and pedestrian collisions,” said Bruce McPherson, Fifth District county supervisor representing the San Lorenzo Valley. “These crosswalk improvements will increase visibility of the crosswalks and pedestrians, alerting motorists to their presence and warning motorists to slow down near crossing location.”

Between 2006 and 2017, there was a total of 34 “pedestrian-involved traffic incidents” reported along Highway 9 in the San Lorenzo Valley — an average of just over three every year. But locals know that reported accidents are the “tip of the iceberg” to a much greater number of “near-misses” that go unreported.

...ranging from high-visibility striping and signage to flashing beacons to pedestrian-initiated, push-button crossing lights.

Three pedestrians were killed in 34 accidents reported in the 10-year period, and four pedestrians sustained severe injuries. The vast majority of these accidents, 24 out of the 34 reported, occurred at intersections where the pedestrian had the right-of-way. Nearly half, fully 15 of the 34, occurred when the pedestrian was in a marked crosswalk, according to the Transportation Injury Mapping System used by the RTC.

RTC Staff, working with CalTrans, community leaders and the County's Public Works Department prioritized

the five projects based on factors such as high foot traffic and history of pedestrian-involved collisions, as follows:

Highway 9/Redwood Drive in Felton — close to the entrance of Henry Cowell State Park. This heavily used crosswalk is often used by park visitors parking on the shoulder of Highway 9 to avoid paying park entrance fees. The upgrade is scheduled to include moving the existing crosswalk out of a blind spot to better align with the entrance of the park, new florescent signs and crosswalk striping, with ADA accessible “landing pads”.

Highway 9 mid-block crossing in front of the Wild Roots grocery store in Felton; one of the busiest crosswalks in the SLV, this intersection is scheduled for a Rectangular Rapid Flashing Beacon, that will flash a warning to motorists in both directions when pedestrians hit the push button.

Highway 9 and Clear Creek Road in Brookdale; this crosswalk serves the bus stops and the Post Office in Brookdale. Due to the sharp curve just north of the Post Office, an advance warning flashing beacon is scheduled for installation north of the Post Office to alert south-bound traffic of the upcoming crosswalk, as well as new striping and other improvements.

Highway 9 and Forrest Street in Boulder Creek (directly in front of the SLV Water District office); This crosswalk has the highest number of pedestrian involved collisions of all the marked crosswalks in the SLV with four pedestrian injuries, including one fatality, in the last 10 years. The crosswalk is scheduled for a push-button Rectangular Rapid Flashing Beacon and other improvements.

Highway 9 and Pool Drive, up by the Mountain Store north of Boulder Creek; as the terminus for the only bus route serving the rural area north of Boulder

Creek and the location of the well-known Mountain Store, this intersection was chosen because vehicle speeds are excessive coming down Highway 9 and motorists are not prepared for pedestrian crossings and there is no crosswalk. It is also the site of a fatal pedestrian accident. An advance warning flashing beacon as well as a high visibility crosswalk is scheduled for this intersection.

Brianna Goodman, Transportation Planner and the RTC staff member most responsible for the grant application, explained more "big city" safety features, like large, overhead metal arms with flashing pedestrian warnings over the Highway 9 roadway were recommended by some community members, but not everyone agreed. The pedestrian-initiated Rectangular Rapid

Flashing Beacons were chosen for their relatively smaller size and lower profile to improve pedestrian safety yet preserve the "rural charm" of Felton and Boulder Creek.

"As a lifetime resident of the San Lorenzo Valley, it feels great to make a difference in my community with this successful grant," Goodman wrote to the Press Banner. "I can't wait to get out there and use these enhanced crosswalks myself. We hope this is just the first of many more projects to bring safety and infrastructure improvements to local residents through the Highway 9/SLV Complete Streets Corridor Plan."

The projects, now funded, need to undergo environmental review and a final design process, and are expected to actually be implemented in 2020.

Santa Cruz Sentinel

Sunday, January 6, 2019

\$1.50

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Highway 1 program reaches next step

By Elaine Ingalls

eingalls@santacruzsentinel.com

The Highway 1 Corridor Investment Program can proceed now that the environmental assessment and environmental impact report were approved Dec. 17 by Caltrans and the Federal Highway Administration.

The program seeks ways to relieve congestion on Highway 1 between San Andreas/Larkin Valley Road and Morrissey Boulevard in Santa Cruz County. The project is divided into tier I, a breakdown and overview of the entire program, and tier II, smaller projects that comprise the entire project, if funding is provided. The environmental report and assessment were drafted in collaboration with Caltrans and the Federal Highway Administration.

The long-term goals of tier I are to reduce congestion and encourage alternative transportation and ridesharing by eliminating the number of cars on the road. The current tier II project will build northbound and southbound auxiliary lanes between 41st Avenue and Soquel Drive and a pedestrian and bicycle overcrossing of Highway 1 at Chanticleer Avenue. An auxiliary lane is an extra lane between on and off ramps on the highway that allows drivers to merge into traffic safely.

Sarah Christensen, senior transportation engineer and Highway 1 program manager, said that in the future of the tier I project, up to two lanes would be built for a total of four lanes for each direction of travel: one High

Highway 1

FROM PAGE 1

Occupancy Vehicle lane, two general purpose lanes and one auxiliary lane.

According to the Santa Cruz County Regional Transportation Commission, there are three scenarios proposed in the environmental assessment; one will eventually be chosen as the long-term tier I project for the Highway 1 corridor. The scenarios are as follows: the High Occupancy Vehicle Lane Alternative will add a bus and carpool lane in both the north and south bound direction to the corridor and will include auxiliary lanes connecting on and off-ramps; the Transportation System Management Alternative, which includes auxiliary lanes between most interchanges and metering lights on on-ramps; and the No Build Alternative, which means no changes would be made to the highway.

The environmental assessments meet the regulations of two laws: the California Environmental Quality Act and the National Environmental Policy Act. The California Environmental Quality Act is an environmental law that guides the California Department of Fish and Wildlife in protecting the environment, making the public aware of environmental effects and ultimately approving or denying proj-

ects. The National Environmental Policy Act confirms that all branches of government are aware of environmental effects of projects before starting them.

According to the Tier I/Tier II Environmental Impact Report/Environmental Assessment, with the Tier II Auxiliary Lane Alternative, there would be no harmful impacts on wild and scenic rivers, timberlands, farmlands, parks and recreation areas or economic strains on the community.

Fifteen utility lines would likely have to be relocated, and widening the highway would result in removing trees and vegetation, according to the assessment. There is low potential for erosion and landslides, and reduced congestion could result in less emissions and pollutants that are normally caused by stop-and-go traffic, the assessment reads.

The highway corridors portion of Measure D provides \$125 million for highway corridors, according to the Santa Cruz County Regional Transportation Commission. Measure D is a half-cent sales tax that provides a steady and direct source of funding for every city and the county itself for transportation projects. These include local streets and road maintenance, bicycle and pedestrian projects, safety projects and transit and paratransit service.

Christensen, said that

the construction of the auxiliary lanes between 41st Avenue and Soquel Drive and the pedestrian and bicycle overcrossing of Highway 1 at Chanticleer Avenue would cost \$27.2 million.

Now that the environmental assessments have been approved, other Tier II projects can move toward environmental analysis, according to Christensen. These projects include a bicycle and pedestrian crossing at Mar Vista Drive and building auxiliary lanes between the Bay Avenue and Porter Street exit and the State Park Drive exit.

Guy Preston, executive director of the Santa Cruz County Regional Transportation Commission, said that construction for the auxiliary lanes between Soquel and 41st Avenue could conceivably start in about two years. He said that the Regional Transportation Commission wants to partner with the state to put together a funding plan that doesn't rely solely on local funds.

For information on the Highway 1 Corridor Investment Program, visit scrtc.org. To see the entire Tier I/Tier II Draft Environmental Impact Report and Environmental Assessment, visit scrtc.org/projects or visit the following library branches, Aptos, Capitola, Central Library, Live Oak, Scotts Valley and Watsonville or the Railroad Transportation Commission's Office, 1523 Pacific Ave., Santa Cruz.

Highway 1 Plan Receives Environmental Approval

SANTA CRUZ COUNTY — An environmental report for the Highway 1 Corridor Investment Program has recently been completed and approved, the Santa Cruz County Regional Transportation Commission announced.

Known as the final Tier I/II Environmental Impact Report (EIR) and Environmental Assessment (EA) for Highway 1, prepared in cooperation with Caltrans and the Federal Highway Administration, the document provides California Environmental Quality Act and National Environmental Policy Act approval for the HOV Lane Project, as well as the first Tier II Auxiliary Lanes Project between Soquel Avenue/Drive and 41st Avenue, including the bicycle and pedestrian overcrossing at Chanticleer Avenue, among other things.

Earlier in 2018, Measure D funds were used to advance the final design phase of the Highway 1 Auxiliary Lanes project between 41st Avenue and Soquel Avenue/Drive, including the bicycle and pedestrian overcrossing at Chanticleer Avenue, saving six to eight months on the overall schedule, according to the RTC.

For environmental analysis, the Highway 1 Corridor Investment Program was divided into two components: Tier I (planning-level) and Tier II (project-level). Tier I evaluates the overall planning-level concept for the future of the Highway 1 corridor between Santa Cruz and Aptos, while Tier II evaluates specific projects in the program.

The completion of the combined EIR/EA will allow Tier II projects, such as the Mar Vista bicycle and pedestrian overcrossing and auxiliary lanes between Bay Avenue/Porter Street and State Park Drive, to move forward, according to the RTC.

The Highway 1 Corridor Investment Program is a planning and funding program focused on the section of Highway 1 between San Andreas/Larkin Valley Road and Morrissey Boulevard. The long-term concept of the Tier I project is to reduce congestion, promote the use of alternative transportation modes as a way to increase transportation system capacity, and to encourage carpooling and ridesharing.

Commentary

The Missing Debate on Transportation

The Sentinel opinion page has been full of contentious debate over the future of our rail corridor.

By Rick Longinotti

The Santa Cruz Regional Transportation Commission (RTC) invited an internationally known transit planner to shed light on that debate. In his talk Jarrett Walker suggested that we need to be having a more immediate debate. "The debate before you is not just the exciting debate over what your infrastructure should be. You have a very immediate debate over whether you want to begin providing competitive transit service..."

Walker showed a map of the population density of our County and compared that with a map showing the frequency of bus transit service. The only transit service considered "frequent," (at least every 15 minutes) are the routes between UCSC and Downtown Santa Cruz. Walker remarked, "For a community of your size and your density, let alone the degree of progressive values that operate in this community, you do not have very much transit."

Walker said that more frequent transit service would benefit travelers along the Santa Cruz-Watsonville corridor. "We know that simply a higher level of service would be useful to a lot more people and would be having a lot more benefit particularly in the Santa Cruz-Watsonville corridor and both internally to Santa Cruz and Watsonville."

The RTC needs to revive discussion of the frequent transit network. The RTC's Unified Corridor Investment Study (UCIS) took a step in that direction by including Increased Transit Frequency on Soquel Drive/Freedom Boulevard in its analysis of investment scenarios. However, the RTC staff omit this strategy in their preferred scenario. If I'm understanding Jarrett Walker correctly, this is a mistake.

"How much of a transit system do you want? Because you clearly have less than you could use. You clearly have low hanging fruit....

It's not about the big spectacular project that transforms everything like the BART extension [in San Jose]. It's about fixing the bus network. Its

about making the bus system incremental more useful so that more and more people find it to be expanding their liberty." RTC staff also omit other strategies for expediting bus travel on Soquel/Freedom from their recommended scenario. Instead, RTC staff recommend more widening of Highway 1, in spite of the prediction of the Caltrans EIR that auxiliary lanes and ramp metering will not reduce traffic congestion and will increase traffic and greenhouse gases.

Our Commissioners need to give direction to their staff to prioritize transit and active transportation over auto expansion projects.

Jarrett Walker did weigh in on the use of the rail corridor. He described the transportation chokepoint in Aptos as "the mother of all chokepoints," where geography constrains potential expansions to Soquel Drive, Highway 1 and the rail corridor. He said, "It's a problem of sharing space." The solution "has to work for transit. It has to work for bicycles and pedestrians, and it has to make driving at least possible. ... The way it doesn't work is when one group ... wants to claim a certain space before other key things that want to fit through that space have been figured out. That is the concern I'm having with the idea of moving forward rapidly on making a decision about the rail line before we have a clear picture of what transit looks like with that. And I've looked at your documents and I have not seen that clear picture."

In search of a clearer picture, Santa Cruz METRO has requested that the RTC conduct an alternatives analysis to study how various transit options on the corridor might function in the context of the larger transit network. METRO asks that the alternatives analysis be completed before the RTC decides on the mode of transit for the corridor (train, bus, or other). The RTC will consider this request at their Jan. 17 meeting.

Rick Longinotti is co-chair of the Campaign for Sustainable Transportation.

Santa Cruz Sentinel

Letter | **Santa Cruz METRO Thanks VTA**

December 27, 2018

Santa Cruz METRO recently updated its bus fleet with the help of Santa Clara Valley Transportation Authority. METRO acquired 14 buses from VTA that are critical to our operation. On behalf of METRO, I'd like to thank VTA for continuing to be such a strong partner.

Ten of the vehicles are hybrid buses to be used on the Highway 17 Express route, which links Santa Cruz County to transit connections in the Silicon Valley. Four articulated buses (aka "bendy" buses) will be used on five routes that serve UC-Santa Cruz and the Coastal Science Campus.

These buses are important because they help reduce pollution and address climate change. They also increase reliability and the quality of service METRO provides its riders

I'm also very thankful for our long-standing transit partnership with UCSC. Transportation planning and service is truly a regional effort.

— Alex Clifford, CEO Santa Cruz METRO

SANTA CRUZ

METRO, Transportation Authority update buses

Santa Cruz METRO and Santa Clara Valley Transportation Authority have started to address local transportation needs by transferring 14 buses from the Transportation Authority to Metro.

Ten of the buses will be used on the Highway 17 Express route. Metro will also receive four articulated buses from Valley Transportation Authority to be used on five routes that serve UC Santa Cruz and the Coastal Science Campus.

Articulated buses are connected by a pivoting joint that makes the bus longer and allows for up to 100 passengers, or 40 passengers more than standard Metro buses. The new buses will phase into service this month. Santa Cruz Metro provides fixed-route and Highway 17 commuter service to Santa Cruz County and provides paratransit service in Santa Cruz County with its ParaCruz service.

Information: visit www.scmtd.com.

Santa Cruz METRO introduces its first fully hybrid buses

For the Press Banner

Santa Cruz METRO and Santa Clara Valley Transportation Authority (VTA) announced the transfer of 14 buses from VTA to METRO to help facilitate local transportation needs.

Ten of the vehicles are buses to be used on the Highway 17 Express route, which links Santa Cruz County to transit connections in the Silicon Valley.

"Replacing older buses is essential to maintaining reliable service," METRO CEO Alex Clifford said. "The Highway 17 Express is one of our most popular routes, with hundreds of riders depending on it for their daily commute."

VTA acquired these Express buses about four years ago through Prop 1B transportation funding. Changes to VTA service, including the addition of a new BART station, reduced VTA's need for the vehicles.

"The buses are in great shape and still relatively new," VTA General Manager Nuria Fernandez said. "We looked for somewhere to put them to good use, and here they are."

METRO also will receive four articulated buses from VTA, to be used on five routes that serve UC-Santa Cruz and the Coastal Science Campus. Buoyed by the success of the Articulated Buses Pilot Project implemented during Winter and Spring quarters to improve METRO service for UCSC students, METRO is investing in its own articulated buses. The pilot project, funded by UC Santa Cruz and the City of Santa

Cruz, met increasing student demand for bus service, reduced bus overcrowding and limited "pass-bys" — instances when buses that are full decline to stop at bus stops because there is no space for additional passengers. The three vehicles used during the pilot project were leased at a cost of \$15,000 a month, which UCSC covered.

Articulated buses can carry up to 100 passengers — 40 passengers more than standard 40-foot METRO buses — without significantly increasing METRO operating costs. The articulated buses make 39 trips each weekday, and 24 trips each on Saturday and Sunday on routes 10, 15, 16, 19 and 20.

"Many students count on METRO to get them to and from campus," Clifford said. "Finding affordable ways to provide quality service to UCSC is a priority for METRO."

The new buses will phase into service beginning this month.

Rail-Trail Controversy Continues: Greenway Says 10,000 Signatures Show Support For Trail Plan



Santa Cruz County Regional Transportation Commission Guy Preston (left) receives a stack of petitions from Santa Cruz County Greenway Executive Director Manu Koenig. More than 10,000 people signed the petition indicating their support for a countywide trail system that would replace the existing rail line. (Photo by Todd Guild/ Register-Pajaronian)

By: TODD GUILD

Posted Dec 19, 2018

SANTA CRUZ — In a future envisioned by the activist group Santa Cruz County Greenway, residents will be able to travel the length of Santa Cruz County on a bike trail running from Davenport to Watsonville.

In that vision, thousands of people using that trail will significantly reduce the load on Highway 1, thus improving commute times and solving a problem that has long plagued the county.

That vision is different from that of the county's rail advocates, who hope that a passenger train will one day serve more than 3,600 people daily.

On Tuesday, a group of Greenway supporters handed a stack of petitions with more than 10,000 signatures to Santa Cruz County Regional Transportation Commission's new director Guy Preston. Supporters say

the petition shows overwhelming support from county residents to convert the rail line into a pedestrian and bike trail.

The petition also shows opposition to increasing rail activities — including passenger service — along the 32-mile line, the group says.

Greenway Executive Director Manu Koenig said the group was bringing the signatures to the commission in advance of a Jan. 17 meeting, during which it will consider approving the recently completed Unified Corridor Investment Study.

That study recommends a \$950 million project, which includes repairing the tracks, adding a trail along the rail line and adding auxiliary lanes onto Highway 1.

In June, the SCCRTC approved a contract to allow that Lakeville, Minn.-based Progressive Rail to run freight operations in South County, and to possibly add passenger service, if feasible.

Greenway opposes those plans, saying the environmental and financial impacts make them unfeasible for the county.

The group says the project won't be completed for at least 30 years and will cost up to \$1 billion, with no clear way to pay for it.

Moreover, the estimated 3,698 trips estimated for passenger service would not make a dent in the more than 100,000 daily trips on Highway 1, Koenig said.

In a response letter written after the petitions were delivered, the RTC disputed those numbers. According to the RTC, capital costs in the UCS were estimated at \$325 million for passenger rail service between Santa Cruz and Pajaro Station, and the operating costs were estimated at \$15 million per year.

The issue might one day come back to voters for another sales tax measure, Koenig said, saying that the RTC has no concrete plan to pay for the rail project.

Measure D, the 2016 half-cent sales tax created to fund countywide transportation projects, prohibits the funds from being used on rail projects.

“They’re avoiding the most important question,” Koenig said. “Will the voters pay for it?”

But the RTC disputed that assertion. Instead, the study references “new state or federal grant programs, or funding sources such as a new sales tax or parcel tax, or new vehicle registration fees” if costs exceed funding.

Koenig also pointed to a recent survey by the RTC of 1,596 people, which he said showed 54 percent opposing rail service and 63 percent opposing the expansion of rail into North County.

But that is a misinterpretation of those numbers, the RTC stated.

“The questions in the survey asked respondents to mark on a scale of 1 to 5 their support for rail and freight service, so it is misleading to say that a certain percentage is opposed when they marked their level of interest on a scale,” the letter read.

Koenig cited the Nov. 6 passage of Measure L, where voters essentially showed their support for the use of the Capitola Trestle for bikes and pedestrians.

“This is not a NIMBY issue,” he said. “People throughout the county agree.”

The petition carries no legal weight. The RTC said, however, that it will use it when planning for future transportation needs.

RTC staff is still seeking community input for the final staff recommendation by the commission on Jan. 17.

Deadlines for public comment to be submitted are:

- Dec. 28, 5 p.m.: For consideration by staff in development of the final staff recommendation of preferred scenario and draft final report to the RTC on Jan. 17.
- Jan. 16, 12 p.m.: For consideration by the commission in the action on the preferred scenario on Jan. 17.

Trina Coffman-Gomez, Nov. 30: Clarifying Misconceptions and Moving Forward, Part Two

By: Trina Coffman-Gomez

Posted: Nov 30, 2018

Updated: Tuesday, December 18, 2018

Editor's note: *This is a continuation of Trina Coffman-Gomez's column from last week's edition, which touches on misconceptions surrounding the county's transportation planning.*

- There is a lack of representation for the Hispanic community: Commissioners are elected public officials that have taken an oath to represent all demographics, including the poor, the elderly, and people who speak languages other than English. All public meetings offer translation services. The City Council and the RTC are available to help any interested citizen learn more about transportation plans and policy and constantly strive to outreach and improve communications for all residents in our community.
- We will see tankers on our rail line: The contract with Progressive Rail prohibits tank car storage without approval from the RTC. Since they have come in, they have been proactive by removing the stored railcars that do not belong to any of our freight vendors. Some local businesses rely on freight for their product deliveries or exports such as Agron or Big Creek Lumber. Watsonville has five vendors using freight service today. You will see their rail cars moving their products and materials. Goods shipped by rail travel more efficiently and emit fewer greenhouse gasses. What's more, shipments by rail take trucks off the road and thereby relieve congestion and reduce wear and tear of the roadway system.
- The trail won't get done: The trail will, in fact, be done sooner by keeping the tracks and thus bypassing the eight-year-long process required for the RTC and community to change direction, find the funds to repay the state, manage environmental impact studies, and the possibility we could lose a significant amount of funding we now have in place. Currently, 13 miles of the trail projects are in various stages of development, with some funding already obtained. The first project is scheduled to be completed in 2019. The corridor has the capacity to build the rail and the trail for the entire length as demonstrated in the MBSST Master Plan. Some segments have more constraints than others which will require more intensive efforts and costly investments. Until those more difficult segments can be built out, we will continue using the on-road network of sidewalks and bike lanes which are ever being improved. The end result will be a transportation system that will take advantage of the dual benefits of active transportation and longer distance transit service.

- The cost of a train will be a burden to the taxpayers: The cost of not having the train is many times higher, including the costs of operating motor vehicles, the cost of collisions and accidents, lost productivity, lower economic activity, and the impacts of climate change for failing to offer modern alternatives to driving in congestion. These are among the reasons Scenario B, rail and trail, had the highest scores in the areas of economic vitality. To put this into perspective another way, we are currently paying nearly 78 percent of the rider's share of the passenger that is taking the bus today. It will be the responsibility for the RTC to explore and identify all options for funding a passenger train.
- The rail and the trail cannot coexist: All of the data that the RTC has provided has shown how the different modalities can complement each other. The corridor has the capacity and the width to safely handle passenger rail, pedestrians and cyclists. Where it is deemed necessary, safe separate bridges will be built for bikes and pedestrians.
- There won't be enough ridership to cover the cost of a train: The City of Watsonville has a density of 8,400 people per square mile, many of which use the highway for commuting daily. Other communities with this density have shown us that rail is an affordable transportation option. While coverage of costs is important, no transportation system, not roads, buses, ferries or air travel are covered entirely by fares or by use taxes. If the commission chooses to move forward on the option to include passenger rail, funding will be identified along with where the remaining funding will need to come from for the cost associated per rider. What the RTC has done is to study ridership and estimate the cost per rider based on other similarly populated densities from passenger rail lines like the San Diego Sprinter and Sonoma Marin SMART trains. They estimate the fares for riders to be an average of \$5.50. Ridership estimates from the UCS indicate there could be approximately 7,000 riders per weekday (or more than two million trips per year) with trains between Santa Cruz and Watsonville (including connections to Pajaro station). This is with the assumption of service from 6 a.m. to 9 p.m. every 30 minutes during weekdays and more limited service on weekends.
- Why can't we just build a third lane? Auxiliary lanes will continue to be built as planned, but these are discontinuous and only exist between freeway entrances and exits. Much of the highway corridor is constrained and does not provide space for an auxiliary lane, much less for an additional third general traffic lane or High Occupancy Vehicle Lane (HOV). Construction to accommodate a third lane would involve the reconstruction of every interchange/overpass and the two rail over-crossings at very high cost. Measure D includes construction funds for a few miles of lanes between: Soquel Drive and 41st Avenue, Bay Avenue/Porter Street and Park Avenue, and Park Avenue and State Park Drive. Any additional work requires additional funding and Caltrans has expressed less interest in funding highway widening than in the past. The HOV lanes would cost between \$600 million and a billion dollars to construct, which is the most expensive option in areas that would actually have enough width to expand the highway.

- Why can't we put the train down the middle of the Highway 1? For many of the same reasons additional lanes are a serious challenge, space and cost, a rail line located in the freeway corridor has little chance of working and would cost a great deal of money. Since we have an active rail line that can be utilized soon if we invest in improvements, it's much more practical to use the line we have and make the safety improvements needed. This also includes investing in the safest technology that is quiet and least intrusive to greenhouse gas emissions. Currently, there are passenger trains with low and zero-emission vehicle power, induction and wireless charging and battery advancements.

- If we choose a passenger rail, we will create a hardship for the Metro bus services? Public transportation can become more reliable and on time when it is synchronized and in harmony with moving passengers. Bus routes will take into consideration the passenger rail times to ensure the connectivity to the final destination along with other first mile/last mile options such as bicycle and pedestrian modalities. Santa Cruz Metro will work with the RTC to ensure the highest and best resources and options are available to their riders.

Trina Coffman-Gomez is a councilwoman for the City of Watsonville and is also the city's representative on the Regional Transportation Commission. This is the last of her articles highlighting projects the RTC will identify to improve moving people in Santa Cruz County.

Santa Cruz Sentinel

Greenway: 10,000 County Residents Want Trail, Not Train

RTC vote slated Jan. 17; Greenway suggests countywide ballot



Manu Koenig, executive director of Santa Cruz County Greenway, presents a petition to Guy Preston, the new executive director of the Santa Cruz County Regional Transportation Commission Tuesday. Greenway supporters say they collected signatures from 10,000 county residents supporting a trail instead of a train on the 32-mile rail corridor from Davenport to Watsonville. The RTC is slated to vote Jan. 17 on a \$1.25 billion transportation plan that calls for local rail and freight service. (Jondi Gumz — Santa Cruz Sentinel)

By Jondi Gumz | Santa Cruz Sentinel

PUBLISHED: December 18, 2018

SANTA CRUZ — Supporters of Santa Cruz County Greenway presented signatures Tuesday of 10,000 county residents on a petition backing a trail instead of a train on the 32-mile rail corridor to the new executive director of Santa Cruz County Regional Transportation Commission.

RTC chief Guy Preston came on board Dec. 3, succeeding George Dondero, who had led the efforts to buy the 32-mile rail corridor from Davenport to Watsonville and win voter support for a transportation sales tax.

Dondero oversaw a study of how to spend those tax revenues to reduce congestion in county corridors, resulting in a recommendation for a \$950 million project including \$352 million for rail, \$283 million for a trail alongside the train and \$264 million for Highway 1.

Based on a 2015 feasibility study, passenger rail service between Santa Cruz and Watsonville was projected to serve about 3,500 people a day, taking cars off Highway 1 which sees 100,000 cars a day. Rail fares were assumed to average \$5.50 per ride, same as bus fare.

RTC members postponed a Nov. 15 vote to authorize the project until Jan. 17, saying more time was needed.

Preston was polite, thanking Manu Koenig, Greenway's new executive director.

"Public engagement is important," said Preston, returning to his staff meeting.



Greenway supporters meet Tuesday outside the office of the Santa Cruz County Regional Transportation Commission before presenting 10,000 signatures on their petition for a trail instead of a train on the 32-mile rail corridor from Davenport to Watsonville. (Jondi Gumz — Santa Cruz Sentinel)

The Measure D sales would not fully fund any of the proposed scenarios. The study notes new public investments would be needed, state or federal grants or a new local sales tax, parcel tax or vehicle registration fee.

"Will the voters pay for it?" Koenig asked.

He noted a majority of Capitola voters in November favored preserving the Capitola trestle for people on foot or on bikes and suggested Santa Cruz County supervisors "craft a clear ballot question for 2020."

Koenig said 3,000 signatures were collected online and 7,000 in person, starting in October 2017 through May of this year but got little response from RTC leaders.

"We felt ignored," he said, noting 10,000 is about the number of signatures needed to put a countywide measure on the ballot.

"That petition lacks credibility," said Mark Mesiti-Miller, who heads Friends of the Rail and Trail, noting signatures were gathered before the RTC unveiled the 230-page corridor study in November. "I think trail-only is dead."

Silvia Morales, a parent of three who commutes from Watsonville to Santa Cruz and chairs Greenway's board, has another perspective.

Two of her children attend Pacific Collegiate charter school on the Westside, and time in the car cuts into time they could invest in academic studies and sports.

"We spend three hours a day driving," she said. "I feel the pain."

Moving closer to the school is not an option, and she would like to have a trail for kids to walk and to bike.

Quentin Shaeffer, 17, a Santa Cruz High School graduate, met Koenig when he was collecting signatures and became a trail supporter.

At first, he thought a train would be "cool," but "the data are pretty much overwhelming how expensive it is," he said.

Supervisor Judge Paul Burdick is assigned to Greenway's lawsuit contending the California Environmental Quality Act's mandate for environmental review should apply to Progressive Rail, which got a 10-year contract from the RTC in June and began operating freight service in Watsonville in August.

Burdick postponed a Dec. 14 hearing to have more time to study the legal arguments.

Progressive Rail was chosen to replace Iowa Pacific, which withdrew due to financial problems.

Greenway's attorney, Sara Clark of Shute, Mihaly & Weinberger of San Francisco, contends that environmental review should apply to choosing a new rail operator and cites impacts such as noisy train horns and track repairs in sensitive wetlands areas.

Progressive Rail's attorneys, Cox, Castle & Nicholson of San Francisco, contend that Congress has power over railroads, with the 1995 Interstate Commerce Commission Termination Act

exempting rail operations — including track repair and a proposed transloading facility — from environmental review.

The Surface Transportation Board, based in Washington, D.C., “ has exclusive jurisdiction over rail carriers.” according to Progressive Rail’s legal brief.

The RTC’s attorney, Sabrina Teller of Remy Moose Manley in Sacramento, contends the RTC had to select a new operator to meet its freight service commitment to the state and that Progressive Rail contract will not significantly expand freight use. Progressive is obligated to handle 250 freight cars a year in the fourth year of the agreement, fewer than 352 a year on average handled by Iowa Pacific.

The Jan. 17 RTC meeting has not been posted yet, but if custom holds, it would be at 9 a.m. at the county government center, 701 Ocean St.



Interim Director of Transportation and Parking Services

From: Jean Marie Scott, Associate Vice Chancellor, Risk and Safety Services December 12, 2018

Associate Director Dan Henderson will serve as interim director of Transportation and Parking Services while we prepare to recruit a new TAPS director.

Henderson ('98 BS, History) joined UC Santa Cruz in August after spending 10 years directing parking and transportation operations for the San Francisco 49ers.

Henderson will take over for Larry Pageler, who is retiring with 35 years of service to the university. Larry's last day is Jan. 3.

An alumnus of Crown College and graduate of the Environmental Studies department, Larry began his work at UCSC as a student on the Crown Work Crew and as a summer conference custodian. In 1983, he was hired as an environmental planner for a proposed UCSC Research and Development Center, followed by roles within the Institutional Studies and Capital Planning departments of the Office of Finance, Planning, and Administration.

In 1990, Larry was hired as UCSC's second Transportation Manager, where he led his staff to expand "sustainable transportation" options for the campus, including commuter vanpools, new bike programs and infrastructure, expanded Campus Transit services, and new Santa Cruz Metro Transit District routes serving UCSC locations. Larry has worked on three Long Range Development Plans and numerous other campus planning efforts throughout his career. Under Larry's stewardship, TAPS successfully secured more than \$6 million in external grant funding for campus transportation improvements. Larry has been actively engaged in the University of California system-wide transportation directors group and serves as a leader in the field of sustainable transportation programs.

Please join me in thanking Larry for his many contributions to UC Santa Cruz and in congratulating him on achieving this milestone!

DECEMBER 2018

SANTA CRUZ METRO

Santa Cruz METRO adds single-ride tickets

Staff report

SANTA CRUZ — Santa Cruz METRO recently announced that riders can now purchase single-ride tickets in advance to expedite bus boarding for passengers to help keep buses on time, and reduce the need for bus riders to carry cash.

The single-ride tickets can be purchased at any METRO customer service booth, as well as ticket vending machines located at METRO transit centers and Cabrillo College. Single-ride tickets are \$2 each for local Santa Cruz County service and \$7 for the Highway 17 Express bus.

Previously, METRO riders had to have a bus pass or pay with exact cash when boarding a bus as the fare boxes do not give change.

“We want to make METRO as accessible as possible for riders,” said Alex Clifford, CEO of Santa Cruz METRO. “Making it possible for people to purchase ride tickets in advance with a credit or debit card is one small way to reduce barriers to transit.”

Single-ride tickets can be purchased individually, or loaded onto a Cruz Pass for use by families, groups or to be ready for future trips. METRO Customer Service booths are located at the Pacific Station in Santa Cruz and Watsonville Transit Center. Ticket vending machines are also located at those facilities as well as Scotts Valley Transit Center and Cabrillo College.

METRO operates 26 year-round routes throughout Santa Cruz County. Local fares are \$1-2 with day passes available for \$6 or less. Highway 17 fares are \$3.50-7 with Day Passes available for \$14.

Register-Pajaronian

Rick Longinotti and Mireya Gomez-Contreras, Dec. 7: Real Alternatives for Watsonville Commuters

By: RICK LONGINOTTI and MIREYA GOMEZ-CONTRERAS

Thursday, December 13, 2018

This column shines a light on what we already know. Sometimes we wish that reality were different — and that makes us forget what we know.

Anyone over a certain age who has driven the freeways of the Bay Area or Southern California knows that widening highways doesn't work to reduce congestion beyond the short-term.

The research confirms our experience.

- In Los Angeles, a study reports that travel speeds are just as bad or worse after widening Highway 405 for a carpool lane.
- The California Air Resources Board commissioned UC Davis researcher Susan Handy to survey studies on highway expansion. She reports that “adding capacity to roadways fails to alleviate congestion for long because it actually increases vehicle miles traveled (VMT).” Handy explains that once a highway expansion project alleviates some congestion, drivers opt for auto trips rather than other modes, or take longer trips, or trips that they didn't take when the highway traffic was bad. And some people, thinking that the lower congestion will last, decide to relocate farther from their jobs.
- In “The Fundamental Law of Road Congestion: Evidence from US Cities,” the authors found a one-to-one relationship between additional highway lanes and additional vehicle travel. Adding a lane in each direction to a four-lane highway (a 50 percent increase in lane-miles) results in a 50 percent increase in VMT.

But we know this. Watsonville City Council member Rebecca Garcia told about her many-year commute to San Jose. Not long after widening Highway 101, the highway quickly became congested again.

So if widening highways doesn't work, what can be done for the thousands of people stuck on Highway 1? When Susan Handy was asked this

question at her Santa Cruz talk in 2016, she responded, "Give people alternatives to traveling on Highway 1."

Several alternatives are coming before the Regional Transportation Commission at their meeting on Jan. 17. There's "Bus-on-Shoulder," which would dedicate the shoulder of Highway 1 to buses. There's transit on the rail corridor. METRO is asking the Regional Transportation Commission (RTC) to study ridership, routes, and cost in order to best determine whether that transit should be a rail vehicle, Bus Rapid Transit or other. And there is prioritizing bus service on Soquel Drive and Freedom Boulevard.

Unfortunately, the Watsonville City Council is on record as supporting expansion of Highway 1 — as well as the transit alternatives. Even if we lived in a world where expansion of highways really worked, it is not financially feasible to build a new HOV (carpool) lane in each direction on Highway 1. As Council member Trina Coffman-Gomez reports, "Construction to accommodate a third lane would involve the reconstruction of every interchange/overpass and the two rail over-crossings at a very high cost." She estimates that the extra lanes "would cost between \$600 million and a billion dollars to construct."

In 2010 the Federal Highway Administration (FHA) told the staff at the RTC that the HOV lane project was not financially feasible, hence they were going to cut off federal funds for the project's environmental review. In response, the RTC Executive Director George Dondero sent a memo to the FHA, claiming "Santa Cruz County can reasonably be expected to pass a sales tax measure to fund the Highway 1 HOV lanes project." Dondero told the FHA that "full project funding" would be accomplished by a local sales tax measure in 2014. (What actually happened was a 2016 ballot Measure D containing funding for just a fraction of the HOV lanes project: four miles of auxiliary lanes (exit-only lanes) from Santa Cruz to Aptos.) The feds didn't accept Dondero's funding explanation. In a letter in May 2011 they wrote, "Federal Highway Administration has determined the Highway 1 HOV Project does not have sufficient funds to cover the \$503 Million HOV Lane Alternative."

The RTC staff persists in claiming that the HOV project isn't dead. It's just waiting for funding prospects post-2035, according to the staff report. Yet

federal grants have dried up and the state is prioritizing sustainable transportation over highway expansion. The RTC staff is recommending two more expensive projects on Highway 1: auxiliary lanes and ramp metering. It's not that staff believes these projects will improve congestion. Outgoing Executive Director George Dondero said, "I never said that the auxiliary lanes in Measure D would improve congestion." Staff is recommending auxiliary lanes to "make room between the interchanges for the addition of High Occupancy Vehicle Lanes." The unrealistic dream of the HOV lanes (some day after 2035) is guiding today's spending priorities.

The irony for Watsonville residents is that this futile plan to relieve congestion on Highway 1 is being promoted as benefitting Watsonville commuters. Even RTC commissioners who know that auxiliary lanes don't relieve congestion say, "The voters want this." Really? Do Watsonville residents want illusory solutions, or real alternatives?

Rick Longinotti is co-chair of Campaign for Sustainable Transportation. Mireya Gomez-Contreras is a Watsonville native. Their opinions are their own and not necessarily those of the Register-Pajaronian.

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Santa Cruz METRO

Adds Single-Ride Tickets

SANTA CRUZ — Santa Cruz METRO today announced riders can now purchase single-ride tickets in advance to expedite bus boarding for passengers to help keep buses on time, and reduce the need for bus riders to carry cash.

The single-ride tickets can be purchased at any METRO customer service booth, as well as ticket vending machines located at



SANTA CRUZ METRO

METRO transit centers and Cabrillo College. Single-ride tickets are

\$2 each for local Santa Cruz County service and \$7 for the Highway 17 Express bus. They can be purchased individually, or loaded onto a Cruz Pass for use by families, groups or to be ready for future trips. METRO Customer Service booths are located at the Pacific Station in Santa Cruz and Watsonville Transit Center. Ticket vending machines are also located at those facilities as well as Scotts Valley Transit Center and Cabrillo College.

Santa Cruz Sentinel

Measure L Campaign Violations Alleged

State opens inquiry; lawsuit cost city \$65,000

By Jondi Gumz | Santa Cruz Sentinel

PUBLISHED: December 11, 2018

CAPITOLA — The California Fair Political Practices Commission has confirmed it is investigating allegations that Greenway Capitola violated campaign reporting requirements in connection with the Measure L trestle initiative passed Nov. 6 by Capitola voters.

Greenway Capitola raised \$31,000 and opponents raised \$14,000, making this campaign the most expensive in Capitola in recent memory, according to City Manager Jamie Goldstein.

Goldstein said the city settled the claim for attorney's fees for \$65,000 in the lawsuit to keep Measure L off the ballot.

The FPPC notified Greenway Capitola of the inquiry on Election Day.

The inquiry is in response to an Oct. 29 complaint by Linda Wilshusen, assistant treasurer of Capitola First-No on L, a committee opposing Measure L, which sought to preserve the aging trestle in Capitola Village for use as a trail and prevent city investment in detouring people onto city streets or sidewalks.

Mike Rotkin, a member of the Santa Cruz County Regional Transportation Commission, issued a statement saying the potential violations include Greenway Capitola not disclosing legal and canvasser expenditures as the state requires, misleading voters and the public by not fully disclosing the role of Santa Cruz County Greenway in Capitola's Measure L campaign and filing as a general purpose committee instead of a ballot measure committee.

"We had many reports from Capitola residents that they were being visited at their doors by paid precinct workers from Yes on L, far too many for one person to be doing it all," Rotkin said. "These included UCSC students who reported that they had been recruited to do such paid precinct work."

Dennis Norton, a four-time Capitola mayor opposing Measure L, agreed “there were many” paid precinct walkers, and he didn’t see those payments in the campaign reports.

Wilshusen complained that “the volume of campaign signs, mailers and other materials is seemingly beyond the state contribution total listed in the 460s.” Form 450 is used to report campaign fundraising and spending.

Greenway Capitola raised \$23,000 as of the Oct. 20 reporting deadline, a figure that grew after three donations totaling \$8,000 came in after the deadline. Form 497 is due 24 hours within receiving a contribution of \$1,000 or more, but these three donations were reported Nov. 5, the day before the election.

Santa Cruz County Greenway gave \$4,500 on Oct. 22.

Michael Hollister of Aptos, a vice president at Driscoll’s, gave \$1,000 on Oct. 22.

Kathleen Ballard of Santa Cruz gave \$2,500 on Oct. 26.

Santa Cruz County Greenway, which is based in Santa Cruz, donated a total of \$14,000 to Greenway Capitola for the Measure L campaign, according to a major donor statement filed Nov 13, after the election. by Manu Koenig, executive director of Santa Cruz County Greenway.



Manu Koenig

On Oct. 26, after reviewing Form 460 campaign statements, City Clerk Linda Fridy emailed Greenway Capitola to recommend listing those legal fees as “unpaid

bills” and filing an amendment to indicate a change to a “ballot measure committee.”

Koenig, the new executive director of Santa Cruz County Greenway, responded to the Sentinel’s request for comment, saying Tom Evans of Capitola, who chaired the Yes on L campaign, was traveling on business and unavailable.

“I’m not going to get into the specifics,” Koenig said. “All the data is available publicly on the city of Capitola website.”

He said Santa Cruz County Greenway did not pay people to collect signatures.

“That’s all reported in the Capitola Greenway filings,” he said.

Asked about the legal fees, Koenig said the city paid those fees directly to Greenway Capitola’s attorneys.

“The law is clear that legal fees incurred in connection with this type of lawsuit are not campaign reportable,” he added, citing a 1977 case involving the city of Lake Forest which he said confirmed by the FPPC in 2013.

Koenig also provided a statement from the Yes on L campaign saying, “It is unfortunate that the No on L Campaign, which lost a fair election in Capitola, cannot graciously accept the will of the voters...The Yes on L campaign is aware of its campaign reporting obligations and has disclosed, and will continue to disclose, all receipts and expenditures as required by law.”

The statement continued, “We will not be responding further to false statements made via press release by the defeated No on L campaign or its surrogates. The election is over, and the people of Capitola have spoken: the majority of Capitolans want pedestrians and bikes on the Capitola trestle.”

Santa Cruz Sentinel

Santa Cruz Leaders May Back Regional Transit Spending Plan, With Caveats



Highway 1 was littered with 21 wrecked vehicles between Ocean Street and River Street last month after a big rig lost its brakes, plowed through the vehicles, coming to rest on a car and catching fire just short of the intersection with Highway 9. The Santa Cruz City Council is seeking regional funding to widen the roadway nearby. (Dan Coyro — Santa Cruz Sentinel file)

By Jessica A. York | Santa Cruz Sentinel

December 9, 2018

SANTA CRUZ >> Prior to seating a new batch of elected officials, the Santa Cruz City Council will attend to a series of significant decisions on a heavy end-of-year agenda Tuesday.

In addition to hearing about issues ranging from the city's latest progress in addressing homelessness issues and permitting a major housing and commercial development project at Pacific Avenue and Front Street at Laurel Street, the council will consider endorsing the Santa Cruz County Regional Transportation Commission staff's preferred Unified Corridor Study path forward.

On Nov. 28, RTC staff released a draft endorsement of the study's "scenario B," making some adjustments after several community meetings to the proposal initially revealed in October. According to the agency recommendation, the preferred project, calling for an estimated \$948 million in spending through 2035, "emphasizes regional projects that include highway improvements, bus service enhancements, and passenger rail service along with significant bike and pedestrian improvements including a multi-use pedestrian and bicycle facility within the existing rail right-of-way."

When the RTC last met on Nov. 15, the commission opted to delay choosing a preferred scenario from the scheduled Dec. 6 meeting until Jan. 17. The commission's next step will come in the wake of new RTC Executive Director Guy Preston taking the agency's helm from George Dondero on Dec. 3.

Per a recommendation from the city Public Works Department, the City Council's potential endorsement for the study's RTC staff-preferred "scenario B" should come with a few caveats. Namely, the projects should include funding for Santa Cruz's effort to rebuild the Highway 1 bridge over the San Lorenzo River and add additional vehicle traffic lanes, near the intersection with River Street.

The transportation agency should also include funding for multimodal intersection improvements on Mission Street, and amend the intersection improvements proposed for the Soquel Avenue/Drive/Freedom Boulevard areas from bikes/pedestrian improvements to improvements for all transit modes, according to the city staff report.

"It is critical to include the transportation improvements so that they do not become ineligible for future transportation funding," Public Works Assistant Director/City Engineer Chris Schneider wrote in the city report.

The RTC's preferred scenario B already addresses: highway improvements such as buses on shoulders, ramp metering, and auxiliary lanes, additional to those funded by Measure D; Soquel Avenue improvements including improved bike facilities, and intersection improvements; and rail corridor improvements including local and freight rail transit with interregional connections and a bike and pedestrian trail, according to the city report.

Santa Cruz METRO adds single-ride tickets

For the Press Banner

Santa Cruz METRO today announced riders can now purchase single-ride tickets in advance to expedite bus boarding for passengers to help keep buses on time, and reduce the need for bus riders to carry cash.

The single-ride tickets can be purchased at any METRO customer service booth, as well as ticket vending machines located at METRO transit centers and Cabrillo College. Single-ride tickets are \$2 each for local Santa Cruz County service and \$7 for the Highway 17 Express bus.

Previously, METRO riders had to have a bus pass or pay with exact cash when boarding a bus as the fare boxes do not give change.

"We want to make METRO as accessible as possible for riders," said Alex Clifford, CEO of Santa Cruz METRO. "Making it possible for people to purchase

ride tickets in advance with a credit or debit card is one small way to reduce barriers to transit."

Single-ride tickets can be purchased individually, or loaded onto a Cruz Pass for use by families, groups or to be ready for future trips. METRO Customer Service booths are located at the Pacific Station in Santa Cruz and Watsonville Transit Center. Ticket vending machines are also located at those facilities as well as Scotts Valley Transit Center and Cabrillo College.

METRO operates 26 year-round routes throughout Santa Cruz County. Local fares are \$1-\$2 with day passes available for \$6 or less. Highway 17 fares are \$3.50-\$7 with Day Passes available for \$14.

Meet the new Public Works Director: Matt Machado

By: Patrick Dwire

Nov 29, 2018



By Patrick Dwire

Matt Machado, now on the job about five months as the new Director of Public Works for Santa Cruz County, gave a status report on road repair projects in the San Lorenzo Valley at a “meet and greet” event at Highlands Park on Nov. 19. Early in his remarks, Machado said, “Thank goodness Proposition 6 failed in the election- proposing to repeal the gas tax- because that gas tax funding is our match for every one of our storm damage projects.”

Machado outlined the roadwork completed in 2018 and what can be expected next year. With a total of 180 repair projects required by 2017 storm damage, 36 projects were completed in 2018, and nine projects “are in the que to go to construction in 2019,” according to Machado. Machado reported there are 13 additional, major projects scheduled in the San Lorenzo Valley and it may take as long as five years to “get caught up, and it’s almost certain we’ll have another major event before we do get caught up,” Machado said.

Machado explained that securing federal funding, primarily federal highway and FEMA funds, slows down the projects on major collector roads and arterials. There has been progress, according to Machado, repairing and re-surfacing many smaller residential roads with local Measure D funding.

Machado reported five culvert replacements and 20 miles of road re-striping in the San Lorenzo Valley in the last year, and said repair efforts on smaller streets in Boulder Creek last year, and in Felton next year, are all scheduled to be done with Measure D funding.

Machado pointed out that the approved list and schedule of the roadway improvement projects in the San Lorenzo Valley is available online on the Department of Public Works website, in the “Proposed 2018/19 Capital Improvement Plan.”

Machado highlighted that San Lorenzo Valley residents should be aware of the “Highway 9- San Lorenzo Valley Corridor Transportation Plan” developed by Santa Cruz County Regional Transportation Commission that is currently available for review and comment- a plan promising comprehensive improvements for pedestrian and bicycle safety along the Hwy 9 corridor. Measure D, the half-cent sales tax approved by voters in 2016 for transportation improvements, includes \$10 million earmarked for high priority projects along Highway 9.

“The list will be huge, but I look forward to working with the community in prioritizing those plans for the Hwy 9 corridor projects,” Machado said. “Working with CalTrans, and using SB 1 funding (gas tax) that thankfully we will continue to access, as well as Measure D, we look forward to finalizing the project list for major improvements along Hwy 9,” Machado said. More information about the “Draft- Phase 1 Report” of this plan is available at <https://sccrtc.org/projects/streets-highways/hwy-9-plan/#draftreport> .

Despite the Measure D and gas tax funding, Machado mentioned the actual staff of road maintenance crews across the county has been reduced by more than one-third since the mid-2000s – from 83 to 53 full-time road workers, which he said “is just the way things are,” but he hoped to deploy road crews as efficiently as possible.

“I really believe in open communication. You as local residents often know more about road problems before we do- and we want to hear from you,” Machado said. Machado emphasized two-way communication between the Public Works Department and the community- primarily via an email button on the department’s website- to inform the department about pot holes, damaged signs, or even illegal dumping along a roadway. Machado also

mentioned a “mobile app”- Citizen’s Connect- that he thought is an important innovation that connects a user with the Public Works Department via a dispatcher 24 hours a day, which will be particularly useful for emergency road problems needing immediate attention.

Machado, 47, a licensed engineer and land surveyor, served for 11 years as the Director of Public Works for Stanislaus County. He said he currently is in the process of moving his family from Modesto. Machado is “a communicator who understands the value of working with residents and county partners to build the trust and relationships necessary to move forward on key initiatives,” wrote County Administration Officer Carlos Palacios in a press release announcing Machado’s appointment.

Machado explained he was hired in a “dual role” as Director of Public Works and Deputy County Administrative Officer, in which he will be “working with other departments to bring them together, to be more efficient- particularly with the building permit process,” Machado said.

In response to skeptical questions about streamlining the notoriously difficult building permit approval process in Santa Cruz County, Machado mentioned his experience in Stanislaus County initiating a “one-stop shop” for permit review. Machado explained that particularly with expensive drainage and flood control requirements for a permit that often stall or prevent permit approvals from a single applicant, these required improvements can be “batched” via better master planning of deficiencies, that several permit applicants can pay for via permit fees over time.

SANTA CRUZ**Metro adds single-ride tickets**

Santa Cruz Metro is selling single-ride tickets in advance, with the goals to expedite boarding, keep buses on time and reduce the need for riders to carry cash.

Single-ride tickets can be purchased at any Metro customer service booth, and at vending machines at transit centers in Santa Cruz, Watsonville, Scotts Valley and Cabrillo College. Rides can be loaded onto a Cruz Pass for use by families, groups or for future trips.

The price is \$2 per ride for local Santa Cruz County service and \$7 for the Highway 17 Express bus.

Previously, Metro riders who didn't have a bus pass had to have exact cash as the fare boxes do not give change.

"We want to make Metro as accessible as possible for riders," said Alex Clifford, Santa Cruz Metro CEO, noting a single ride can be purchased in advance with a credit or debit card.

Local fare day passes are available for \$6. Highway 17 fares are \$7 with day passes available for \$14. Discounts are available to seniors 62 or older and people with disabilities who present proper identification.

My Scotts Valley Magazine

Santa Cruz METRO adds single-ride tickets

Posted on November 26, 2018 by Contributor in Announcements, Community News with 0 Comments

Santa Cruz METRO is selling single-ride tickets in advance to expedite bus boarding for passengers to help keep buses on time, and reduce the need for bus riders to carry cash.

The single-ride tickets can be purchased at any METRO customer service booth, as well as ticket vending machines located at METRO transit centers and Cabrillo College. Single-ride tickets are \$2 each for local Santa Cruz County service and \$7 for the Highway 17 Express bus.

Previously, METRO riders had to have a bus pass or pay with exact cash when boarding a bus as the fare boxes do not give change.

“We want to make METRO as accessible as possible for riders,” said Alex Clifford, CEO of Santa Cruz METRO. “Making it possible for people to purchase ride tickets in advance with a credit or debit card is one small way to reduce barriers to transit.”

Single-ride tickets can be purchased individually, or loaded onto a Cruz Pass for use by families, groups or to be ready for future trips. METRO Customer Service booths are located at the Pacific Station in Santa Cruz and Watsonville Transit Center. Ticket vending machines are also located at those facilities as well as Scotts Valley Transit Center and Cabrillo College.

METRO operates 26 year-round routes throughout Santa Cruz County. Local fares are \$1-\$2 with day passes available for \$6 or less. Highway 17 fares are \$3.50-\$7 with Day Passes available for \$14.

ABOUT SANTA CRUZ METRO

Established in 1968, Santa Cruz METRO provides fixed-route and Highway 17 commuter service to Santa Cruz County, transporting about 5 million passenger trips a year. METRO also provides paratransit service to Santa Cruz County with its ParaCruz service, providing about 72,000 trips per year. METRO's operating budget in FY19 is \$52 million. Today it operates 98 buses on 26 fixed routes and serves the cities of Santa Cruz, Capitola, Watsonville, and Scotts Valley, as well as the unincorporated areas of Aptos, Soquel, Live Oak, Bonny Doon, Davenport, and the San Lorenzo Valley in the Santa Cruz Mountains. For more visit www.scmttd.com.

Good Times

Amid Metro Concerns, RTC Delays Vote on Transportation Future

Unified Corridor Study opens questions on the future of trails, rails, buses, and highways

By: Jacob Pierce

Posted on November 20, 2018



A Nov. 15 Regional Transportation Commission (RTC) meeting stretched late into the night. PHOTO: JULES HOLDSWORTH

Barrow Emerson leaned forward nervously in his seat in the far corner of the Watsonville City Council chambers. As the four-hour-and-twenty-minute Nov. 15 Regional Transportation Commission (RTC) meeting stretched late into the night, Emerson sat tethered by his phone to one of the room's few electrical outlets, awaiting the commission's decision on whether to delay a major vote on Santa Cruz County's transportation future.

The commission voted unanimously to hold that vote no sooner than mid-January, giving more time to the Santa Cruz Metropolitan Transit Department and other interested groups to respond to recommendations in the RTC's Unified Corridor Study (UCS). Otherwise, a decision on the UCS could have happened in early December.

After Thursday's vote, Emerson—planning and development director for the Metro bus agency—leaned back in his seat, looking suddenly at ease. When asked by GT if he felt relieved, Emerson downplayed the moment, saying that he didn't want to “apply an emotion to it.”

“More time will allow people involved in this to share information,” he added diplomatically, as commissioners and activists filed out of the council chambers.

A staff report prepared by Emerson laid out concerns about the 230-page UCS, which examines the best way to improve north-south travel times along three major corridors—Highway 1, the dormant coastal rail corridor, and the 19-mile stretch of surface streets from Soquel Avenue in Santa Cruz to Freedom Drive in Watsonville.

On Thursday, RTC staff spoke to the commission about their preferred scenario, which they had released a few days earlier. Staff suggested a combination of rail corridor changes, highway improvements and upgrades to the Soquel/Freedom corridor. The bulk of cash in the plan, some \$635 million, would go toward the rail corridor, where the RTC would introduce passenger service alongside a long-planned bike path.

Metro's own report indicated that the RTC's chosen scenario would divert funds away from buses in the future, and also suggested that the commission should seriously consider bus rapid transit, both along Soquel and Freedom or up and down the rail corridor, where buses could serve as a possible alternative to rail.

At the board's direction, Metro staffers are drafting a letter to the RTC that will make a few suggestions. One of them is that the RTC should compare train transit on the corridor side by side with bus rapid transit. Metro CEO Alex Clifford says that the comparison should be broken into four categories: projected ridership, capital costs, operating costs, and funding plans. If the RTC has no intention of taking bus money to cover the costs of the train, Clifford says that the commission and its staff should outline what their plan is for paying for the train.

And if the RTC would like to divert funding, he says the RTC needs to own that and be transparent before any vote on the UCS.

“You don’t choose until you go through thorough analysis,” Clifford told GT after the meetings.

Heard Rail

In a way, the preferred scenario is more of a best-case scenario.

The corridor study outlines a long list of transportation improvements, to the tune of \$948 million. Most of that funding hasn’t been secured. The highest-profile, and most expensive issue in the UCS process has been what to do with the coastal rail corridor.

Activists from the groups Trail Now and Santa Cruz County Greenway have long questioned whether a commuter train would move enough people daily to offset its costs. They’ve called for the RTC to ditch its rail-with-trail plan in favor of a trail-only corridor.

Pro-train activists, on the other hand, have felt bolstered by favorable RTC estimates since the draft UCS came out last month. They cite the environmental benefits of a train, as well as the study’s cost estimates for the trail-only plan, which look relatively steep.

In a letter to the RTC, the Greenway board asked for clarifications, and criticized portions of the UCS, including its cost estimates. During public comment, Greenway cofounder Bud Colligan asked the commission not to rush into a vote next month on the future—in part because he argues that incoming RTC Director Guy Preston should have plenty of time to weigh in. Preston begins work at the RTC in two weeks.

Commissioner Patrick Mulhearn was thinking about Preston when he suggested the RTC officially delay its vote to Jan. 17, as it ultimately chose to do. Mulhearn, an alternate for county Supervisor Zach Friend, also wanted to give groups like Metro and the Association of Monterey Bay Area Governments time to weigh in more formally.

Other items in the suggested UCS scenario include the extension of Highway 1 merge lanes, metering on on-ramps, buffered bike lanes, and intersection improvements. Under the plan, the RTC would consider adding carpool lanes on Highway 1 after the year 2035. That option would cost an extra \$452 million.

Commissioner Andy Schiffrin, an alternate for Ryan Coonerty, pushed back on the notion that the RTC would ever divert money away from Metro. He noted that Metro already gets more than four-fifths of local Transportation Development Act money, and he argued that the RTC's three Metro representatives are very active and effective on the commission.

"Metro always gets what it wants," Schiffrin said.

Highway Robbery

The UCS process also presents a preview of the next battle over Highway 1. Some activists are getting ready to challenge the environmental impact report on the next installment of merge lanes on Highway 1.

Environmentalist Jack Nelson told the commission to weigh the impacts of induced travel demand and remember that new road capacity will, over time, essentially fill up into new congestion. "You spend the money, and then you're back to square one on congestion," said Nelson, urging the commission to prioritize commuter rail over cars.

Commissioner Randy Johnson, a proponent of highway improvements, sees things differently. He said that, no matter what, residents will make decisions about how to get to the store or work or soccer practice based on convenience—not based on high-minded ideas of what's best for their community or the environment. Any alternative transportation projects aimed at changing commuter habits, Johnson argued, are like trying to pound a square peg into a round hole.

Outgoing Watsonville Councilmember Nancy Bilicich asked the commission to remember the comprehensive Measure D sales tax measure that voters approved with a two-thirds vote in 2016.

The initiative meant many things to many people, but to Bilicich and some other South County residents the measure meant highway widening. She added that she would be in favor of a passenger train as well, especially if it were electric.

"I want it all," Bilicich said. "The money—I don't know where we'll get the money, but we always figure it out."

REGISTER PAJARONIAN

150TH YEAR — No. 49

Nov. 16-20, 2018

RTC discusses preferred transportation scenario

REGISTER-PAJARONIAN STAFF REPORT

WATSONVILLE — The Regional Transportation Commission outlined its preferred scenario for transportation improvements over the next 20 years during a meeting in Watsonville on Thursday evening.

The RTC only discussed the scenario on Thursday. A final decision is expected on Dec. 6.

The Unified Corridor Investment Study draft Step 2 Scenario Analysis report was released in late September by the Regional Transportation Commission.

The study looks at different transportation investments that provide the most effective use of Highway 1, Soquel Avenue/Soquel Drive/Freedom Boulevard, and the Santa Cruz Branch Rail Line.

The five scenarios cover a variety of options, such as bus lanes on Highway 1, passenger rail service, carpool lanes and more. A "no build" scenario is

also included.

According to a report by senior transportation planners Ginger Dykaar and Grace Blakeslee, RTC staff recommend a modified version of Scenario B.

Among the projects, the scenario includes passenger rail service implementation between Santa Cruz and Watsonville, a bike and pedestrian trail on the rail corridor, and more auxiliary lanes along Highway 1, among other things.

The final approval of the scenario is expected to be made at the RTC's meeting on Dec. 6 at 9 a.m. at the County Board of Supervisors Chambers, 701 Ocean St., fifth floor.

For information on the Unified Corridor Investment Study, visit sccrtc.org/projects/multi-modal/unified-corridor-study. Comments on the study can be sent to ucs@sccrtc.org or mailed to the RTC at 1523 Pacific Ave., Santa Cruz 95060.

Santa Cruz Sentinel



Hazy sun
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Saturday, November 17, 2018

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santacruzsentinel.com

TRANSPORTATION RTC puts off rail-trail decision til January

By Matthew Renda

newsroom@santacruzsentinel.com

WATSONVILLE » As the body in charge of transportation in Santa Cruz County laid out its case for a comprehensive overhaul of how people move about the county, members of the public and the 12-member commission went another round in the extended bout over the possibility of rail transit connecting Watsonville and Santa Cruz.

The Santa Cruz County Regional Transportation Commission met Thursday night to discuss the Unified Corridor Study — a 230-page transportation planning document that advocates the addition of auxiliary lanes on Highway 1, protected lanes for bicycles on Soquel Avenue/Drive and Freedom Boulevard along with the more controversial addition of a pedestrian/bicycle trail slated to share a right of way with a commuter train moving back and forth from downtown Watsonville to Davenport.

Rail service was projected to cost \$635 million, Highway 1 lanes, ramp meters and bus shoulders, \$264 million, and Soquel Avenue/Drive/Freedom Boulevard improvements \$51 million. The

RTC » PAGE 6

RTC

FROM PAGE 1

commuter train was projected to serve 3,500 people a day while 100,000 people a day drive Highway 1.

The commission will not decide whether to adopt the staff proposal until the Jan. 17 meeting at the earliest. Members voted unanimously to push back the vote from the Dec. 6 meeting after several commissioners pleaded for more time.

"I think we need all more information before making a billion-dollar decision," said Patrick Mulhearn, a commission alternate for Santa Cruz County Supervisor Zach Friend.

The 32-mile Santa Cruz Branch Rail Line extends from Davenport to Watsonville, running parallel to Highway 1 and within a mile of about half of Santa Cruz County's population.

The RTC staff, which studied three other alternatives that included eliminating all or a portion of the plan they ultimately recommended, said the recommended approach estimated to cost \$950 million will help alleviate congestion, enhance safety for cyclists and pedestrians and give people options for how they travel in and around the county.

"We tried to optimize every single right of way and every piece of real estate dedicated for transportation," said Fredrik Venter of Kimley Horn, the consulting firm that analyzed the four options.

Some in attendance balked at the seemingly high cost of the entire project saying the rail component was unnecessary in a county of 275,000 without a high density population re-

quired to support rail.

"You will have to ask Santa Cruz taxpayers for a half billion dollars just to run the first diesel train on those tracks," said Jack Carroll, a Watsonville resident. "We have no money for a train."

Others, including trail-only advocacy group Santa Cruz County Greenway advocated for a plan that uses the 32-mile rail corridor solely for pedestrians and bicycles.

Some residents supported the RTC staff position, saying the gridlock they face to and from Watsonville to Santa Cruz means they need alternatives.

David Wright, who lives near Sunset Beach outside of Watsonville, said he spends an hour to an 90 minutes driving 15 miles to get home from his workplace in Santa Cruz.

"If there was a train, I would take it and so would thousands of people living in South County," he said.

Watsonville City Councilman Felipe Hernandez said Watsonville residents wanted commuter rail, a position echoed by RTC member Greg Caput, who serves on the Board of Supervisors.

Public comments lasted two-and-half-hours and were evenly split between those in favor of rail transit and those against it.

Mulhearn said he was worried rail transit would take money away from bus service, whether the freight service would take priority over passenger service and whether the new RTC director would have adequate time to review the planning document he would be required to implement.

Guy Preston will take over Dec. 3 for George Dondero who is retiring after 13 years.

Two more RTC members, Capitola Councilman Jacques Bertrand and Scotts Valley Councilman Randy Johnson, were skeptical about commuter rail.

"How can we invest something that is going to have a foreshortened lifespan because of climate action and bluff erosion?" Bertrand said, pointing out that the rail corridor south of Capitola is on a bluff that is steadily falling into the sea.

But Andy Schiffrin, an alternate for Supervisor Ryan Coonerty, said bluff erosion is not of paramount consideration at the planning stage and could be studied in depth during environmental analysis.

Schiffrin dismissed concerns about rail transit cannibalizing Santa Cruz Metro's budget.

"This board is way over-represented by Metro and Metro always get what it wants," Schiffrin said. "So the notion that somehow this body would prefer rail over Metro doesn't make any sense to me."

Three seats on the 12-member RTC represent the Metro bus system.

Schiffrin and staff said an integrated transit system would require only one operator, resulting in little competition between buses and rail and that the state is less interested in funding bus systems but bullish on rail as indicated in the 2018 Rail Plan.

Johnson said commuter rail would do little to alleviate congestion, noting that light rail elsewhere has not solved gridlock in those areas, a point conceded by Venter, the transportation consultant.

"Transportation-wise we have this big round peg and we're trying to fight it into this square hole," he said, arguing that too

much attention has been focused on train and not enough on expanding Highway 1.

Commissioner John Leopold, a county supervisor, said that while rail transit may not solve gridlock, it will give those afflicted by the gridlock a different option, getting agreement from commissioner Mike Rotkin, who serves on the Santa Cruz Metro board of directors.

"There's nothing you can do to stop congestion," he said. "What you can do is give people alternatives."

Rotkin asked staff to find out whether Progressive Rail, which has a 10-year contract to run freight service on the rail line, has a legal right to displace passenger rail service.

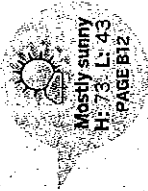
The RTC and Progressive Rail signed a contract in June, and freight service is available in Watsonville.

In the first phase, Progressive Rail agreed to provide freight service to the 7-mile southern stretch of the Santa Cruz Branch Rail Line. The second phase of the contract depends on the outcome of the corridor study.

The Regional Transportation Commission agreed in 2010 to buy the rail corridor from owner Union Pacific for \$14.2 million, with \$11 million coming from the state Transportation Commission.

If the RTC decides against commuter rail it would have to repay the state \$11 million, Susan Bransen, executive director of the state Transportation Commission informed Dondero in a Nov. 2 letter.

Resident Carey Pico said the potential \$11 million forfeiture mattered little when weighed against the enormous cost of the proposed transportation spending.



TRANSPORTATION

RTC staff's spending priority is rail: \$635 million

By Jondi Gumz

jgumz@santacruzsentinel.com

@jondigumz on Twitter

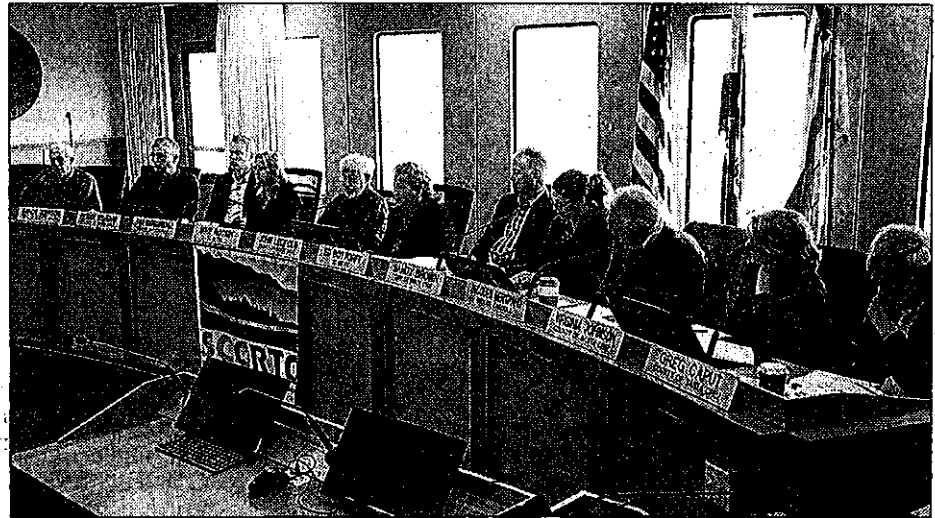
WATSONVILLE » P. J. Mecozzi, president of Del Mar Foods, which employs nearly 500 people at peak season and ships via rail, sees rail service as important to South County.

Nancy Bilicich, longtime Pajaro Valley school administrator, thinks the top priority should be widening Highway 1 to three lanes in Watsonville to match what's been done in Santa Cruz.

Those competing interests are what face the 12-member Santa Cruz County Regional Transportation Commission, which will hear the staff recommendation for spending through 2035 at 6 p.m. Thursday at the Watsonville Civic Center, 275 Main St.

The staff recommends: Rail, passenger, tour-

TRANSPORT » PAGE 2



JONDI GUMZ — SANTA CRUZ SENTINEL FILE

The 12 members of the Santa Cruz County Regional Transportation Commission will decide Dec. 6 how to spend money to improve transportation. Five elected county supervisors, four city council members, and three Metro board members sit on the RTC board.

Transport

FROM PAGE 1

ist and freight service estimated to cost \$635 million, Highway 1 auxiliary lanes, ramp meters and buses on shoulders, estimated to cost \$264 million, and Soquel Avenue/Drive/Freedom Boulevard intersection improvements and bike lanes, \$51 million.

Greenway Santa Cruz County, which has been advocating railbanking and using the 32-mile rail corridor for a multi-purpose trail, lobbied to have this option included in the RTC corridor study but staff recommend a bike and pedestrian trail alongside the rail line, estimated to cost \$283 million.

The so-called "preferred scenario" is based on Scenario B, one of four analyzed by consultants Kimley Horn, with the addition of Highway 1 auxiliary lanes and freight service and the deletion of intersection upgrades for Mission Street and more frequent buses on Soquel Avenue, Soquel Drive and Freedom Boulevard.

Whatever plan is adopted — that's expected on Dec. 6 — would cover spending for transportation improvements through 2035, leveraging funding from the Measure D sales tax, which is expected to generate \$17 million a year.

The passenger rail service between Santa Cruz and Watsonville is projected to serve 3,500 people a day, taking their cars off Highway 1, the most heavily trafficked road in Santa Cruz County, driven by 100,000 daily.

The recommended scenario would not bring carpool lanes or more frequent

bus service to Highway 1 until after the year 2035, according to the staff report, which acknowledged congestion on Highway 1 greatly impacts Watsonville residents working in Santa Cruz, with their drive home taking three times longer during the peak evening commute.

Though the transportation recommendations make the needs of Watsonville a priority, the community is split. Even the Pajaro Valley Chamber of Commerce and Agriculture board hasn't reached agreement on the issue.

Highway 1

"Watsonville residents, what they want is the road," said Bilicich, who oversees Watsonville/Aptos/Santa Cruz Adult Education and is wrapping up her term on the Watsonville City Council. "I support the train. That's another option for people but the road has to be No. 1."

Where Highway 1 was widened to three lanes in Santa Cruz, the congestion eases.

"It's great," said Bilicich. "That's what we want down here too."

Tom Broz, who owns an organic you-pick farm in Watsonville and is Santa Cruz County Farm Bureau president, said he worries the spending plan overlooks roads in unincorporated areas vital to keep agriculture a major economic driver.

"They're really in poor condition," he said. "We have to worry about safety."

Workers are moving heavy equipment on rural roads that are popular with cyclists and used by school buses and agri-tourists, he pointed out, with farmers shipping highly perishable products nationwide.

Rail cars gone

Progressive Rail began operating the line in mid-August, taking over from Iowa Pacific, which encountered financial problems and had idled hundreds of tank cars for a year and a half on the tracks in Watsonville without paying the RTC storage fees.

"The tank cars were all cleared out within the last three weeks," said Mecozzi, whose company ships via rail in Watsonville. "We have full use of the line."

As for future passenger service for commuters, he said, "I'm sure there will be enough time to determine the feasibility and value to the community."

The RTC staff report notes state funding for transit capital projects "is on an upward trend," making this a propitious time to invest in rail.

Mark Mesiti-Miller, board chair of Friends of the Rail & Trail, agrees.

"Santa Cruz County has received the attention of state transportation planners," he said when the \$120 billion state rail plan in mid-October included \$1.5 billion to the Central Coast for three capital projects including connecting Santa Cruz and Monterey to the state rail network.

RTC members include county supervisors John Leopold, who is chairman, Greg Caput, Ryan Coonerty, Zach Friend, Bruce McPherson, city council members Jacques Bertrand of Capitola, Sandy Brown of Santa Cruz, Randy Johnson of Scotts Valley and Trina Coffman-Gomez of Watsonville; and Metro board members Ed Bottorff, Cynthia Chase and Mike Rotkin.

Contact reporter Jondi Gumz at 831-706-3253.

Register-Pajaronian

Trina Coffman-Gomez, Nov. 9: Unified Corridor Study: How We Got To This Juncture

By: Trina Coffman-Gomez

November 12, 2018

This article is part two of a series about our county's transportation discussion.

While there are many more reports and milestones the Regional Transportation Commission (RTC) has accomplished, here is my summary of the history lesson.

In 2000, it was determined that the RTC would serve as a Rail/Trail Authority for Santa Cruz County. In 2012, the branch line right of way was purchased and paid in part by funds from Proposition 116, called the Clean Air and Transportation Improvement Act of 1990, a \$1.99 billion bond that was for passenger and commuter rail.

In 2013, the Monterey Bay Sanctuary Scenic Trail (MBSST) Master Plan was completed. This document provides the blueprint for a network of trails, including a 32-mile Coastal Rail Trail for bicyclists and pedestrians along the existing railroad right of way. This network of trails will provide community and coastal connectivity and serve as a transportation, recreation, health, eco-tourism, coastal access and economic activity “spine” for our entire region that would co-exist with freight and passenger service.

In 2015, the RTC completed a rail feasibility study with planning grant funds secured from Caltrans. One of the primary conclusions of this report indicated that rail was essential for a stronger local economy and quality of life, improvements in the housing supply and the transportation network that can provide: ease of traffic congestion, compact land use, reduce emissions, improve connectivity, and has the capacity to scale to the needs of the community. The RTC did not select one rail service scenario but specifically excluded the scenarios that would not serve Watsonville in their final action.

In November 2015, a draft environmental impact report from Caltrans was issued for the county's highway projects to assist the RTC with planning Highway 1 improvements once the report is finalized.

In 2016 the voters approved Measure D. Funds from this measure were distributed at 30 percent toward neighborhood projects, 25 percent toward highway corridors such as Highway 1, 17 percent for active transportation for the Monterey Bay Sanctuary Scenic Trail Network and 8 percent for the rail corridor for the railroad infrastructure preservation and options analysis.

Just this year, the 2018 Caltrans State Rail Plan was completed and its 2040 vision “supports establishment of a regional rail network on the Central Coast, providing connection from Santa Cruz, Monterey and Salinas to the state network in Gilroy; with the possibility of different train

outings to allow Santa Cruz to Monterey service, providing for increased transportation capacity in the constrained coastal Highway 1 corridor.”

Today, we now have the results of an arduous study called the Unified Corridor Investment Study (UCS). It is now in a draft version of a working, planning transportation investment document that studies three parallel routes that connect us from Watsonville to Davenport.

The UCS report synthesizes all the previous reports where it studies and analyzes 16 performance measures that compare and contrast various projects, and the options and impacts these decisions would have in our county. These performance measures look at safety, efficiency, economics, environmental sustainability and social equity.

The study evaluates findings and data from various third-party engineering and consultant sources that have intensely studied the corridor throughout the years. The RTC is currently presenting the UCS to the public through workshops and meetings with stakeholders, community groups, city councils, etc. to collect as much feedback as possible from as many Santa Cruz County residents as possible. Additionally, UCS resources and content are available in Spanish on their website.

Whether you drive, bike or walk in Santa Cruz County, this decision will have an impact on how you plan on getting around the county. This is your opportunity to voice your opinion and ask questions to help shape the future of our transportation needs. The RTC will continue to expand on its most frequently asked questions, which are posted on the RTC website, and will continue to do as much public outreach as possible to gather productive public feedback.

What is excluded from this report are options that have previously been eliminated because they simply are not feasible for us to consider, primarily due to lack of funding or due to land use restrictions. The RTC is in a holding pattern to move forward with many projects until this is finalized, which means they cannot take action to seek funding, which is why it is important now, during this public comment period, that we hear from the public for their input on our transportation future.

Trina Coffman-Gomez is a councilwoman for the City of Watsonville and is also the city's representative on the Regional Transportation Commission. She is writing a series of articles this month to break down the information on the decisions and projects the RTC will identify to improve moving people in Santa Cruz County.

Other Transit Related Articles

GOVERNING

THE STATES AND LOCALITIES

As Shutdown Stretches On, Transportation Officials Worry About Long-Term Effects

Local transit agencies are being hit harder than state highway departments. But the shutdown is only part of the problem for transportation funding.

By: Daniel C. Vock | January 14, 2019



Commuters wait for the L train in New York. *(AP/Mary Altaffer)*

SPEED READ:

- **The shutdown is impacting thousands of workers in transportation-related agencies, including the Federal Railroad Administration and the Federal Transit Administration, as well as federal safety inspectors.**
- **Generally, local transit agencies are being hit harder than state highway departments.**
- **Even once the shutdown is resolved, transportation funding faces uncertainties in Congress that could delay construction projects.**
- **One state, Oklahoma, has already announced it will delay bids on 45 projects worth about \$137 million.**

So far, transportation agencies that rely heavily on federal funds have been spared from major consequences from the federal government shutdown. But the longer the impasse in Washington continues, industry officials warn, the harder it will be to keep state and local agencies running normally.

The three-week partial closure of the federal government became the longest in U.S. history over the weekend, and about a quarter of the federal workforce -- some 800,000 people -- are either working without pay or furloughed as a result.

Not all federal programs are affected the same way. Most of the employees with the Federal Railroad Administration and the Federal Transit Administration, as well as safety inspectors, have been furloughed. But airport safety screeners who work for the Transportation Safety Administration must continue to work, even though they aren't getting paid. Meanwhile, workers with the Federal Highway Administration aren't affected.

The same is true for state and local agencies that depend on federal money to pay for construction, repairs and sometimes, day-to-day operations. Local transit agencies, for example, tend to be hit harder by the shutdown than state highway departments.

"We're finding that, in many cases, our members need those dollars, and there's no one there to answer the phone and to release the funds," says Paul Skoutelas, the president and CEO of the American Public Transportation Association, which represents the transit industry. "Grants are either waiting to be approved or have been approved, but there's nobody to activate those funds. So agencies are experiencing cash-flow issues around that."

How Are Transit Services Being Impacted by the Shutdown?

Transit systems of all sizes are trying to figure out how to make their dollars stretch in the meantime -- by either tapping reserves or taking out loans. The shutdown of the Federal Transit Administration can even make it difficult for systems that have money to spend it.

One agency, Skoutelas says, is waiting on a letter from the federal government before it can spend its own money because the agency wants to be eligible for federal reimbursement once the government starts operating again.

"No one at the moment has declared any service disruptions. Stopping services is a last resort for these agencies," Skoutelas says. "But everyone is beginning to feel the difficulties of trying to meet payments for vendors, normal operating expenses and, in some cases, just trying to move [construction] projects forward."

State transportation departments are more insulated from the effects of the shutdown because they largely -- but not entirely -- depend on money from the federal Highway Trust Fund. That money comes from federal gas taxes and is deposited into the trust fund, which was set up specifically to protect transportation money from being used to run the rest of the government.

"It highlights how fortunate we are to have a federal highway trust fund, because when we run into situations like this, it does continue to operate," says Jim Tymon, the executive director of the American Association of State Highway and Transportation Officials (AASHTO). "It means state DOTs and transit agencies don't necessarily need to pull the plug on projects that are under construction right now."

For Transportation Funding, Shutdown Is Only Part of the Problem

The government shutdown isn't the only hiccup in the federal appropriations process this year. There are other quirks complicating the finances for transit and highway agencies.

Even before the shutdown, Congress could not agree to a full-year spending plan for the federal fiscal year, which began Oct. 1. So it passed legislation, called a "continuing resolution," that kept the government running through December at the same spending levels as the prior year. But that created several problems related to transportation funding:

- Transit agencies won't necessarily be able to start applying for grants to fund new construction projects once the shutdown is over. The FTA typically only makes grants available during a fiscal year once it has had five months' worth of appropriations, according to APTA. So far, in the 2019 fiscal year, it's had less than three. So there has to be a longer-term deal before any 2019 grant money starts going out the door.
- Congress did not increase the amount of money it authorized to spend from the Highway Trust Fund. That means lawmakers aren't following the plan for annual increases that they devised in 2015 when they passed the current surface transportation law known as the FAST Act.
- States can't immediately access their whole year's worth of 2019 money from the Highway Trust Fund, as they could in other years. Typically, the Federal Highway Administration makes that money available at the beginning of the fiscal year in October. But the continuing resolution only included authorization for FHWA to distribute about a quarter of the yearly total, says Tymon, the head of the state transportation officials group.

The uncertainty on Capitol Hill could delay states' construction schedules, Tymon says.

"With the construction season coming up here, states are usually bidding projects in the winter, so we are ready to put shovels in the ground as we get into late winter and early spring," he says.

Oklahoma officials announced last week they will delay bids on 45 highway projects worth about \$137 million for January and February. But Tymon says most states haven't reached that point yet.

The hitch in transportation funding comes even as advocates hope Congress will pass an infrastructure package this year. President Donald Trump proposed a \$1 trillion infrastructure plan during his 2016 campaign, and congressional Democrats have said that a major building program could be one area where they could work in a bipartisan fashion with the president and GOP lawmakers.

Plus, the five-year surface transportation law that's currently in effect expires at the end of next year, and Congress typically takes months, if not years, to fashion the massive highway bills.

Tymon, from AASHTO, says transportation officials should be ready to press their case once the government shutdown is over.

"My experience is after some of these trying times like this government shutdown, they usually try to find some common ground so they can show they're not as dysfunctional as they seem," he says. "So maybe this is an opportunity for infrastructure to [play] that role."

APTA: Transit ridership fell, commuter-rail ridership rose in Q3

DATED: JAN 11, 2019



In August 2018, Denton County Transportation Authority in Lewisville, Texas, launched its A-train free fare zones and has seen ridership increases in those locations.

Photo—Denton County Transportation Authority's Facebook page

Americans took 2.5 billion trips on public transportation systems in third-quarter 2018, down 1.75 percent compared with ridership in third-quarter 2017, according to the American Public Transportation Association (APTA).

Year over year, rail ridership was down on heavy- and light-rail systems, but up — 0.7 percent — on commuter-rail systems. More than half of commuter railroads posted ridership increases in the third quarter, APTA officials said in a press release.

"In order to increase mobility options, public transit systems are increasing frequency, improving routing, experimenting with fare changes, and engaging in partnerships to offer

the best service possible to meet customers' needs," said APTA President and Chief Executive Officer Paul Skoutelas.

Nationally, commuter railroads logged a combined ridership of 126.6 million trips during the third quarter, with 18 of 31 them reporting increases. Commuter-rail systems that logged double-digit ridership increases in the quarter included Orlando, Florida, (70 percent); San Rafael, California, (65.8 percent); and Stockton, California, (10.5 percent).

Ridership on heavy-rail systems (subways and elevated trains) fell 2.4 percent to about 916.3 million trips in the quarter compared with a year ago. Increases were registered in Philadelphia (7.8 percent); San Juan, Puerto Rico (6.4 percent); Miami (5.9 percent); Atlanta, (1.4 percent); and Lindenwold, New Jersey (0.1 percent).

On light-rail systems (modern streetcars, trolleys and heritage trolleys), ridership in the quarter dipped 3.6 percent to 133.2 million trips compared with the year-ago period. However, ridership grew in only eight out of 27 systems. Agencies that reported double-digit light-rail ridership gains were Charlotte, North Carolina, (55.3 percent); Seattle-King County Metro (21.6 percent); Hampton, Virginia, (11.5 percent); and Houston (10.8 percent).

STREETSBLOG CAL

Newsom's State Budget Connects Housing Needs and Transportation Funding

By Melanie Curry

Jan 10, 2019



Gavin Newsom delivers his first budget speech as Governor of California.

Image: Screenshot from CATV

Note: GJEL Accident Attorneys regularly sponsors coverage on **Streetsblog San Francisco** and **Streetsblog California**. Unless noted in the story, GJEL Accident Attorneys is not consulted for the content or editorial direction of the sponsored content.

In the presentation of his first state budget, California Governor Newsom made some startling statements connecting housing with transportation funding. During his long and detailed speech—he talked for almost an hour before taking questions from reporters—he said he would withhold gas tax funds from regions that did not meet state housing goals.

It was an exciting prospect, for the time it lasted.

Newsom's speech made it clear that housing and homelessness are top priorities for his administration. His budget includes "an extra \$1.75 billion for housing," which he said would be "incentive based." The state, he said, will come up with a new way to estimate and allocate housing needs that is more "realistic and nuanced" than the current system wherein each region defines its own regional housing needs and allocates them to cities, frequently based on not much more than local preference. The state would

provide funding and technical assistance to regions to meet those assigned housing goals.

But, said Newsom, if regions “don’t reach those goals, we are going to take the S.B. 1 money. [If] you’re not hitting the goals, I’m not sure you should get the money.”

When questioned how that would work, he said he was using the term “S.B. 1”—the name of the gas tax—as a proxy for discretionary transit funding. He pointed to groups that “are already playing around with this idea of using transit money” to incentivize housing. One such group is the Metropolitan Transportation Commission in the Bay Area, which has been using transportation funding to encourage cities to build housing near transit rather than in outlying and more car-dependent areas.

Newsom’s statements about tying transportation funding to housing were both exciting and confusing.

Exciting because the new governor clearly understands how important it is to make the connection between planning for housing and for transportation. Despite years of state attempts to encourage understanding of how the one affects the other, planning for each has long been done by very different groups with very different concerns. Also, money for transportation has always been easier to come by, given our habituation to using gas and other taxes, than money to build housing. Connecting the two would be a huge win.

But confusing as well, because, for one, S.B. 1 not really a proxy for transit funding. It’s a relatively minor portion of the gas tax; other transit funding has its own rules that would be difficult to circumvent; “discretionary” transit funding is pretty limited.

But Newsom’s statements were also confusing because threatening to withhold transit funding by itself is not that big of an incentive to build housing. In fact, it could backfire.

Cities that don’t already have enough low-income housing would lose money for transportation that mostly serves low-income residents. Also, many cities that don’t meet their current housing allocations are in car-dependent areas where they care more about impacts on driving—so having their transit funding threatened wouldn’t mean very much to them.

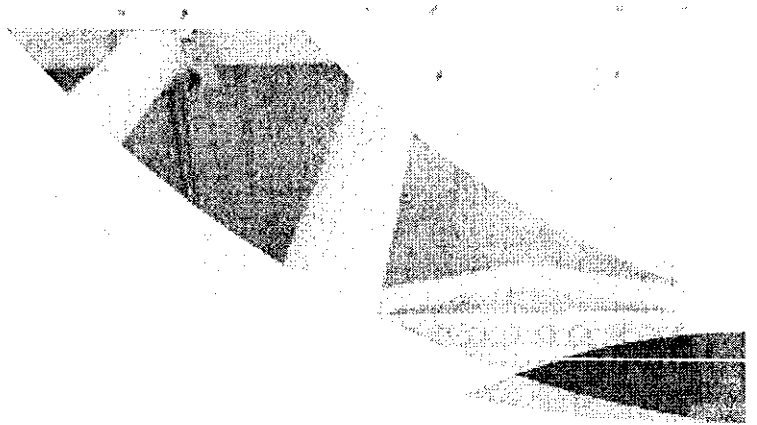
It would take new legislation to be able to withhold gas tax money, and that would mean an ugly fight. Senator Jim Beall, head of the Senate Transportation Committee and author of S.B. 1, responded to Newsom’s announcement with a statement saying: “We have an obligation to the voters who overwhelmingly supported S.B. 1 that addresses the enormous local and state backlog of road safety and repairs needs. I certainly hope these funds, dedicated to fill potholes and [fix] dangerous road safety projects, will not be delayed.”

It may just be that Newsom's team hasn't yet worked out the details. The actual language in his proposed budget simply says that

Going forward, the state will strongly encourage jurisdictions to contribute to their fair share of the state's housing supply by linking housing production to certain transportation funds and other applicable sources, if any. The Administration will convene discussions with stakeholders, including local governments, to assess the most equitable path forward in linking transportation funding and other potential local government economic development tools to make progress toward required production goals.

The governor's staff hasn't responded to requests for clarification yet, and advocates and state workers Streetsblog checked in with seemed taken by surprise by the proposal. Expect more details to emerge in the weeks before the budget is revised in May.

Meanwhile the rest of Newsom's speech was a deep dive into budgetary specifics. In addition to prioritizing housing and homelessness, he plans to increase spending on healthcare and education, and expand the Earned Income Tax Credit. Look for coverage on those issues in other outlets.



January 10, 2019

State Transit Assistance Program 2019-2020 Budget

Earlier today, Governor Gavin Newsom released his proposed 2019-20 State Budget. The Governor's Budget highlights several of the Administration's top priorities, including proposals for early childhood education, health care, and housing.

Overall, the Budget is light in discussion of public transit, but it does include the following details about the revenue outlook of the most important state transit funding programs.

The Budget estimates the State Transit Assistance (STA) Program would receive approximately \$876 million in 2019-20, an increase of almost \$100 million over the current year. Intercity and Commuter Rail would receive an estimated \$297 million in the coming fiscal year. Cap and Trade funding will provide an additional \$121 million to the Low-Carbon Transit Operations Program, which is distributed using the STA formula. Lastly, the Transit and Intercity Rail Capital Program will receive SB 1 funds and Cap and Trade revenues totaling \$486 million in 2019-20. This funding will be used to fund the existing multi-year program of projects announced in 2018. A breakdown of these revenue totals follows.

Estimated Transit Funding		
Source	2018-19	2019-20
STA		
Base (2.375%)	\$218,989	\$247,335
Gas Tax Swap (1.75%)	\$154,182	\$175,069
SB 1 (3.5%)	\$308,364	\$350,137
STA SGR (TIF)	\$105,000	\$105,000
Total	\$786,535	\$877,541
INTERCITY & COMMUTER RAIL		
Base (2.375%)*	\$218,989	\$247,335
SB 1 (0.5%)	\$44,052	\$50,020
Total	\$263,041	\$297,355
LCTOP		
Cap & Trade (5.0%)	\$114,100	\$120,513
Total	\$114,100	\$120,513
TIRCP**		
Cap & Trade (10.0%)	\$228,200	\$241,025
SB 1 (TIF)	\$245,000	\$245,000
Total	\$473,200	\$486,025

** Funds also used for other Caltrans purposes*

***Funds included as part of five-year programming cycle*

In addition to these revenue projections, the Governor's Cap and Trade Expenditure Plan includes \$132 million for Clean Trucks, Buses, & Off-Road Freight Equipment. This line item has typically supported the California Air Resources Board's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (commonly referred to as HVIP).

In addition to these revenue projections, the Budget shows support for a key change to Enhanced Infrastructure Financing Districts (EIFD). An EIFD is a governmental entity established by a city or a county that carries out a plan within a defined area (boundaries of which do not need to be contiguous) to construct, improve and rehabilitate infrastructure, including transportation and housing. EIFDs can be created by cities or counties without voter approval and expend tax increment revenues without voter approval. However, an EIFD must receive 55-percent voter approval to issue debt. The Budget proposes removing the voter-threshold for issuing debt.

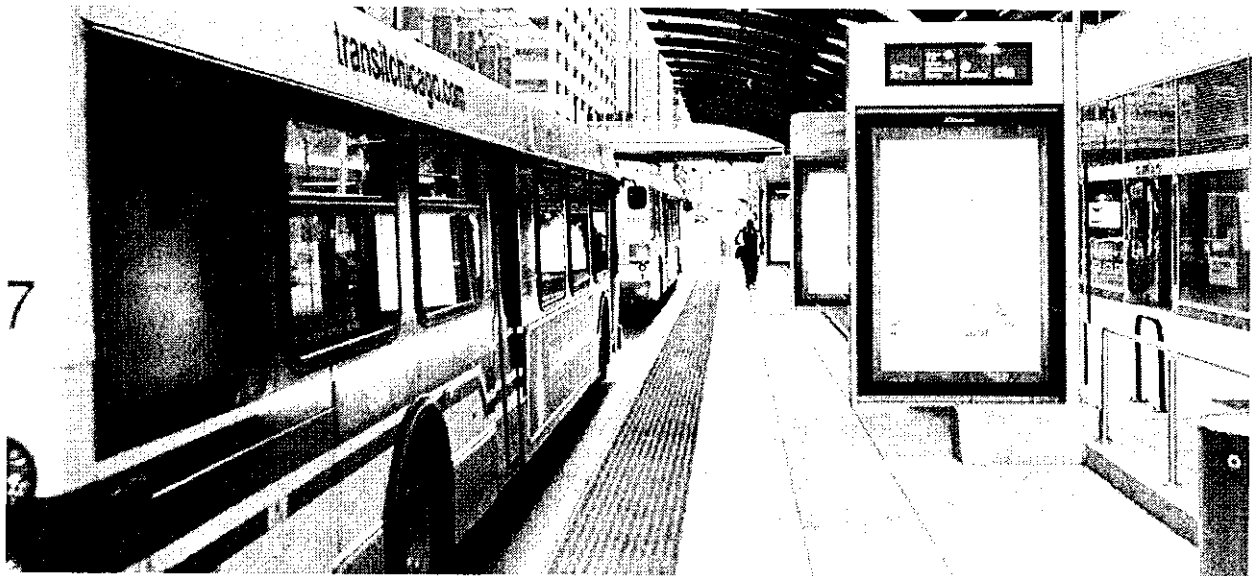
Finally, the Budget sets the stage for a discussion on tying transportation funds to housing production. The Budget states:

"Going forward, the state will strongly encourage jurisdictions to contribute to their fair share of the state's housing supply by linking housing production to certain transportation funds and other applicable sources, if any. The Administration will convene discussions with stakeholders, including local governments, to assess the most equitable path forward in linking transportation funding and other potential local government economic development tools to make progress toward required production goals."

In his press conference, the Governor stated that, "if you're not hitting your housing goals, you're not getting your SB 1 money." He noted that the implementation of this policy was still a few years off.

Route Fifty

The Transportation Quandary for Older and Disabled People Is Two-Fold



Buses at a stop in Chicago. Shutterstock

January 6, 2019

A recent survey shows the “great need” to serve those who can’t drive or will no longer be able to.

Older people want to stay in their homes as they age. But a recent survey finds that when it becomes time to stop driving, they just don’t know what their options are to keep getting around—if any exist.

A survey by the National Aging and Disability Transportation Center found that 68 percent of adults 60 and older who they polled this fall said it would be hard to find alternative transportation options if they needed to stop driving. The poll also included younger disabled people, who said they would struggle even more, with 80 percent responding that it would be difficult to find other alternatives.

Virginia Dize, co-director of the center, said the survey reveals the “great need” to provide for both older people and those with disabilities.

“We know there are a lot of people out there who are family caregivers in particular who are spending hours of their time either providing rides or arranging rides,” Dize said. “And we know

that older adults and people with disabilities are missing out on medical care, but also missing out on continuing to stay connected with the community.”

In most communities, the problem is two-fold: people don't know about the public transit or other options that exist and there simply isn't enough transportation alternatives, Dize said.

Only 15 percent of the 509 older adults who were polled between Oct. 19 and Nov. 5—which included both phone and online respondents—reported using public transportation and even fewer used special services like paratransit or a volunteer ride agency. Transit use was higher among younger people with disabilities, with about a third of the 513 respondents saying they used public transportation.

Dize noted that survey respondents indicated an interest in taking transit, but many don't know about options or might be intimidated by something they haven't tried before.

“They don't know how to begin. They may simply have no idea if it is going to serve their needs,” Dize said. “For example, if they are in a wheelchair or use a walker or cane or move really slowly. Is this something they will be able to actually navigate?”

In places where transit exists, one successful option for educating people about how to get around is “travel training,” which can teach people how to use a local bus or subway system to get where they need to go, Dize said.

Another recent survey by RetirementLiving.com underscores how important a factor giving up driving can play in other decisions people make. That online survey of more than 2,300 older people this fall found that more than 80 percent wanted to stay in their own homes as they age, but would be moved toward assisted living if their health failed (75 percent) or when driving is no longer an option (almost 30 percent).

The NADTC survey found that options for people in rural communities were less plentiful, with 49 percent of older people who have given up driving in small towns saying they had “good” or “excellent” alternatives, compared to 62 percent of non-drivers in more populated places.

Respondents who had stopped driving reported that this new reality kept them from activities they needed or wanted to engage in. They also described feeling dependent on others, isolated and frustrated by their loss of independence.

Dize said transit agency officials and other others that might not be reaching all the people interested in their services can adopt NADTC's “Every Ride Counts” campaign, which offers ways for cities to advertise existing programs and customize the materials.

The NADTC, which is funded in part by the Federal Transit Administration, is a collaboration between Easterseals and the National Association of Area Agencies on Aging.

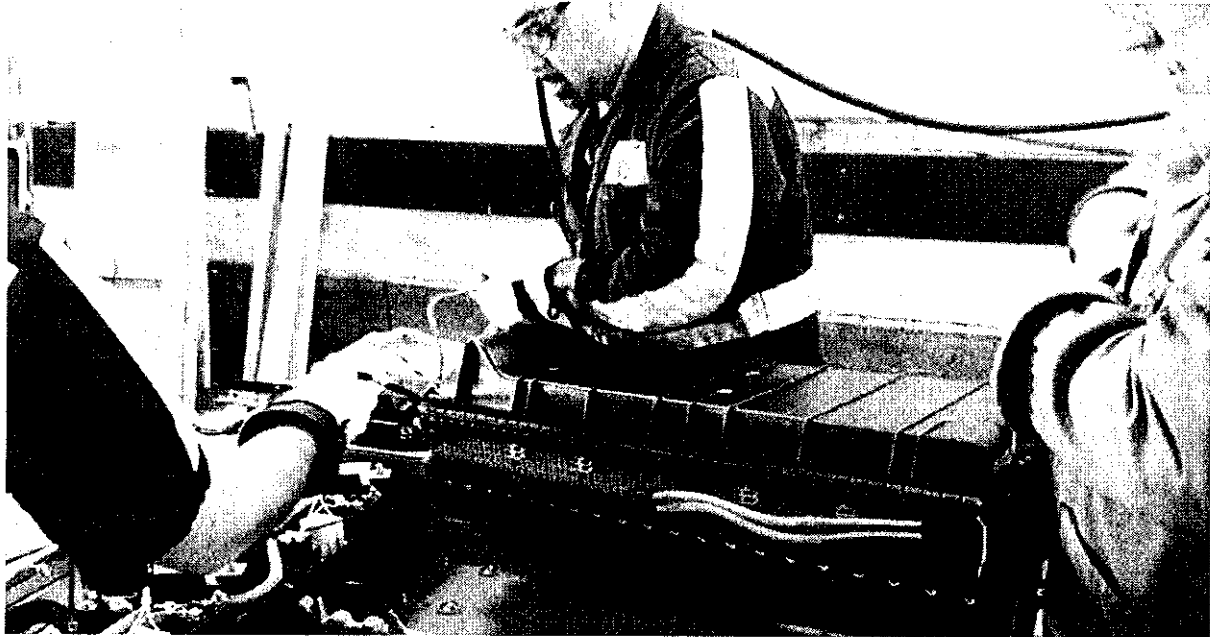
Laura Maggi is the Managing Editor for *Route Fifty* and is based in Washington, D.C.



Santa Clara Valley
Transportation
Authority

Re-energizing Hybrid/Diesel Buses the VTA Way

1/3/2019 8:01 AM | Stacey Hendler Ross

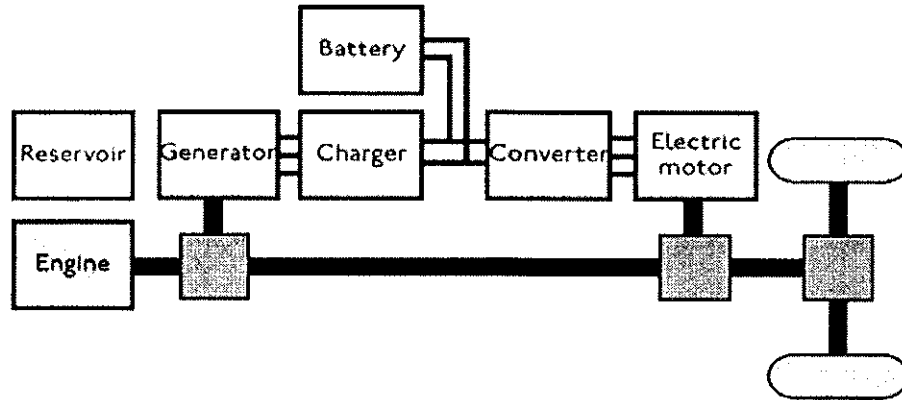


VTA is finding new, more efficient ways to maintain its fleet of buses and trains at the highest standards of service.

Close to a quarter of VTA's bus fleet are Allison Hybrid/Diesel buses, which run on a combination of an electric motor and a diesel engine. This provides a more environmentally friendly output of emissions than traditional diesel engines. Electric drive systems have fewer mechanical parts which require less maintenance than traditional transmissions.

These 90 buses were purchased almost nine years ago and, as they approach mid-life, some components are approaching the end of their expected optimum service life.

Here's where VTA is on the leading edge of equipment maintenance. Most transit agency mechanics do routine mechanical work but hire outside specialty mechanics to completely overhaul or replace major components such as transmissions, hybrid/diesel and standard diesel engines and Hybrid Energy Storage System (ESS). VTA mechanics are doing the highly skilled work of restoring the batteries, or "energy storage systems" (ESS), as they're called, all in house.



VTA's 100, 200 and 4100 Series Buses run on Allison Split Parallel

Hybrid Systems. Series/parallel hybrid or Two-Mode compound split parallel hybrid systems utilize both series and parallel power paths. In these systems the electric motor and engine can be mechanically connected to create output.

VTA mechanics have been doing something similar with light rail cars that are required to be overhauled after travelling a certain number of miles. The Kinkisherio light rail cars require complex work to rebuild, with a limited number of experienced experts in the U.S. to do the work. VTA mechanics have the training and expertise to do the work in house.



VTA can keep costs low by rebuilding the hybrid/diesel engines and refreshing the hybrid batteries using locally sourced and more affordable Prius batteries and our own VTA mechanics. VTA is taking a conservative approach to the project. By maintaining readiness of the buses through early resourcing, training and quarterly scheduled rebuilds, we ensure staff remains proficient and supplies and funding are available. As the batteries begin to degrade to 70 percent of their original capacity or show increased signs of degradation, we can kick the rebuild schedule into high gear.

Work on these batteries has already begun, and the entire fleet of Hybrid/Diesel will have their batteries restored as the need arises.

San Francisco Chronicle

California Bus Agencies Ordered To Make Fleets Emission-Free

By: Peter Fimrite

Dec. 17, 2018



Public transit buses, such as these on San Francisco's Fremont Street, must run entirely on clean fuel within two decades, the California Air Resources Board says.
Photo: Paul Chinn / The Chronicle

The days when urban life in California involved regular inhalations of diesel smoke from rumbling buses will soon be history after the California Air Resources Board ordered transit agencies to make their fleets entirely emission-free within two decades.

The ruling, handed down by a unanimous vote Friday, is the latest move by California to seize control of its own greenhouse gas emissions as the Trump administration pushes for lower fuel efficiency standards and promotes the oil and gas industries.

The new rules prohibit the purchase of any new gas- or diesel-powered public transit buses by 2029 and require all buses to be emission-free by 2040. It is the first policy in the country to require electrification of a state's entire public transit fleet.

"This is a huge deal," said Adrian Martinez, an attorney for the conservation group EarthJustice. He said he expects airport shuttles, delivery and garbage trucks to be next on the regulatory list.

"It's the type of strategy we need to tackle our air pollution and climate pollution problems, and there will be a lot more rules coming," Martinez said.

The move, which conservationists hope will serve as an example for the rest of the country, will take an estimated 14,000 gas-guzzling public buses off the streets as they get old. Transit agencies will have to replace them with battery and fuel-cell electric vehicles.

The gradual phasing in of zero-emission buses is designed to give the agencies and electric vehicle manufacturers time to design, build and purchase clean-fuel rigs, according to the Air Resources Board. Buses generally last about 12 years before they need to be replaced.

Heavy-duty buses and trucks make up 7 percent of the vehicles on California's roads but contribute 20 percent of the heat-trapping carbon emissions spewed into the atmosphere, according to the Union of Concerned Scientists, a nonprofit science advocacy organization. The organization's experts say heavy-duty vehicles are also the state's largest source of nitrogen oxides, a major ingredient in particulate matter, or smog.

Currently about 150 self-propelled zero-emission buses are operated by transit agencies in California, officials said. The new standard is expected to reduce carbon emissions in California by 1 million metric tons by 2040.

But the state's rules are being threatened by President Trump, who has pushed for revocation of California's federal waiver that allows it to set more demanding tailpipe emissions standards.

Legislators and the Air Resources Board have fought back, laying out a series of ambitious goals to reduce car exhaust, including Friday's bus

standards. The board recently told automakers they must comply with the state's mileage standards no matter what the federal government does.

The state's goal is to cut carbon emissions to 1990 levels by 2020, but experts say the largest portion will result from greenhouse gas reductions by large utilities. Gov. Jerry Brown recently signed legislation requiring all of its electricity to be from clean sources, like solar, wind and hydro power, by 2045.

The San Francisco Municipal Transportation Agency recently committed to operating an all-electric transit fleet by 2035.

"The benefits of this decision go beyond addressing climate change and reducing air pollutants," said Jimmy O'Dea, a senior vehicles analyst for the Union of Concerned Scientists. The move "sends a strong market signal to manufacturers around the world. California must keep leading the way on reducing transportation-related carbon emissions that contribute to global warming, because every fraction of a degree of warming we avoid matters."

The 2015 Paris Climate Accord calls for limiting greenhouse gases enough to prevent a global temperature rise of more than 2 degrees Celsius, or 3.6 degrees Fahrenheit, by the end of the century. That's the point at which catastrophic and irreversible problems would occur. Temperatures have risen about 1.4 degrees since the Industrial Revolution.

In addition to the environmental benefit, California regulators and conservation groups believe the limits imposed by the state on greenhouse gas emissions will be good for business.

"The current demand for clean buses has made California a hub for electric bus manufacturing," said Kathryn Phillips, director of Sierra Club California. "We have six factories or assembly facilities located here. This rule will create even more good-paying jobs across the state."

"The future of public transit consists of a quieter ride, cleaner air and a healthier economy."

ENVIRONMENT

State mandates 100-percent zero-emission bus fleet

The Associated Press

SACRAMENTO » California moved Friday to eliminate fossil fuels from its fleet of 12,000 transit buses, enacting a first-in-the-nation mandate that will vastly increase the number of electric buses on the road.

The California Air Resources Board voted to require that all new buses be carbon-free by 2029. Environmental advocates project that the last greenhouse-gas-emitting buses will phase out by 2040.

While clean buses cost more than the diesel and

natural gas vehicles they'll replace, advocates of the mandate say they have lower maintenance and fuel costs. Supporters hope creating demand for thousands of clean buses will bring down the price of those buses and eventually other heavy-duty vehicles like trucks.

California has 153 zero-emission buses on the road today with hundreds more on order. Most of them are electric, though technology also exists for buses powered by hydrogen fuel cells.

"Every state could do

a strategy like this," said Adrian Martinez, an attorney for Earthjustice, an environmental legal group that supports the rule. "This is something that California did first because we have major air quality and pollution problems, but this is something other states could pursue.

Existing state and federal subsidies are available to help transit agencies absorb some of the higher costs of carbon-free buses, along with money from the state's settlement with Volkswagen over the German automaker's emission-

cheating software.

In approving the mandate, air board members cited both a reduction in greenhouse gas emissions and improved air-quality along heavily trafficked transit corridors in smog-polluted cities.

The transportation sector accounts for 40 percent of California's greenhouse gases, and those emissions are rising even as electrical emissions have fallen substantially.

California needs to drastically transportation emissions to meet its aggressive climate-change goals.

The New York Times

California Requires New City Buses To Be Electric By 2029

The Chinese automaker BYD building electric buses in Lancaster, Calif. Credit: Patrick T. Fallon/Bloomberg



The Chinese automaker BYD building electric buses in Lancaster, Calif. Credit: Patrick T. Fallon/Bloomberg

By: Hiroko Tabuchi

Dec. 14, 2018

California on Friday became the first state to mandate a full shift to electric buses on public transit routes, flexing its muscle as the nation's leading environmental regulator and bringing battery-powered, heavy-duty vehicles a step closer to the mainstream.

Starting in 2029, mass transit agencies in California will only be allowed to buy buses that are fully electric under a rule adopted by the state's powerful clean air agency.

The agency, the California Air Resources Board, said it expected that municipal bus fleets would be fully electric by 2040. It estimated that the rule would cut emissions of planet-warming greenhouse gases by 19 million metric tons from 2020 to 2050, the equivalent of taking four million cars off the road.

Environmental groups said the new regulation was an important step in cutting tailpipe emissions, which are a major contributor to global warming and California's notorious smog.

"Previously, there was the notion of going incrementally cleaner with transit — by using natural gas, for example," said Adrian Martinez, a lawyer at Earthjustice, an environmental law firm. "But California has grown to realize that's not good enough anymore. They've realized that they need to move to zero emissions."

The rule has been several years in the making. It was opposed by the natural gas industry, which balked at losing the stable, long-term fuel contracts that the state's public buses provided.

Todd Campbell, an executive at Clean Energy Fuels, a provider of natural gas for vehicles, said the rule was troubling because natural gas already provided a lower-emissions alternative, and because of the significant investments that cities had already made in natural-gas vehicles.

But the air resources board's 16 members on Friday voted unanimously to adopt the measure.

"A zero-emission public bus fleet means cleaner air for all of us," Mary D. Nichols, the chairwoman of the agency, said in a statement. "It dramatically reduces tailpipe pollution from buses in low-income communities and provides multiple benefits especially for transit-dependent riders."

Under the new rule, the state's transit agencies will need to start updating their fleets well before 2029. Starting in 2023, a quarter of their new buses must be electric, and by 2026 that requirement will rise to half of all new buses. About 150 electric buses run on California's roads today, a small fraction of the state's fleet of 12,000 buses.

Despite the upfront costs of buses and charging infrastructure, the board said local communities would save money in the long run — as much as

\$1.5 billion in maintenance, fuel and other costs by 2050. California also offers incentives for hybrid and zero-emissions trucks and buses.

Some technological challenges remain. San Francisco has said it wants more proof that electric buses can withstand heavy ridership and the city's famously steep hills. And the rollout of electric buses in Los Angeles, Albuquerque and other cities has been marred by mechanical problems and shorter-than-advertised driving ranges.

Even so, electric buses have started to attract considerable attention. The Chinese automaker BYD has aggressively marketed its electric buses around the world, and it builds some of them in Lancaster, just north of Los Angeles. Proterra, an electric bus start-up based in California, recently secured a \$155 million investment from investors led by Daimler, the German automaker.

The United States is playing catch-up in electrifying its bus fleet. Shenzhen, China, announced last year that all of its 16,000 buses were now electric.

California, which under federal law has unique authority to write its own clean air rules, has long led the country in pushing for stronger emissions regulations, and it has taken on the mantle of climate change while the Trump administration is rolling back climate policies. The state has vowed to stick to more stringent emissions standards for passenger cars and light trucks even as President Trump moves to weaken those rules.

Environmentalists say the state's move toward zero emissions in public buses could spur electrification of other types of large vehicles.

"The hope is that as buses lead, trucks will be a couple steps behind them in zero-emissions technology," Mr. Martinez said. "Then forklifts, UPS trucks, even yard trucks."

California Transit Association

December 14, 2018

Air Resources Board Adopts Innovative Clean Transit Regulation

Earlier today, the California Air Resources Board adopted the Innovative Clean Transit regulation. The regulation, which has been in development for nearly four years, requires transit agencies to begin to purchase zero-emission buses (ZEBs), as soon as 2023, with the goal of transitioning all transit buses in California to zero-emission technology by 2040. The regulation initially impacts standard transit buses, postponing the ZEB purchase mandate for non-standard buses (i.e. articulated, cutaway, over-the-road coaches) until at least 2026.

The main provisions of the regulation are as follows:

- **Individualized ZEB Rollout Plans:** The regulation requires large and small transit agencies to develop and submit a ZEB rollout plan by July 1, 2020 and by July 1, 2023, respectively.
- **ZEB Purchase Mandate:** The regulation requires transit agencies to acquire a minimum number of ZEBs at the time of new bus purchases, based on the following schedules:

Large Transit Agencies	Small Transit Agencies
2023 – 25 percent	2023 – N/A
2026 – 50 percent	2026 – 25 percent
2029 and after – 100 percent	2029 and after – 100 percent

The regulation does not require the purchase of zero-emission articulated or cutaway buses or over-the-road coaches until at least 2026.

- **Statewide Thresholds:** The regulation includes a mechanism for encouraging the early elective adoption of ZEBs and postponing the purchase mandate. Under this mechanism:
 - o If transit agencies statewide have 850 ZEBs in operation and/or on order by December 31, 2020, the 2023 purchase mandate would be postponed until 2024.
 - o And, if transit agencies statewide have 1,250 ZEBs in operation and/or on order by December 31, 2021, the 2024 purchase mandate would be postponed until 2025.

These postponements to the purchase mandate, if triggered, would allow agencies to claim unfettered access to incentive funding until 2024 or 2025.

- **Low NOx Requirement:** The regulation requires transit agencies to purchase low NOx engines, if available for conventional internal combustion engine bus purchases.
- **Renewable Fuel Requirement:** The regulation requires transit agencies to purchase renewable fuels when diesel or natural gas contracts are renewed.

The regulation authorizes transit agencies to request a temporary exemption from the ZEB purchase mandate under limited circumstances. The board resolution that accompanies the regulation requires ARB staff to conduct comprehensive reviews of ZEB technology, cost and available funding. These reviews could lead to adjustments to the regulation.

The Association and our members worked hard to influence the language of the regulation, particularly in regard to the timeline for the ZEB purchase mandate and the vehicle types impacted. In 2018, this work was spearheaded by a subcommittee of the Association's Executive Committee, which met nearly every week since January. The Association's most thorough comments on the regulation were shared with ARB on September 24. In the coming months, we will host a series of educational opportunities to better inform our members of the details of the regulation and how to comply with it.

To learn more about the regulation and the Association's involvement in its development, please visit the Association's new Zero-Emission Bus Regulation webpage.



CA: VTA's \$25 Million Deficit Could Lead To Service Cuts, Buyouts And Higher Fares

Dire times are again smacking the Valley Transportation Authority's bottom line, leading to an operating deficit of \$25 million a year and likely to lead to painful cuts in bus service.

Gary Richards | Mercury News

December 7, 2018

Dire times are again smacking the Valley Transportation Authority's bottom line, leading to an operating deficit of \$25 million a year and likely to lead to painful cuts in bus service, offering voluntary buyouts to workers nearing retirement and tying some future fare hikes to inflation.

The VTA board met Thursday night to consider several options to curb the financial bleeding over the next year after staff recommendations followed several months of audit committee meetings.

The agency knows the ledger is bleak and has been issuing warnings for more than a year. Over the last six years, operating expenses have grown twice as fast as revenues. Sales taxes account for roughly 80 percent of VTA's income, but the rate of growth has slowed while expenses continue to increase.

This has led to dipping into its capital reserves, which are down to \$5 million from \$49.5 million 18 months ago. And with BART coming to San Jose late next year, costs for the 10-mile extension from Fremont to Berryessa will require more bus service and covering the financial needs of the BART link.

The biggest chunk of savings will come from reductions in service -- \$15 million a year. Another \$2 million will come in the form of higher fares adjusted for inflation and \$1 million in voluntary buyouts. Other savings will come from delaying some projects.

"The committee came up with substantive recommendations that should help stem the tide as the board and staff continue to work on a long-term plan," said Santa Clara County Supervisor Cindy Chavez, who will chair the board next year.

This isn't the first cash crisis to hit the VTA. During the Great Recession in 2008, layoffs, fare hikes and service cuts were deep. Ridership on buses and light-rail trains dropped a staggering 23 percent from 2001 to 2016, forcing the VTA to consider its biggest shakeup ever in service.

Tough, unpopular decisions loom if the VTA hopes to attract new passengers, get them to their destinations and improve its dismal 10 percent farebox return, which is the worst in the nation among similar agencies.

At the crux: Is the board willing to cut sparsely used, unprofitable routes that carry a handful of passengers -- many of whom have no other means of transportation?

At the time, VTA General Manager Nuria Fernandez said "this is going to take quite a bit of courage. Ridership continues to decrease. Our farebox is not getting any better. Clearly, we are going to have to make a choice to take a chance, or nothing will ever change."

About 30 percent of VTA bus service is geared to covering areas where bus rides are vital to the very few riders those lines carry. A report by consultant Jarrett Walker and Associates said if that was lowered to 10 percent, and money was redirected to the most heavily used routes, ridership and fare revenues would likely increase.

Problems for the VTA have been mounting as the local population swells. The fastest-growing county in the state, Santa Clara County is projected to surpass 2 million residents by 2030. Total VTA boardings have declined substantially from a high in 2001 of more than 57 million annual passenger trips to 44.1 million trips in 2016.

But voters approved new taxes to offset BART operating fees and to boost transit operations.

The VTA included a 10.3 percent increase in bus and light rail hours over the past two years. This represented the culmination of an 18-month process undertaken to completely redesign the transit network and increase ridership and improve cost-effectiveness.

This redesign, known as Next Network, resulted in the development of a more extensive frequent core network serving the most heavily used routes through downtown and East San Jose, but reducing buses to outlying areas where few riders board.

With this latest deficit, almost everything will be analyzed from paratransit operations to potential revenues from state gas tax funds to future regional tax funds to payments for Caltrain and cutting back on planned projects.

If these work, they could "effectively address the structural deficit and long-term financial stability," according to VTA's fiscal resources manager Carol Lawson in a memo to its 12-member board.

This process would take about six months to complete. The board is expected to consider the plan in January, take it to the public and then vote on it in May with changes to begin next fall when BART opens in the South Bay.



\$25M Budget Shortfall Forces VTA To Make Cuts

By: Ann Rubin_

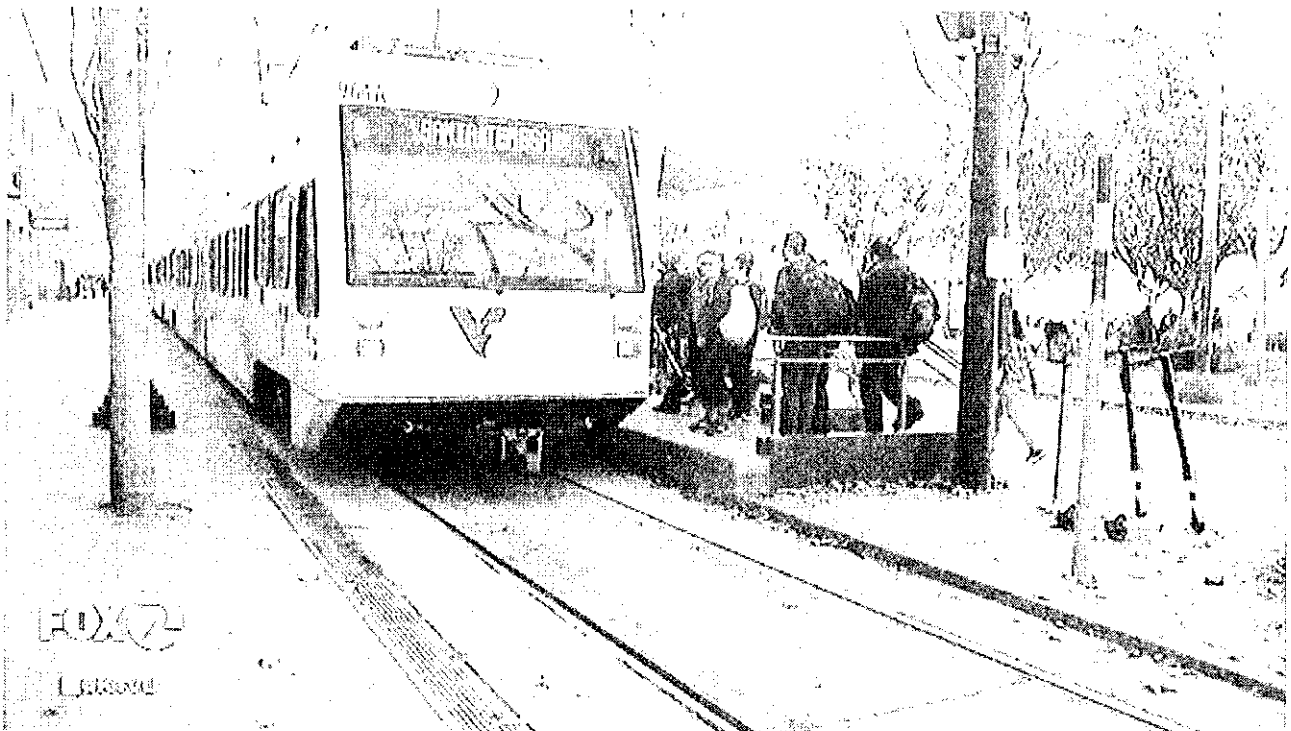
Posted: Dec 07 2018

SANTA CLARA COUNTY, Calif. (KTVU) - It's been a rough road for the Valley Transportation Authority (VTA), which runs light rail and bus service in Santa Clara County. And now a massive \$25 million budget shortfall is forcing the agency to make serious cuts.

According to the agency, ridership is down, expenses are up, and something needs to be done.

At a meeting this week, the board approved moving forward with a plan to fix the problem. On the table are fare increases, cutting underutilized routes, and offering buyouts for some employees.

They'll work out the details and framework in the coming months. Incoming Vice Chair Cindy Chavez said these will be difficult, but necessary decisions to make.



"Taking a deep dive at this to make sure we're protecting and spending public dollars in wisest way we can and then making sure we're providing a service people really want to use... that's our job."

But VTA cautions the public not to panic. There will be plenty of time for their input.

VTA spokesperson Holly Perez says, "This is really a first step in the process. No final decisions have been made. And the real work is now starting."

But regular riders are worried that their routes might be the ones that get cut or that they may not be able to afford steeper fares.

"It would cut their wings because you need the buses. People that don't have cars, like right now I don't have a car, and I need the bus," said rider, Marguerita Avila.

Rider Kiara Gaspard added, "I think people will probably just use Uber more or Lyft, or maybe like the little scooters. I feel like that would probably be their best option if they cut the routes here, yeah."

The board is expected to hear the plan in January, take it to the public, and then vote on it in the next six months.

Negotiations To Begin Between L.A. Metro And ARTT For Plan To Develop Dodger Stadium Gondola

The two parties signed a Letter of Intent after L.A. Metro evaluated an unsolicited proposal.

By: Mischa Wanek-Libman

December 7, 2018



ARTT is working with L.A. Metro to develop an aerial tram that could ferry riders between Union Station in downtown Los Angeles to Dodger Stadium by 2022.

Aerial Rapid Transit Technologies

Los Angeles County Transportation Authority (L.A. Metro) and Aerial Rapid Transit Technologies LLC (ARTT) took steps this week that could see Dodger fans taking a gondola from Union Station in downtown Los Angeles to Dodger Stadium by 2022.

ARTT submitted an Unsolicited Proposal for the project in late April. L.A. Metro accepted the proposal and requested more information, which led to the signing of a Letter of Intent between the two parties in early December. The Letter of Intent is a formal step that moves the project out of the Unsolicited Proposals evaluation phase and into project development. L.A. Metro and ARTT will begin negotiations on roles and responsibilities for planning and constructing the gondola.

“This is a critical milestone in developing an innovative and exciting way for Dodgers fans to get to the game while reducing traffic,” said Metro CEO Phillip A. Washington. “For the sixth year in a row, the Dodgers have led Major League Baseball in attendance and we want to keep that streak going by finding ways to make it more convenient to reach the stadium.”

The Dodgers have averaged slightly more than 46,800 attendees per game in 2018. To help ferry fans, L.A. Metro began running the free Dodger Stadium Express bus service from Union Station in 2010 with a second route added in 2015 between Harbor Gateway Transit Center in the South Bay and the ballpark.

The concept of a gondola to improve access to Dodger Stadium was evaluated as part of a study in 1990. It was not pursued until nearly 30 years later, when ARTT submitted its Unsolicited Proposal.

“This proposal is precisely the kind of out-of-the-box thinking we envisioned when we set up our Unsolicited Proposals process,” said Metro Chief Innovation Officer Joshua Schank. “By allowing potential partners to come to us with ideas and solutions, Metro has positioned itself to tap into the creativeness and ingenuity of private sector innovation.”

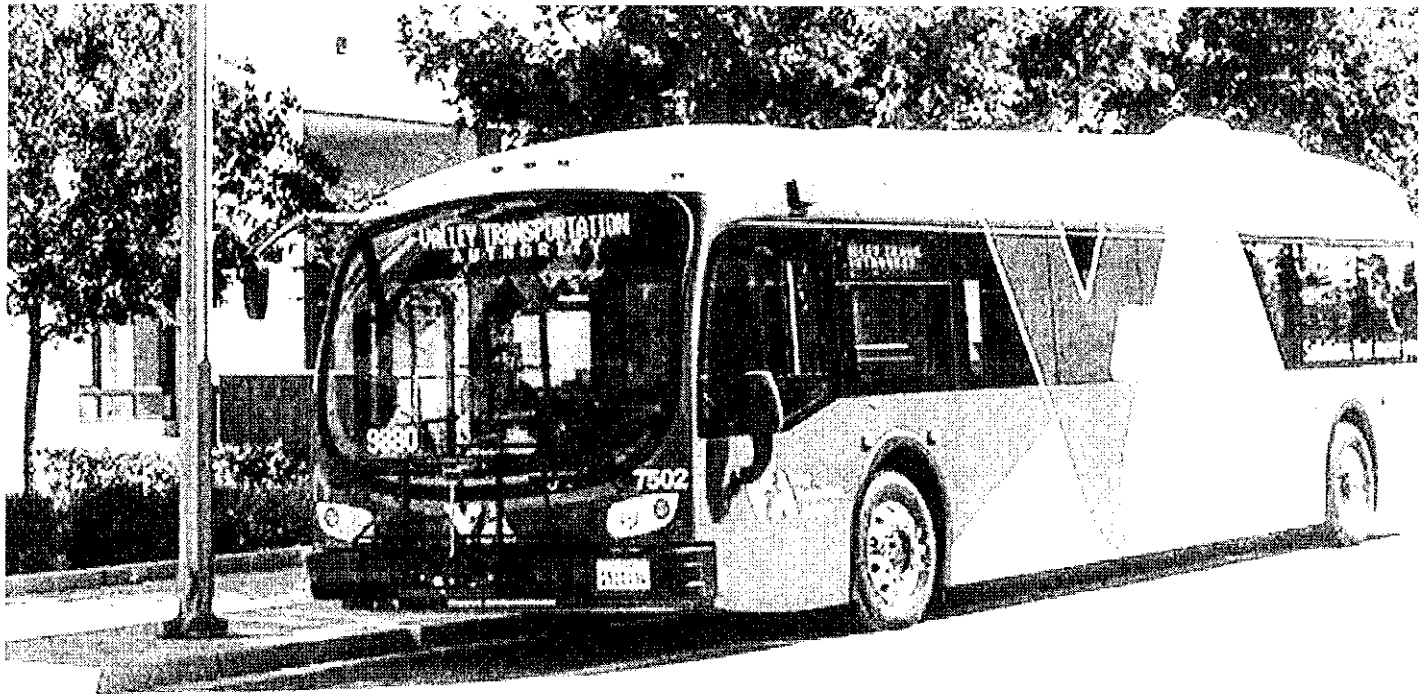
ARTT said the privately-funded, zero-emission project would have the capacity to move thousands of people every hour.

“We look forward to working with Metro staff to get the aerial off the ground and fans flying to the stadium in 2022,” said ARTT Project Manager Martha Welborne.



VTA Considers Service Cuts, Fare Hikes, Employee Buyouts to Cope with Budget Shortfall

By Silicon Valley Newsroom / December 7, 2018 13



VTA's financial outlook is bleak. (Photo by MuniDave, via Flickr)

The South Bay's biggest public transit agency is bracing for employee buyouts, fare hikes and reduced bus service to cope with a \$46 million deficit in the next two years.

At a board meeting Thursday, the Santa Clara Valley Transportation Authority (VTA) approved a number of recommendations to address the shortfall in the coming year.

Taxes, which account for some 80 percent of the VTA's income, have been going up in recent years thanks to a series of ballot measures, but it's not enough to cover the agency's burgeoning expenses.

VTA has proposed to scrap the 83/17 "Next Network" plan and move to a 90/10 plan that would likely eliminate routes 63, 64, and 65 to SJSU.

Operating costs have doubled the pace of revenues for the past six years, according to staff reports. As a result, the VTA has tapped into its capital reserves, draining them from \$50 million to \$5 million in the span of 18 months.

The situation is unlikely to improve. BART's arrival in downtown San Jose at the end of next year will require additional bus service and other costs associated with the 10-mile train extension from Fremont.

I made public comment encouraging investments to speed buses and trains and get more competitive service and more service per dollar; and revisiting old capital project that may not meet current needs

The 12-member board considered a plan that would save \$15 million a year by cutting service and generating an additional \$2 million a year by raising fares at the rate of inflation. Another \$1 million would be saved through voluntary buyouts.

SFGATE

Double Decker Buses Are Now Making The Commute Across The Bay Bridge

By Alix Martichoux. SFGATE

Thursday, December 6, 2018



Photo: Paul Chinn, The Chronicle

AC Transit displays a new double decker bus for visitors to tour at the grand opening of the Salesforce Transit Center in San Francisco, Calif. on Saturday, Aug. 11, 2018. Buses begin rolling across the Bay Bridge on Dec. 3.

There's a new way for East Bay commuters to get to work — and it has a view that may be tough to beat.

AC Transit debuted double decker buses on two of its transbay lines Monday. Like all other transbay buses, the cost of a one-way ride is \$4.50

(increasing to \$5.50 in 2019) and there's wifi on board. The best views of the bay come from the top deck, where the seats also recline.

With the added second story, the buses can now carry 78 passengers.

So far, you'll only see them on the FS and J lines, which both originate in Berkeley. But the agency plans to launch the double deckers on the L and LA lines, which go through Richmond, El Sobrante, San Pablo and Albany, early next year.

"Lines FS and J were our initial selection because each line heavily used and crowded Transbay trips. Additionally, both lines ridership has grown over 20 percent since 2017," explained a statement from AC Transit.

The agency expects that trend to continue.

"Line FS serves University Avenue, which is undergoing dense residential development in the last few years. Similar dense developed is under planning along the corridor. Line J serves the already dense residential district of Emeryville, and has the highest ridership per stop on Transbay service."

More information on the double decker buses is available from AC Transit.

JEFF MERKLEY

United States Senator For Oregon

Merkley, Senators Introduce Bill to Make Public Transit Cleaner, Healthier, More Affordable

The bill would provide zero-interest loans to purchase electric buses, reducing both emissions and maintenance costs

Thursday, December 6, 2018

WASHINGTON, D.C. – Oregon’s U.S. Senator Jeff Merkley, along with Senators Tina Smith (D-MN), Catherine Cortez Masto (D-NV), Bernie Sanders (I-VT), Cory Booker (D-NJ), and Kamala Harris (D-CA), today introduced a bill that would provide transit authorities with zero-interest loans to purchase electric buses—curbing emissions among the top source of greenhouse gas pollution in the United States, and cutting fleet maintenance costs by tens of thousands of dollars.

“Climate chaos is threatening our future, and we need to act boldly and quickly to stop it,” Merkley said. “Electric buses mean lower operating costs as well as better health and less pollution, but they cost more to buy. A little up-front help from the federal government turns regular transit updates into opportunities to cut down on emissions and save money. It’s common sense and will help build the foundation for a greener future.”

“Combatting climate change isn’t just important; it also is good for our economy.” Smith said. “Beyond a smaller carbon footprint, electric buses are quieter, more efficient, produce far fewer health harming emissions, and have dramatically lower fuel costs than petroleum diesel buses. Quieter buses and no petroleum diesel smoke make our roads more pleasant for those sharing them, like bikers and pedestrians. With this bill, we’re helping our cities make an upfront investment in the health of their communities.”

“Nevada is a leader in clean energy. And I’m doing all I can to ensure that we continue to strengthen that leadership and support opportunities to create good-paying green jobs, improve the quality of the air we breathe, and help curb climate change,” said Cortez Masto. “This legislation will

empower our local transit agencies to combat carbon emissions, improve residents' quality of life, and save money in the long term. I'll continue working to identify innovative, clean energy solutions that help America thrive."

"Climate change is a clear and present threat to our communities and our future. We should be exploring every opportunity to mitigate its effects and reduce greenhouse gas emissions," said Booker. "Making public transportation cleaner and more environmentally-friendly is one such opportunity. Our bill is a common-sense way to incentivize local governments to transition their bus fleets to all electric-vehicles, a move that will drastically reduce carbon pollution, improve air quality, and lower maintenance costs."

"It is beyond time to take action to combat the continuing rise in greenhouse gas emissions and secure the American people's right to clean air and clean water for future generations," said Harris. "I'm proud to cosponsor this bill that would go a long way towards eliminating a major source of air pollution and would give communities across the country the funding they need to invest in new, green transportation infrastructure."

The transportation sector is the number one source of greenhouse gas pollution in the U.S., and 44 percent of U.S. carbon pollution comes from oil. More than 1,000 transit districts operate buses that have traveled over two billion vehicle miles. Electrifying all of the nation's diesel-powered transit buses could save more than two million tons of greenhouse gas emissions annually, while eliminating tons of nitrogen oxides and hundreds of pounds of diesel particulate matter containing dozens of toxic air contaminants. Transitioning to cleaner buses will drastically help cut down on carbon pollution and improve communities' air quality. Additionally, transit authorities could save roughly \$40,000 a year on fuel and maintenance.

Currently, however, switching to electric buses can be cost prohibitive. That's why the *Community Health and Clean Transit Act* builds on the success of the Department of Transportation's Low and No Emission grant program and creates an innovative financing tool to offset the upfront capital cost of electric buses, and help communities choose clean and efficient transit fleets.

The *Community Health and Clean Transit Act* provides zero-interest loans to qualified transit districts for the additional upfront costs of electric buses over conventional diesel buses, as well as the associated charging infrastructure, and technical assistance. The bill would authorize \$15 million to cover the default risk of the loan, leveraging critical federal dollars and allowing communities to choose the best bus for their needs and communities.

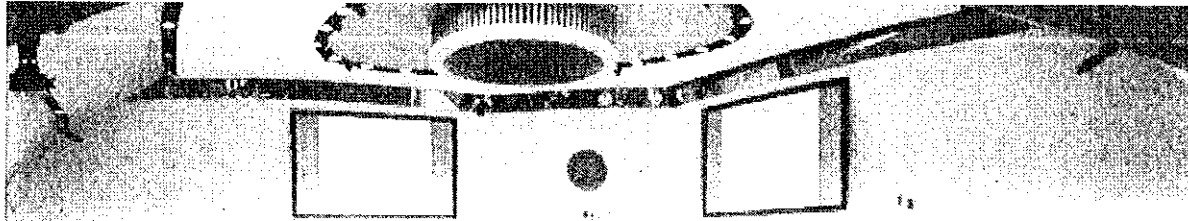
The bill also encourages innovative partnerships between fleet operators and utilities to facilitate vehicle-to-grid technologies, provide energy storage, and enhance grid resiliency. And, with strong “Buy America” provisions, the bill ensures that electric buses will help create U.S. jobs.



Valley
Transportation
Authority

VTA Board Approves Ad Hoc Financial Stability Recommendations

12/6/2018 9:36 PM | Holly Perez



At the December 6, 2018 meeting, the VTA Board of Directors unanimously approved recommendations put forth by VTA's Ad Hoc Financial Stability Committee (Committee) to address VTA's immediate and long-term financial challenges. VTA is facing a \$20 million structural deficit in fiscal year 2018 and \$26 million in 2019.

The Committee's recommendations approved by the Board focused on three areas: specific action, encouragement/policy discussion, and further examination, as outlined below.

Specific Action

Service Delivery

In order for VTA to remain financially sustainable, the Committee determined that the recent redesign effort of VTA's transit network, known as the Next Network, will need to be implemented with fewer service hours.

The Final Transit Service Plan (Plan) for FY18 & FY19, adopted by the VTA Board on May 4, 2017, included 1.6M hours of bus service and 192K hours of light rail service. This Plan reflects the Board approved “83/17” ridership-to-coverage ratio for bus service, meaning 83 percent of VTA resources would be dedicated to high ridership routes while 17 percent would be dedicated to VTA’s service coverage area.

The Committee recommended that the Next Network be implemented to the greatest extent possible within the bus and light rail service hours VTA currently provides, which is approximately 1.52M and 156K, respectively. These service levels would save approximately \$15M annually.

The Committee also recommended increasing the ridership-to-coverage ratio for bus service to 90/10 with the goal of maximizing ridership.

Index Fares to Inflation

Prior to the increase instituted in January 2018, VTA’s Fare structure had not significantly changed since October 2009. During that span, VTA’s operating expenses increased by 37 percent. To help ensure that fare revenues are more in line with service delivery costs, the Committee recommended the Board consider a Fare Policy that indexes certain fares to inflation.

Depending on the impacted fare categories, this recommendation could result in an additional \$2M per year initially with the annual amount growing over time.

Voluntary Early Retirement Incentive

There are a number of VTA employees at or near retirement age. The Committee recommended offering a voluntary early retirement incentive to a defined number of eligible employees and restructuring departments where appropriate. Savings estimated at \$1M would be realized either by reorganizing and absorbing the duties of the position or from filling the position at a lower cost. Over time, this proposal would increase revenues, reduce expenses, and better align revenue and expense growth rates.

Three additional items were identified by the Committee for specific action:

- Conduct an annual Board assessment and decision on implementation of an indexed fare increase
- Conduct a Board Workshop focused on the future of transportation
- Assign committee(s) to further analyze and recommend options to the Board for VTA's short and long-term future

Encouragement/Policy Discussion

In addition to the proposed recommendations and other specific actions, the Committee identified several issues for further review and discussion and encouraged the Board to both continue existing efforts and initiate various policy discussions to address VTA's structural deficit and promote long-term financial stability:

- Protect services in South County when redesigning the service network
- Develop a framework for funding strategy decisions on ballot measures
- Revisit capital expansion programs and consider options for service provision
- Examine funding partner agreements
- Develop a framework for future Caltrain funding and joint revenue strategy particularly in relation to continued General Fund support if a regional funding measure is sought
- Encourage job/housing balance and developments at areas with existing services
- Continue to aggressively pursue Joint Development opportunities

Further Examination

Committee recommendations also included several items that require further study by staff:

- Examine VTA's funding base including those that are fungible while ensuring capital funds are not shifted to operations
- Identify additional funding sources
- Conduct a comparative study to identify opportunities for contracting in and out

- Review billing of staff time to capital projects
- Update/refine Joint Development targets, considering the relationship between jobs & housing

In addition to approving the above Committee recommendations, the Board further directed VTA staff to develop a comprehensive work plan and process to address the Committee recommendations. The work plan and process will be brought to the full Board for review in 2019.

Mercury News

Bus CA: Bay Area May Allow Buses To Drive On Freeway Shoulders During Heavy Commute Times

In an almost desperate effort to grab up every possible inch of unused concrete to get the Bay Area's terrible traffic moving again, agencies across the region are pushing to allow buses and possibly carpools to drive on the shoulder.

By: Gary Richards

December 6, 2018

Dec. 05--In an almost desperate effort to grab up every possible inch of unused concrete to get the Bay Area's terrible traffic moving again, agencies across the region are pushing to allow buses and possibly carpools to drive on the shoulder of freeways and bridges during the heaviest commute times.

Next year, the California Transit Association along with the Valley Transportation Authority, the Contra Costa Transportation Authority and other planning groups will seek statewide legislation to bring this once unthinkable practice to everyday commutes. Highway 87 through San Jose, Interstate 680 in the East Bay, Highway 101 along the Peninsula, Highway 1 outside Santa Cruz, Interstate 280 in San Mateo County, and the Bay Bridge and Dumbarton Bridge are on the list of vital roads where this change could be implemented.

"We think this is a good idea," said Randy Iwasaki, executive director of the CCTA, who has followed similar projects in Minnesota, Virginia and on Interstate 805 in San Diego County. "We believe we can replicate that success on 680."

Last week, the VTA issued the results of a study on plans for the 10 miles of Highway 87 from Almaden Valley to north of Mineta San Jose International Airport, where speeds, even in carpool lanes, frequently drop below 40 miles per hour. There is no space to add a fourth lane in each direction and advanced metering lights can only do so much.

"The use of shoulders can help to get more throughput where needed with less cost than adding new lanes," VTA spokesperson Holly Perez said.

"However, there are operational aspects of shoulder use that would need to be further explored in partnership with other agencies."

Shoulders are now off limits except for emergencies such as stalls, crashes and police stops. A driver in an adjacent lane could be intimidated by a 40-seat bus barreling down just inches away from where previously there was an empty stretch of road.

The state Office of Traffic Safety says it supports any measures that make roadways safer and encourage safe driving practices. The CHP won't take a firm stance until legislation is proposed and details ironed out. But a survey of 1,600 Highway 87 drivers found half agreeable to the idea.

"Why doesn't the greater Bay Area use more shoulders especially the left one for travel lanes to ease congestion?" asked Peter Schmidt of Walnut Creek. "The Los Angeles area appears to use the shoulders more for normal traffic, so why doesn't San Francisco? There are safety concerns but it has to be cheaper than widening the freeway in a region with some of the worst commuter traffic in the nation."

Not so fast, countered trucker Paul Carlson of Hayward.

"A good idea? Nah. There are so many accidents. Such a plan would get in the way of fire trucks and ambulances and tow trucks, etc. Make them all the more late to the scene.

"Buses are wide, while cars and trucks will edge to the left and right of their lanes, not to mention that many of those freeway shoulders are narrow. More so in construction areas."

Here is how a shoulder could be used on a 10 1/2 -foot area: Overhead electronic signs could have green arrows meaning it is open to traffic say from 5 a.m. to 10 a.m. or 3 p.m. to 7 p.m. When off limits, the arrows would be red.

On I-680, a part-time transit lane between Bollinger Canyon Road and Ygnacio Valley Road would be considered on the outside shoulder during morning and afternoon peak hours in both directions. When traffic in other lanes "slows to 35 mph, public buses can use the part-time transit lane to keep on schedule and provide reliable bus service," Iwasaki said. And perhaps lure more bus riders and take cars off the road.

The Metropolitan Transportation Commission in San Francisco is a strong proponent of the issue, especially across the Dumbarton Bridge. It is meeting with Caltrans and the CHP to examine bus-on-shoulder operations to make transit a more attractive option for travelers in that Fremont to East Palo Alto corridor.

Officials are also buoyed by converting the eastbound shoulder to traffic on the Richmond Bridge, calling it an unqualified success.

"Backups on eastbound I-580 in Marin County have been eliminated," said MTC spokesman John Goodwin, but adding "it's not as easy a puzzle to solve as it might appear."

It could take two years to get some relief on the Dumbarton. But, hey compared to today's commutes, that's warp speed.

Bloomberg Opinion

The Least Affordable Housing Markets Aren't Where You Think

Yes. Los Angeles and New York make the list for low rental affordability, but so do Rochester and Tucson — and San Jose and San Francisco don't.

By: *Justin Fox*

November 30, 2018



But can you afford it?

Photographer: Justin Sullivan/Getty Images

Where is housing least affordable in the U.S.? The most cited measure was long the National Association of Realtors' affordability index, which tracks whether median-income families can qualify for mortgages on median-priced homes. According to that, the least affordable market as of 2016 was San Jose-Sunnyvale-Santa Clara (aka Silicon Valley) in Northern California, followed by Anaheim-Santa Ana-Irvine in Southern California (aka Orange County) and San Francisco-Oakland-Hayward just to Silicon Valley's north¹. Recently the NAR has shifted to an affordability distribution score that measures the percentage of for-sale homes in an area that a family with a median income can afford: In that, the Los Angeles-Long Beach-Anaheim metropolitan area (yes, they group Los Angeles and Orange County together for one measure but not the other) was least

¹ There are differing definitions of Silicon Valley, and most of them include Menlo Park and Fremont, which are both in the San Francisco-Oakland metro area. But for simplicity's sake let's not get into that here.

affordable as of September, with neighboring San Diego-Carlsbad and Oxnard-Thousand Oaks-Ventura in second and third, San Jose fourth, and San Francisco and Honolulu tied for fifth. The real estate site Zillow, meanwhile, has a mortgage affordability index that as of September ranked San Jose worst for affordability, followed by nearby Santa Cruz and San Francisco and then the Los Angeles area.

Hey, but what about renters! They're in the minority among Americans, with 64.4 percent of U.S. housing units occupied by owners in the third quarter of 2018, according to the Census Bureau's latest homeownership report. In metropolitan Los Angeles and New York, though, renters account for 52.7 percent and 51.2 percent of households respectively. They also make up more than 40 percent of households in several other big metro areas, including San Francisco, San Jose, Orlando, Miami and San Diego. Also, renters tend to be poorer than homeowners are. The median income of renter households was an estimated \$38,944 last year; for homeowner households, it was \$75,876. The people for whom housing affordability is the most pressing issue would thus seem to be renters, not owners.

Zillow does track rental affordability, too. But I'm going to go with the Census Bureau's median gross rent as a percentage of household income, in part because it compares rents to renters' incomes, not everybody's. This offers an interestingly different perspective.

Where Rental Housing Is Least Affordable

Among metropolitan areas of 1 million people or more, 2017

	Median gross rent as a % of household income*	Median gross rent, in dollars
Miami-Fort Lauderdale-West Palm Beach, FL	36.9%	\$1,316
Riverside-San Bernardino-Ontario, CA	34.4	1,268
New Orleans-Metairie, LA	34.4	965
Los Angeles-Long Beach-Anaheim, CA	33.9	1,476
San Diego-Carlsbad, CA	33.4	1,598
Tucson, AZ	32.8	887
Orlando-Kissimmee-Sanford, FL	32.7	1,151
Sacramento-Roseville-Arden-Arcade, CA	32.4	1,246
Rochester, NY	32	902
New York-Newark-Jersey City, NY-NJ-PA	31.7	1,379
Tampa-St. Petersburg-Clearwater, FL	31.7	1,070
Hartford-West Hartford-East Hartford, CT	31.3	1,061
Virginia Beach-Norfolk-Newport News, VA-NC	30.8	1,124
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	30.5	1,082
Denver-Aurora-Lakewood, CO	30.4	1,352

Source: U.S. Census Bureau

*This is income of renter households, not all households.

Those aren't all expensive California glamour spots. Of the four large U.S. metropolitan areas with the lowest median household incomes, in fact, three (New Orleans, Tucson and Tampa) made it onto this chart². Miami and Orlando are also in the bottom 10 for income out of the 53 metropolitan areas with 1 million people or more; Rochester is 12th from the bottom.

I chose a cutoff of 1 million because it's a nice, round number and the margins of error start to rise well past 1 percentage point below that; this excluded the aforementioned Oxnard, Honolulu and Santa Cruz metro areas. Also, to be clear, these are the rents that respondents to the 2017 American Community Survey said they were paying, not necessarily what currently vacant apartments in these metro areas are going for.

Noticeably absent from this list are the San Jose and San Francisco metropolitan areas — the Bay Area, for short. They have the country's highest median gross rents (metropolitan Washington is third among large metro areas, followed by San Diego and Los Angeles) but somewhat amazingly³ make it onto the list of the 15 *most affordable* large metros. Washington just misses that list at 17th.

² Memphis, Tennessee, is the fourth.

³ I say "somewhat" because I wasn't entirely surprised by this after writing a column on median rents by city earlier this year that ranked the Silicon Valley cities of Cupertino and Sunnyvale among the most affordable.

Where Rental Housing Is Most Affordable

Among metropolitan areas of 1 million people or more, 2017

	Median gross rent as a % of household income ⁺	Median gross rent, in dollars
Louisville/Jefferson County, KY-IN	26.7%	\$818
Cincinnati, OH-KY-IN	26.9	790
Raleigh, NC	27	1,073
Kansas City, MO-KS	27.2	935
Pittsburgh, PA	27.3	794
Columbus, OH	27.4	916
Salt Lake City, UT	27.5	1,068
Charlotte-Concord-Gastonia, NC-SC	27.6	977
Nashville-Davidson-Murfreesboro-Franklin, TN	27.9	1,030
Oklahoma City, OK	27.9	851
Minneapolis-St. Paul-Bloomington, MN-WI	28.1	1,057
Providence-Warwick, RI-MA	28.3	916
Dallas-Fort Worth-Arlington, TX	28.4	1,085
San Francisco-Oakland-Hayward, CA	28.6	1,853
San Jose-Sunnyvale-Santa Clara, CA	28.7	2,213

Source: U.S. Census Bureau

*This is income of renter households, not all households.

This is possible because people in metro San Francisco, San Jose and Washington make lots of money, with median household incomes of \$117,474, \$101,714 and \$99,669 respectively in 2017 — the highest among all metropolitan areas (that is, not just large ones). Perhaps more significant, these are also the only three metropolitan areas where renter households made more than the \$60,336 national median for all households.⁴

To be sure, rental housing is even more affordable in places with low rents and moderately growing economies like metro Louisville and metro Cincinnati⁵, and those making significantly less than \$100,000 a year in the Bay Area often find it impossible to get by. Homelessness is a big problem there, and a study released in October by BuildZoom and the Turner Center for Housing Innovation at the University of California at Berkeley found that people with household incomes of less than \$50,000 were fleeing the region, usually for cheaper nearby locations such as the Sacramento metropolitan area. Sacramento is on the least-affordable list above, and 15 other Northern and Central California metros (Madera, Santa Cruz, Redding, Visalia, Chico, Stockton, Santa Rosa, Fresno, Salinas, Napa, Santa Maria, Merced, Bakersfield, Vallejo and San Luis Obispo)⁶ have rent-to-income ratios high enough to make that list but fewer than a million inhabitants. To some extent, the Bay Area is just exporting its affordability problems to its neighbors. I'm not saying the situation there is anywhere close to optimal.

Still, it seems better than what's going on in Southern California. Metro San Diego and Los Angeles come in fourth and fifth among large metros in median rent and Riverside-San Bernardino 11th, but median household incomes in these areas are way below Bay Area levels at \$76,207, \$69,992 and \$61,994 respectively.

⁴ This is different from the more widely cited national median household income of \$61,372 that the Census Bureau reported in September, which is derived from other surveys, but I figured I should go with the ACS number to be consistent with the metro-area figures. The estimates of the median metro area household incomes for renters in 2017 were \$87,282 for metro San Jose, \$73,308 for San Francisco and \$63,861 for Washington.

⁵ Using metropolitan-area data has its limitations. Cincinnati, for example, has one of the highest poverty rates relative to the surrounding metro area of any major American city, as Jason Segedy, planning director of the city of Akron, Ohio, pointed out in an illuminating Twitter thread about urban/suburban economics Wednesday. So there are surely a lot of people in Cincinnati proper for whom housing affordability is a big issue.

⁶ Listed in descending order of their rent-to-income ratios; Madera's is 37.4 percent, San Luis Obispo's 31.6 percent. Also, I'm going by the California Department of Transportation definition of Central California here. Others sometimes put Bakersfield, San Luis Obispo and Santa Maria in Southern California.

Whether you're looking at purchase prices or rents, housing in Southern California is spectacularly unaffordable, and more of it at reasonable prices is desperately needed. What got me scurrying down this data rabbit hole, in fact, was a new study by the architecture firm Woods Bagot that estimates that surface parking spaces in Los Angeles County, which currently cover an area 4.4 times the size of Manhattan, could be repurposed to house 1.5 million to 3 million people. Sounds like a plan!

Still, better jobs and higher incomes wouldn't hurt the region, either. Job growth in the Los Angeles metropolitan area has been slow for decades, and while per capita income has grown a little faster there over the past decade than in the rest of the country, the surrounding metro areas have actually lost ground.

More generally, in a lot of the cities and metropolitan areas where people are finding it hardest to pay for housing, persistent poverty seems to be a much bigger problem than high-rises full of tech workers. City Observatory's Joe Cortright laid this out in great detail four years ago, and his key point bears repeating:

While media attention often focuses on those few places that are witnessing a transformation, there are two more potent and less mentioned storylines. The first is the persistence of chronic poverty. Three-quarters of 1970 high-poverty urban neighborhoods in the U.S. are still poor today. The second is the spread of concentrated poverty: three times as many urban neighborhoods have poverty rates exceeding 30 percent as was true in 1970 and the number of poor people living in these neighborhoods has doubled.

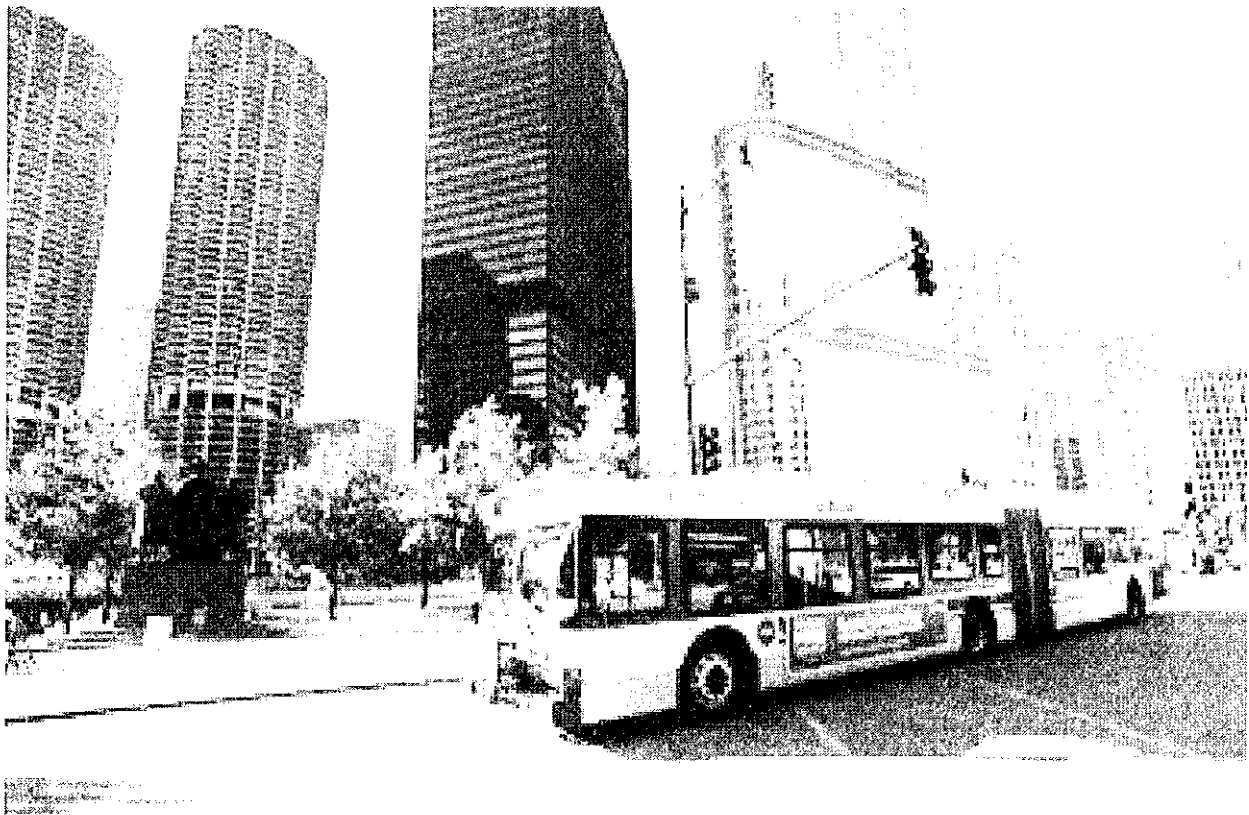
Life is extremely complicated and expensive in places like San Jose, San Francisco and Seattle that have been transformed in recent decades by growth and wealth. For renters, though, it's even less affordable in places that haven't.

METRO

For Transit & Motorcoach Business

Report Finds Job Growth Near Public Transit Options

Posted on November 29, 2018



MPC's research finds that in 2017, 85% of all new business construction in the Chicago area occurred within one-half mile of a transit station. Photo via Chicago RTA

CHICAGO — An *NPR* report takes a look at how more and more businesses want to be located close to rail and bus stations, including Amazon and McDonald's.

NPR also discusses a report by Chicago's Metropolitan Planning Council (MPC), which shows that since 2005, 60% of all the new jobs created in the Chicago region are in areas with high quality transit service, and about one-half of all newly created jobs are within a half mile of a Chicago Transit Authority (CTA) or Metra rail station. Within a quarter mile of a CTA "L" or Metra station, jobs grew at a rate of 20%, which is more than twice the growth rate in the region as a whole.

MPC's research also finds that in 2017, 85% of all new business construction in the Chicago area occurred within one-half mile of a transit station. The data also shows that transit fosters economic resiliency, with jobs actually being gained a quarter mile of transit stations during the recession in 2008 and 2009 when 150,000 jobs were lost in the region.

Latest Court Ruling Frees Up Measure B Project Funds

Published: 28 November 2018

Written by Los Altos Town Crier Staff - Town Crier Staff Report

Odds are, the \$6.3 billion in funding for Santa Clara County Measure B transportation improvements will soon be available after the state Court of Appeal Nov. 7 refused to rehear the case.

The court ruled Oct. 18 in favor of the Santa Clara Valley Transportation Authority in response to a legal challenge filed by Saratoga resident Cheriell Jensen that froze funding for nearly a year after voters' 2016 approval of the half-cent sales tax. Jensen and her attorney, Gary Wesley of Mountain View, claimed the initiative's wording lacked specifics on funding use and should therefore be deemed invalid.

But the latest court decision virtually clears the way for Measure B funds to be spent on projects, including lane additions for a traffic-bottleneck portion of Foothill Expressway in Los Altos. The plaintiff's only option left is to petition the state's Supreme Court for a hearing.

Although Wesley is petitioning the court to hear the case, he acknowledges the odds of having it heard are slim. The court is expected to make that call within 60 days.

"The California Supreme Court grants review of only 1 in 100 civil cases in which such a petition is filed," he said. "So, most likely, the VTA will soon be free to use the sales-tax proceeds from Measure B for whatever it likes."

ABC 7 News

Dramatic Video of VTA Bus Crash, Car Driver Asks Why His Fault?

By: Dan Noyes

Wednesday, November 21, 2018

SAN JOSE, Calif. (KGO) --A small car collided with a big bus in San Jose. And now the vehicle's driver is asking how this is his fault when he had a green light. He sent I-Team Reporter Dan Noyes a message on Twitter with that video, asking him to investigate.

Eric Canoy had the option of telecommuting to his job as engineer for a Silicon Valley electric car startup, but on this day in August, he decided to drive in.

"I just thought, 'Hey, why not? It's a Friday, traffic can't be too bad,'" said Canoy.

So he jumped in his Mazda and approached a light near the Cisco Systems headquarters, westbound Tasman Drive in San Jose.

Canoy told Noyes, "By the time I hit the intersection, I entered through, I just kind of looked up and I saw, 'Oh hey, there's a bus, oh hey, there's a bus.'"

Canoy was shaken, some burns on his hand and elbow from the airbags, not seriously hurt. His car was totaled. He told first responders he recorded the incident: "I have a camera in here somewhere."

His video does confirm he had a green light for a full four seconds before impact. Pete Sobolev was driving the same direction, just to the right of Canoy.

"I notice out of the corner of my eye the bus turning into the intersection which I thought, that shouldn't be," Sobolev told us.

He took a right hand turn, just as the crash happened.

"You know, I of course was wondering what caused the crash," Sobolev said. "And then I quickly came to the conclusion that that bus must have turned into that intersection against a red light."

Milpitas Police initially cleared Canoy.

"He came back and said, 'Hey, you know what, good news. You have the green light,'" Canoy told us. "So, there's no reason to cite."

But the investigator changed his mind, concluding in the traffic collision report, "Canoy was at fault. I determined that the VTA bus was legally in the intersection when the collision occurred. Canoy did not yield the right of way to traffic legally in the intersection."

Milpitas police Lt. Jared Hernandez told the I-Team, "The person that's entering the intersection on the green has a duty to make sure the traffic has gone through that intersection and that it's safe to proceed."

What about the bus driver's responsibility? Using the California Public Record's Act, the I-Team obtained recordings from the VTA of the bus' eight cameras. In video from the bus you see the bus stopped at the intersection, two cars pull away. Before he even hits that limit line, the light turns yellow. We counted-- the bus had more than 40-feet to hit the brakes and stop. But, it continued through.

The California Driver Handbook says, "When you see the yellow traffic signal light, stop if you can do so safely. If you cannot stop safely, cross the intersection cautiously."

Noyes: "Didn't that bus have the duty to yield, to stop before heading across the intersection?"

Hernandez: "That bus was already in past his limit line, he's already in the crest of his turn."

When you look again at the VTA recording the stop light disappears at one point and you can't see precisely when it goes red. But, the I-Team timed the light -- it's yellow for three-and-a-half seconds. So the bus hit the red and continued past the red light through the intersection.

Retired San Francisco motorcycle officer Jimmy Lewis, a 34-year veteran trained in accident investigation, blames the bus driver.

"It ran the red and so the bus should have stopped," he said.

Lewis cites California Vehicle Code 21451, which reads, "Any driver, including one turning, shall yield the right-of-way to other traffic ... lawfully within the intersection." He says Canoy, with that green light, was lawfully in the intersection.

"You have to yield to the cross traffic that has the green," said Lewis.

The bus driver did not return our calls, texts and email for comment.

After the crash, he called the VTA office and blamed Canoy.

"I was making a left hand turn," the bus driver said on surveillance video. "The other guy just went through the light, just went through the light."

Officials at the VTA declined an interview and sent us an email that said, "There is the potential for litigation and, therefore, we reserve comment. The safety of those traveling on or around our system is VTA's top priority."

There is a lesson here for anyone who drives.

"Just because the signal's green doesn't always mean that you can just go through it," said Lt. Hernandez. "You still have to take that moment to make sure that it's safe to do so."

This is the first time Eric Canoy has seen the on-board bus video that raises many questions. His insurance company settled, paying for damage to the bus and replacing his car. He tells me his premiums are up about 10-percent.



Edmund D. Fountain for POLITICO

What Went Wrong With New Orleans Transit?

When the city tried to rebuild after Katrina, Washington stepped in—and created even more problems.

By: Tanya Snyder

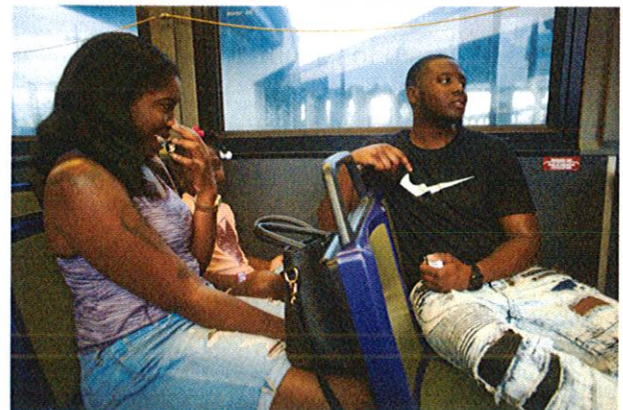
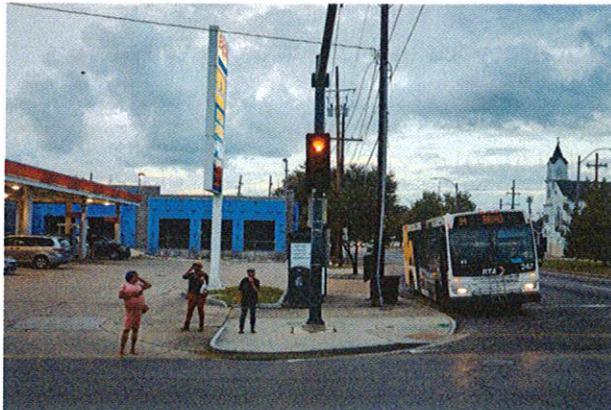
11/20/2018

NEW ORLEANS — Every morning, Judy Stevens leaves her house in the eastern reaches of this city and spends more than two hours, taking three buses across two transit systems, to get to her job west of the city. She heads out at 5:30, painfully early, but she needs all that time. She worries especially about the tight connection between her first bus and her second bus. If her regular driver isn't on duty, she says, everything goes haywire. "We're like, he needs to let us know when he's going on vacation," she says.

Stevens knows it would be much faster to drive, but she finds the cost and inconvenience of maintaining and insuring a car "unacceptable." Plus, she likes the passengers on the ride home:

She'll "amen" along with Sister Sonja, who's always thanking Jesus, and laugh at the jokes from the guy who "thinks he's a comedian" after a few too many beers.

Her supervisor pushed her start time back 15 minutes when she realized what Judy's commute was like, but she still usually arrives early enough to sit and eat breakfast with her co-workers before she starts her day. It's buffer time in case the bus gets stuck at a rail crossing, or she misses her connection, or the replacement driver screws up the timing.



TOP: Judy Stevens stand at the bus stop where she begins the two-hour commute from her home in east New Orleans to her job west of downtown. BOTTOM LEFT: A bus discharges passengers in downtown New Orleans. BOTTOM RIGHT: Passengers on a New Orleans bus. The transit system is only about half its strength from before Hurricane Katrina. | Edmund D. Fountain for POLITICO

In cities like New Orleans, public transportation provides a crucial link between people and their jobs. But in many ways, it's failing exactly the people who need it most: the people in poorer neighborhoods, those without cars, and those who rely on transit for their geographic and social mobility. Though affordable housing gets more attention in the national debate about economic opportunity, affordable transportation is just as essential: Where transit is infrequent and unreliable, it dramatically shrinks the pool of jobs available to people who don't have a car.

New Orleans, unique as it is, is also unique as an illustration of what can go wrong with public transit funding. It was already facing serious issues before Hurricane Katrina devastated the city in 2005 and wiped out its transportation network. More than half of the city's 382 buses were lost in the flooding. For the entire next year, the transit system didn't charge fares, since so many residents couldn't pay. The Federal Emergency Management Agency made up the balance.

If the devastation had a silver lining, it was that it gave the city a do-over—a chance to start from scratch, using federal disaster relief funding and other transit incentives to rebuild its system for the modern era, connecting its residents to the opportunities they need.

But a POLITICO review of the results shows that's not what happened. Instead, over the following decade, New Orleans became an object lesson in how federal efforts to improve transportation all too often either run aground or go off the rails. Money is subject to urban-planning fads and the changing winds of each administration's ideological preferences. Federal transit funding programs are finicky, paying for capital investments but leaving cities on the hook for operations. And there's a gap in thinking at the policy level: With no requirement that systems actually connect workers to jobs, cities will often invest in high-profile systems for tourists and affluent residents, while outlying areas remain disconnected.

Now, 13 years after Katrina, New Orleans is trying to pivot again. The transit authority has pledged a new approach, giving priority to economic fairness in its planning decisions. The new mayor, who just took office in May, is putting the power of her office behind the idea of transit equity, establishing a new Office of Transportation dedicated to giving residents better access to jobs. But can the city make up for so much lost time?

LESS THAN A century ago, New Orleans was a paragon of urban transit, with more than 200 miles of streetcar tracks crisscrossing the city. The world-famous St. Charles streetcar has been in continuous operation since 1835. The post-World War II automobile boom saw the rest of the city's streetcars sacrificed and replaced by buses; today, the St. Charles line is the only part of that network still running.

New Orleans transit has some distinct features, like its surviving streetcars and a ferry that crosses the Mississippi River into the Algiers neighborhood. But like many cities, its system has long been fragmented, with fault lines that often follow class and race. The Regional Transit Authority, established in 1979, was set up to include both New Orleans and the surrounding parishes, or counties—but left the decision to participate up to the parishes themselves. The surrounding parishes, mostly whiter and better-off, opted out; only Orleans parish, which houses the majority-black city, opted in.

Today, New Orleans is increasingly an economically divided city, with a core of wealthy “haves,” who own cars and live near the city’s four trolley lines, and a spread-out periphery of poorer people, like Judy Stevens, who live farther away and rely on the sparse bus network. About 1 in 5 New Orleanians lack access to a reliable vehicle—twice the national average. For them, nearly 90 percent of the region’s jobs are off-limits. And because of the parishes opting out of the RTA, the bus system makes riders coming in or out of the city transfer to not only another bus but an entirely different bus network, paying a second fare—one of the reasons why Stevens’ commute is so onerous.

If all this presents New Orleans with an intimidating array of urban challenges, Hurricane Katrina brought a new one that was horrifyingly singular. The eye of the storm never passed through the city, but as its punishing winds and rains barreled into New Orleans on Aug. 29, 2005, the levees protecting its low-lying districts were breached in more than 50 places, and water from Lake Pontchartrain and the Mississippi River filled the low-lying city like a bowl. More than 1,800 people died in the storm, the vast majority in Louisiana. It took weeks for the floodwaters to recede. The scale of destruction was almost unimaginable. Poor people who lacked the resources to evacuate were put on city buses and transported to the Superdome, where violence, hunger and squalor awaited them.

Another cruel factor: the date. It was the end of the month, and people didn’t have the money to go anywhere else. “It’s when your check has basically run out,” notes Council member Kristin Palmer. “It explains why you had an exorbitant number of folks on a certain socioeconomic level that stayed.”

“We already had a very big population that was reliant on public transit and/or bicycles, and it was never really acknowledged,” Palmer said.

After the storm, the transportation system those people relied on went dormant for more than a month. When it started to limp back to life, city leaders surveyed a landscape of loss. Four of the RTA’s five facilities were destroyed. The bus depots housing nearly all of the city’s buses both flooded, one with 12 feet of water, the other up to seven feet. The streetcar facility was spared, but not the streetcars: Half of them were parked in one of the flooded depots.

“The bulk of your equipment destroyed. The bulk of your physical plant was destroyed,” says Justin Augustine, general manager of the RTA. “There was a loss of technical capacity because people were scattered all throughout the country. The population had been displaced in the city. The city’s infrastructure was messed up—the electrical grid, everything was screwed up.”

The state of Louisiana, already one of the poorest in the nation and dealing with hurricane effects far beyond New Orleans, would need heavy assistance from every available arm of the federal government to get through the disaster.

Enter Washington. New Orleans received \$130 million in federal recovery funds after Katrina to rebuild the transit system. But this ended up being nowhere near enough. When it came to buses, for instance, FEMA’s formula was to replace the dollar value of the buses lost, not the actual

number of buses. The city's buses were aging, and their value had depreciated; the \$44 million it got from FEMA replaced only 75 of the 202 buses that were lost.

The bus shortfall was just one of the challenges FEMA posed for the city. The agency "was very difficult to work with because they were based upon the reimbursement [model]," Augustine said. It would pay the city back for expenditures—but the city had no money to spend. "If you don't have any money coming in," he said, "it's kind of hard to say, 'you have to pay for whatever upfront.'"

Augustine said FEMA also had a "revolving door" of staff going in and out. "Every six months you had a different team to work with," he said. "And just when you thought you've got the first team understanding the plight, they would be shipped out and a new team would come in."

There were other sources of federal funding, however. A few years later, the city applied for grants from the federal Department of Transportation's TIGER grant program, which started under the 2009 federal stimulus and was a big focus of President Barack Obama's DOT. TIGER (Transportation Investment Generating Economic Recovery) gave cities money for projects that sometimes have trouble getting attention at the state and federal level—bike lanes and sidewalks, for example. And streetcars. Cities across the country were laying down new tracks under the assumption that rail transit attracted more economic development than buses.

New Orleans needed any money it could get. It got a \$45 million TIGER grant from DOT smack in the middle of the streetcar craze. So it built a streetcar.

"It was the policy of RTA to aggressively seek available dollars from the federal government," said RTA's Augustine, looking back on the decision. "It's not that streetcars were better than buses or buses were better than streetcars. It's that the available money that came from the federal government was geared toward those types of programs."

Today, New Orleans is living with the legacy of that decision. It needed the streetcar money and used it to build the new Loyola line. When the city went back to TIGER for more money to extend the line onto Rampart and St. Claude, it came up empty. So the city paid for the extension itself, with money advocates say would have been better used making the buses run more often and connect to more places.

By rule, federal transit programs don't fund operations—they pay only for capital investments. TIGER could pay for tracks and vehicles, but the RTA then needed to find its own money to pay the drivers of all those new vehicles. That continues to this day; the money for that gets cobbled together between the city's one-cent retail sales tax, a cut of the hotel tax, state dollars, interest from some RTA investments, and of course, transit fares.

NEW ORLEANS NOW is a smaller city than it was before Katrina. Thirteen years after the storm, only about 85 percent of the population has returned. Its transit system is even more diminished, running at half its previous strength. Before Katrina, there were 19 high-frequency bus and streetcar routes in the region. Now only five routes run often enough to be truly useful, which is usually defined as every 15 minutes or less.

Four years after Katrina, an outside firm, Transdev, was contracted to run the RTA; it helped pull the system back from the brink after the storm and today still operates the network using public funds. Around the time that Transdev took over the RTA, another group took shape: Ride New Orleans. It's a riders' alliance, organizing the people who rely on transit to get to work and go about their lives. Every year, Ride New Orleans publishes a big report on the state of transit in the city, with a focus on connecting people to jobs.

The report it published in 2018 showed some grim statistics for people who rely on transit. It found that by car, the average New Orleans resident can reach 89 percent of area jobs with a standard half-hour commute. By public transit, however, only 12 percent of the region's jobs are accessible in that time.

Katrina aside, policy missteps have kept the transit system limping. Ride New Orleans points to the investment, funded partly by the TIGER grant and partly with local bonding, in a new streetcar line along Loyola Avenue, Rampart Street and St. Claude Avenue arcing east from downtown. There, the streetcars ride in mixed traffic without a dedicated lane and no priority at traffic lights—and so, for all that money, they don't go any faster than a bus.

The line primarily caters to tourists, Ride New Orleans found in its 2017 report. In fact, the new streetcar line actually made job access along the corridor slightly worse, since bus service along the corridor was reduced after the streetcar went in.

Meanwhile, a few simple and inexpensive improvements to bus service have made a significant difference in connecting people to jobs. As the streetcar went in, the RTA also extended the 15-Freret and 28-Martin Luther King bus lines by eight blocks, enough to connect them with the RTA's main transfer hub. Ride New Orleans said the simple extension of those two lines meant there were about 5,500 more jobs in reach of residents on those corridors than before.

“Nationwide, we've been focused on a lot of bells and whistles: 'We need to lay down rail because that's what choice riders want; we need to make sure we have Wi-Fi in all of our vehicles because that's what choice riders want,’” said Ride New Orleans Executive Director Alex Posorske. (“Choice riders” are the passengers transit authorities strive to attract — people who have other options but who can be lured to choose transit, if the transit is appealing enough.)

“We haven't been looking at what riders actually *need*,” Posorske went on. “What they actually need is a reliable ride to where they want to go. We need connectivity and we need frequency that means you're not going to be standing there for 30 minutes wondering where the hell the bus is. It's not complicated.”

NEW ORLEANS FACES deep challenges that would be there even if Katrina had never hit. While jobs haven't sprawled out to the suburbs, people have—especially poor people who can't afford the city's ever-rising rents. And they need to commute into the city for jobs in the hospitality- and nightlife-heavy economy. That economy doesn't follow the same rhythms of an office-driven workforce, but the transit system still does.

Shelia Culner, 58, lives right in the middle of the city, about a mile and a half from her job at a call center at Harrah's Casino at the edge of the French Quarter. She commutes on the streetcar that Ride New Orleans—a group she's part of—slams as window dressing for tourists. But it's not a great commute. Even that short trip requires a transfer, and the connections are often bad.

"You might get off one trolley and then you'll see the one that you want to go towards the river just pass you," Culner said. "They're not waiting."

She leaves herself an hour and a half to make the commute by streetcar and bus. If she's late to work, her bosses give her a point. At peak times, like Mardi Gras, when the city is even harder to navigate, it's four points for being late.

Twelve points and she gets fired.

Shelia's friend Tammy Martin, 48, works at the same call center, but she commutes in from Orleans East (where the sign outside the shuttered Six Flags still says "Closed for Storm") and her schedule is more challenging. She leaves home at 3 p.m. to get to work on time at 5:45 and when she gets off work at 2:15 a.m., she often has to wait 45 minutes for the Owl bus, infrequent service that combines multiple bus lines late at night, for the nine-mile trek home.

"A lot of this economy is evening and even late night," said RTA board member Fred Neal. "If you think about the hours that the service staff in a hotel needs to be able to work, it's early morning to midafternoon. Then you think about entertainment, the restaurants and musicians and the clubs—those hours are mainly early afternoon to late evening; actually early morning."

Then there's another unique New Orleans problem: The parades, a proud local tradition that can snarl traffic for hours, disrupting transit service and just about everything else in their path.

"Some of us try to get out before the parade starts," said Judy Stevens. "You can't time that. I get off work when I get off work."

"I used to brag about New Orleans transit," said Culner. "I used to tell people, we have the best transit ever."

NEW ORLEANS MAY not be able to get back to "best transit ever," but its new mayor, LaToya Cantrell, has taken on transportation as a challenge, and trying to bring some new thinking aboard. In her first two months in office, she established a new Mayor's Office of Transportation and brought reform-minded advocates onto the transit advisory board. And, with Transdev's contract up for renewal in 2019, the city is beginning to contemplate taking back control over the RTA, at least in part.

Laura Bryan, the mayor's new director of transportation, says getting people to work is one of the mayor's top priorities. "We need to be able to provide access to good jobs throughout the region," Bryan said. "We see a real synergy between affordable housing and transit."

“Providing connection to where we know [the cost of] housing is a little bit lower—providing more direct, faster connection—is really important to the mayor.”

RTA has now implemented a regional day pass, which for the first time allows riders to go between the RTA and the system in Jefferson Parish, home of Ochsner Medical Center, the region’s second-biggest employment center, where Stevens and about 6,600 other people work. (With a massive new expansion on the way, the center is becoming even more crucial to the local economy).

Even better, on Oct. 1, Stevens’ bus, the RTA 39-Tulane line, crossed parish lines for the first time with the support of the City Council, the mayor and some (though not all) key leaders in Jefferson Parish. Now that bus takes her all the way to work, saving Stevens one transfer, 15 minutes and \$1.50, twice a day.

The RTA has also implemented real-time tracking, which riders can access on their app. Some older riders say they don’t use it—they still call the RTA hotline to ask a real human being when the bus or the streetcar is coming.

Most important, the RTA, working closely with Ride New Orleans, has released a new strategic plan that prioritizes job access and connecting low-income communities outside the city center with better service. It pledges to double the share of the region’s jobs available to the average resident within a one-hour commute. Social equity is a stated goal. Ride New Orleans calls the plan “a strong document that—if followed and implemented—will make a big difference for the riding public.”

There have been missteps even since the RTA adopted the plan last December. It considered spending up to \$624,000 this year to study the possible extension of the streetcar line that so irks advocates. Ride New Orleans accused RTA of trying to do an “end run” around its own strategic plan and even its own board. The group has beaten back the study effort, for now.

Meanwhile, transit funding is drying up under the Trump administration, which has slowed the release of capital money for public transportation to a drip. New Orleans was awarded a federal grant for 17 new buses in September but had been rejected for several rounds of bus funding before that. Transit officials around the country are anxious that the federal dollars they all rely on will be harder to come by for the foreseeable future.

In New Orleans, though, advocates are feeling optimistic. Ride New Orleans says the new mayor’s actions, the new makeup of the RTA board and the new strategic plan set the stage for big improvements to come. “Building upon this progress over the next year,” they say, “will be the key challenge for RTA, New Orleans and the region.”

Still, on a late September day when the group’s director, Alex Posorske, left a meeting with volunteers for another meeting east of the city, he noted with an ironic smile that they’d gotten, not entirely unexpectedly, some extra time to chat: His bus to his next meeting was 28 minutes late.

The Washington Post

Wheelchair-Accessible Uber Service Comes To D.C. And Five Other Cities, Expanding Mobility Options For People With Disabilities

The company is pledging a 15-minute pickup for customers for the cost of an UberX ride.

By Faiz Siddiqui

November 20, 2018

Uber has entered into a contract with MV Transportation, a paratransit firm, to provide service for customers with disabilities. MV will supply drivers and vehicles, while trips will be arranged through the Uber app. (Seth Wenig/AP)

Uber is launching wheelchair-accessible service in the District and five other cities, the company announced this week, pledging a 15-minute wait time for customers with disabilities for fares equivalent to UberX.

The ride-hail giant has entered into a contract with MV Transportation, which calls itself the country's leading paratransit firm, to provide the service for customers with disabilities. MV will supply drivers and vehicles, while trips will be arranged through the Uber app.

Uber has long been criticized for its lack of wheelchair-accessible vehicles, and a lawsuit filed by the nonprofit Equal Rights Center in 2017 called out the company for its failure to provide access for passengers in wheelchairs and motorized scooters.

The app has offered an option called Taxi WAV since 2015, allowing customers to hail a ride in a wheelchair-accessible cab — though advocates said it fell short of providing service equivalent to the door-to-door UberX. In a blog post announcing the deal with MV, Uber CEO Dara Khosrowshahi said the company needed to better accommodate customers who use personal mobility devices.

“We believe that ridesharing has the potential to significantly improve mobility for people with disabilities,” he wrote, citing Uber’s accommodation of passengers with service animals and folding wheelchairs. “But we know there is more that can be done, and believe that ridesharing can further improve options

for riders who use motorized wheelchairs or scooters and want reliable access to wheelchair-accessible vehicles.”

Khosrowshahi said Uber would be bringing hundreds of drivers and wheelchair-accessible vehicles — specialized minivans that accommodate mobility devices — to six cities through the partnership with MV: Washington, New York, Boston, Philadelphia, Chicago and Toronto.

(MV Transportation is a contractor for MetroAccess, which provides paratransit service in the Washington region.)

Uber also aims to launch the service in two West Coast cities in 2019: San Francisco and Los Angeles.

In the Washington region, wheelchair-accessible trips hailed through Uber present a new, round-the-clock option for paratransit customers who have a number of options available, though not all have been reliable in recent years.

Tayjus Surampudi, a 23-year-old who recently held a Capitol Hill internship in D.C., took more than 30 trips using UberWAV this fall. He said it opened opportunities for him to commute in the rain, go out with friends and otherwise hail a ride at his convenience.

“It has increased my independence; it’s sort of made it easier for me to plan things last-minute without thinking about it as much as other times,” said Surampudi, a recent Harvard University graduate. “From a millennial standpoint, if you want to go out late, [Metro] closes early.”

Uber now gives wheelchair users a late-night option, he says.

Still, there are differences between UberWAV and UberX service. Surampudi recalled a time when he was out with friends and said he would hail a ride. The wait time for a wheelchair-accessible minivan: 15 minutes.

“I was like ‘oh the Uber is not that far’ and they were like ‘how many minutes?’” he said, relaying their response. “ ‘15 minutes away? That’s far’ The reality is it is far.”

Even so, he said, Uber's wait times are substantially lower than those for other mobility options. He said wheelchair-accessible taxis were few and far between in Boston, for example, where it could take up to an hour to get a ride.

But there have been growing pains as Uber has rolled out its service.

In a couple instances, Surampudi said, UberWAV drivers either failed to strap down his motorized wheelchair or did so improperly. And service can be inconsistent.

"There were times when I could get someone in five minutes, other times where they would respond, but it would sometimes [be] 20 minutes," he said.

In the District, a city service called Transport DC offers \$5 subsidized trips for medical and employment purposes. (The service became so popular last year that the District had to scale it back.) MetroAccess offers door-to-door shared paratransit services for those who live near rail and bus stations, at two times the cost of the equivalent fare from a station or bus stop. In Montgomery and Prince George's counties, a program called Abilities-Ride allows paratransit customers to hail accessible taxis for a discounted fare. Now Uber gives them another choice.

"Today, in most cities, wheelchair-accessible vehicles are unreliable and hard to find through existing transportation options. Paratransit options require booking a ride as much as a day in advance, and often mean riders have to wait until many other passengers are picked up and dropped off before they reach their destination," Khosrowshahi said in his blog post.

He said there aren't enough wheelchair-accessible vehicles on the road to make the service feasible without a third party dedicated to operating it.

Malcom Glenn, Uber's head of global policy, accessibility and underserved communities, elaborated in an interview at the company's D.C. headquarters this week. He declined to say, however, whether the initiative is tied to the WAV litigation in Washington, Chicago and other cities. The Equal Rights Center did not respond to a request for comment on the subject.

"This is the right thing to do, because this a population of folks for whom there has been such a huge barrier when it comes to transportation for so long that we

can actually work to significantly improve that in a really, really meaningful way,” he said. “And we want to do that in as many places in which it is feasible.”

Glenn said that the Uber and MV contract is worth tens of millions of dollars in its first year, and that it includes the purchase, modification and maintenance of the vehicles, and the recruitment and hiring of drivers, among other duties.

“They handle the things in which they have the areas of expertise, and then they basically put those cars and drivers on our platform,” he said.

Because fares will be subsidized beyond what is typical for Uber, Glenn said the WAV service will operate at a loss. In Metro’s case, for example, paratransit is the fastest-growing and costliest service for the agency — with the true cost of trips averaging \$50, though the maximum fare is \$6.50. Paratransit service is mandated for transit agencies under the Americans With Disabilities Act.

In Uber’s case, Glenn said, “it is very costly, but we recognize this is a thing where we can demonstrably transform the way that people have historically thought about transportation, a population of people whom there have been huge barriers.”

“And so it’s an investment that we’re willing to make.”

He said the contract includes performance benchmarks and safety-related stipulations to ensure that wait times are met and that drivers are properly screened.

Glenn said MV’s drivers are subject to Uber’s background check process, and must undergo sensitivity training and a WAV securement certification through a third party before they can be approved to drive on UberWAV.

Surampudi, who is moving to New York City for his next internship, hopes to make use of UberWAV while there. But he also wants to see improvements: the integration of lower-cost options similar to UberPOOL, and the elimination of surge-pricing among them.

“As a wheelchair user I didn’t feel like I should be paying surge pricing because I wait much longer,” he said. “That’s a little frustrating.”

And while Uber “adds one more way of getting around,” he recognizes, that it’s not a feasible option for everyone. Uber, while cheaper than taxis in his observation, remains significantly more costly than government-subsidized transit options such as MetroAccess and TransportDC.

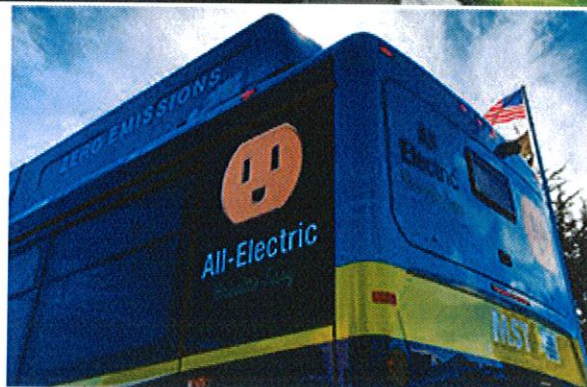
“Compared to MetroAccess and TransportDC I think it’s a better experience but I would say it’s probably cost-prohibitive to a lot of people,” he said. “Maybe the only caveat is that it does expand the transportation network — but I think only to certain people.”

CTA Industry News (November 2018)

Monterey-Salinas Transit Unveils New Electric Buses in Salinas



MST General Manager/CEO Carl Sedoryk spoke at the unveiling of one of its two new battery-electric buses.



Monterey-Salinas Transit (MST) took another step toward cleaner buses with the unveiling of one of its two new battery-electric buses last month. In an afternoon ceremony in front of Salinas City Hall, MST Board Chair Mike LeBarre and other elected leaders cut the ribbon for MST's two new electric buses.

Speaking to three television cameras and an audience of several dozen, LeBarre said, "What you see today is our investment in our future," and that electric buses provide a path forward for a cleaner environment."

The words "Breathe Easy" are printed on the sides of the buses, and at one point during the ceremony, the crowd was urged to take a deep breath and appreciate the area's clean air.

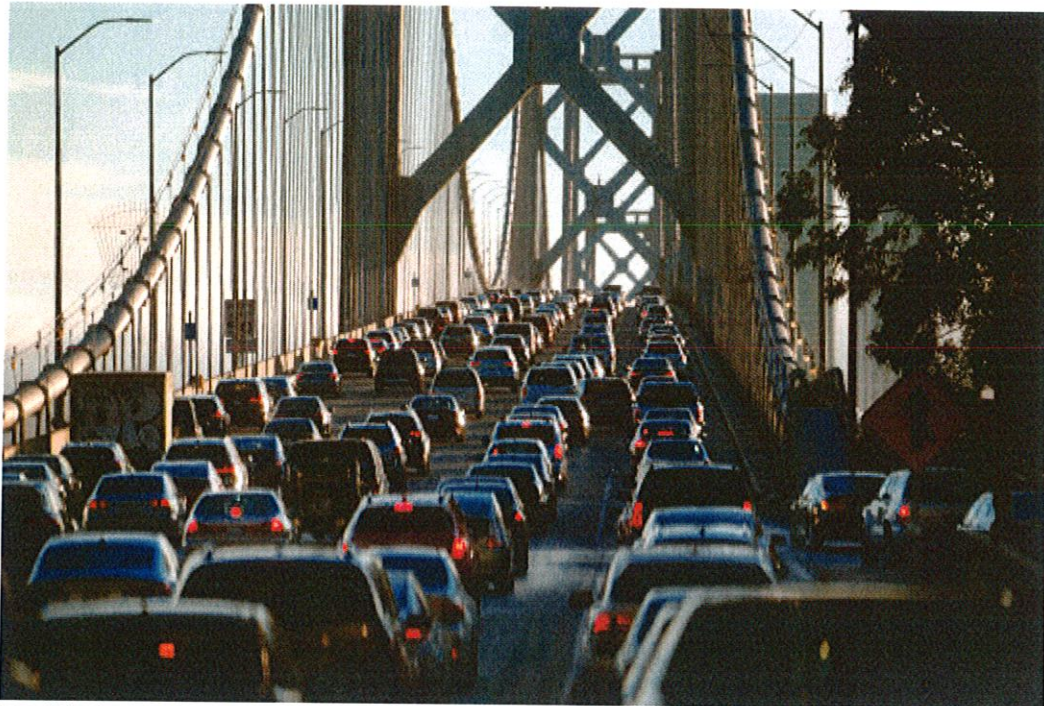
In addition to reducing pollution, these electric buses will reduce noise. Immediately following the ribbon cutting, MST offered a ride around the block to attendees.

Santa Cruz Sentinel

Bay Area Loses Jobs, But South Bay, East Bay Post Employment Gains In October

By: George Avalos |

November 16, 2018



Traffic backs up on the Bay Bridge, Sunday, Oct. 28, 2018, in San Francisco, CA (Karl Mondon/Bay Area News Group)

The Bay Area lost thousands of jobs in October, but the South Bay and East Bay still managed to post employment gains, state labor officials said Friday.

The latest report from the state's Employment Development Department suggests that Santa Clara County remains a steady economic pillar of the Bay Area economy, while other areas may be sputtering.

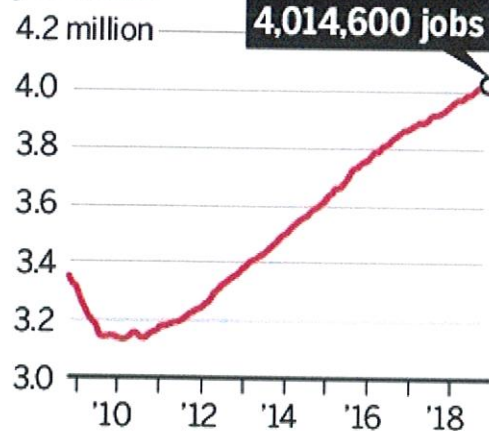
JOBS LOSS IN OCTOBER

The Bay Area posted another month of job gains with modest increases in the South Bay and other areas.

Jobs gained or lost in October

South Bay	600
Sonoma Co.	500
East Bay	100
Solano County	-500
Napa Co.	-500
SF-SMC	-1000
Marin Co.	-1200
Bay Area	-2000

Bay Area job totals



*San Francisco and San Mateo counties

Sources: State Employment Development Department and BANG staff research. Numbers are seasonally adjusted

BAY AREA NEWS GROUP

Santa Clara County added 600 jobs and the East Bay gained 100, but losses of 1,000 jobs in the San Francisco-San Mateo region and a reduction of another 1,200 positions in Marin County were the main factors behind the Bay Area job loss during October, according to the EDD report. All the numbers were adjusted for seasonal variables.

“The tech sector is very strong and very impressive,” said Jeffrey Michael, director of the Stockton-based Center for Business and Policy Research at University of the Pacific. “But you are starting to see some slowdowns in some other non-tech industries.”

During October, the technology industry was particularly strong throughout the Bay Area, even in regions that suffered overall losses.

The Bay Area added 4,000 tech jobs in October as the nine-county region lost 2,000 jobs when all industries were taken into account, according to a Beacon Economics and UC Riverside analysis of the EDD’s seasonally adjusted numbers.

“What’s good to see is that some of the real mainstays of the economy such as technology are continuing to perform well in the Bay Area and

California as we are closing out 2018,” said Robert Kleinhenz, an economist and executive director of research with Beacon Economics.

Santa Clara County gained 1,000 tech jobs, while the East Bay and the San Francisco-San Mateo region both added 1,300 tech jobs in their respective areas, the Beacon assessment determined.

“It’s remarkable that the Bay Area is adding so many tech jobs with the labor market being as tight as it is,” said Mark Vitner, managing director and senior economist with San Francisco-based Wells Fargo Bank. “But tech may face some headwinds, when you see the weakness in the stock market and the political issues facing the industry.”

Among the weakest industries during October, according to the Beacon estimates: Hotels and restaurants shed 1,400 jobs both in the South Bay and the East Bay, while in the San Francisco metro area, financial services lost 1,000 positions and health care shed 900 jobs.

California added 36,400 jobs in October, and the statewide unemployment rate remained at 4.1 percent — which matched the lowest jobless rate in state records that go back to 1976.

“We have now had 103 months of employment expansion in California,” said Michael Bernick, a Milken Institute fellow and a former director of the state EDD. “That’s the second-longest post-World-War-II expansion.”

Only a 113-month-long economic expansion in the late 1960s following Kennedy administration tax cuts exceeded the state’s current growth upswing.

“There is no economic slowdown here in California yet,” said Sung Won Sohn, an economist who tracks the statewide and national economy. “The state labor market is still hot, creating 14.6 percent of all the jobs in the country. Construction and manufacturing are healthy.”

Primarily due to the technology industry, job creation in the Bay Area seems far more likely to expand rather than contract, experts said.

With the economic expansion now going on for years, experts are attempting to forecast how long the jobs boom might last in the Bay Area.

The region's brutal housing market and devastating traffic woes would seem destined to eventually hobble the area's economy.

However, Kleinhenz noted that the labor pool in Santa Clara County is actually growing at a dramatic rate, which means the region is still attracting residents who want to live and work in the South Bay. In fact, the South Bay labor force is growing a head-spinning 10 times faster than California's labor pool.

Over the 12 months that ended in October, the South Bay labor force grew by 30,100, or a 2.8 percent increase. That compares with a 0.2 percent increase in the size of California's labor force. Over the same one-year period, the labor force grew 1.5 percent in the East Bay and by 1.6 percent in the San Francisco-San Mateo metro region.

"Clearly the recent economic success of the Bay Area and Santa Clara County serves as a magnet to draw people to come to work in this area," Kleinhenz said.

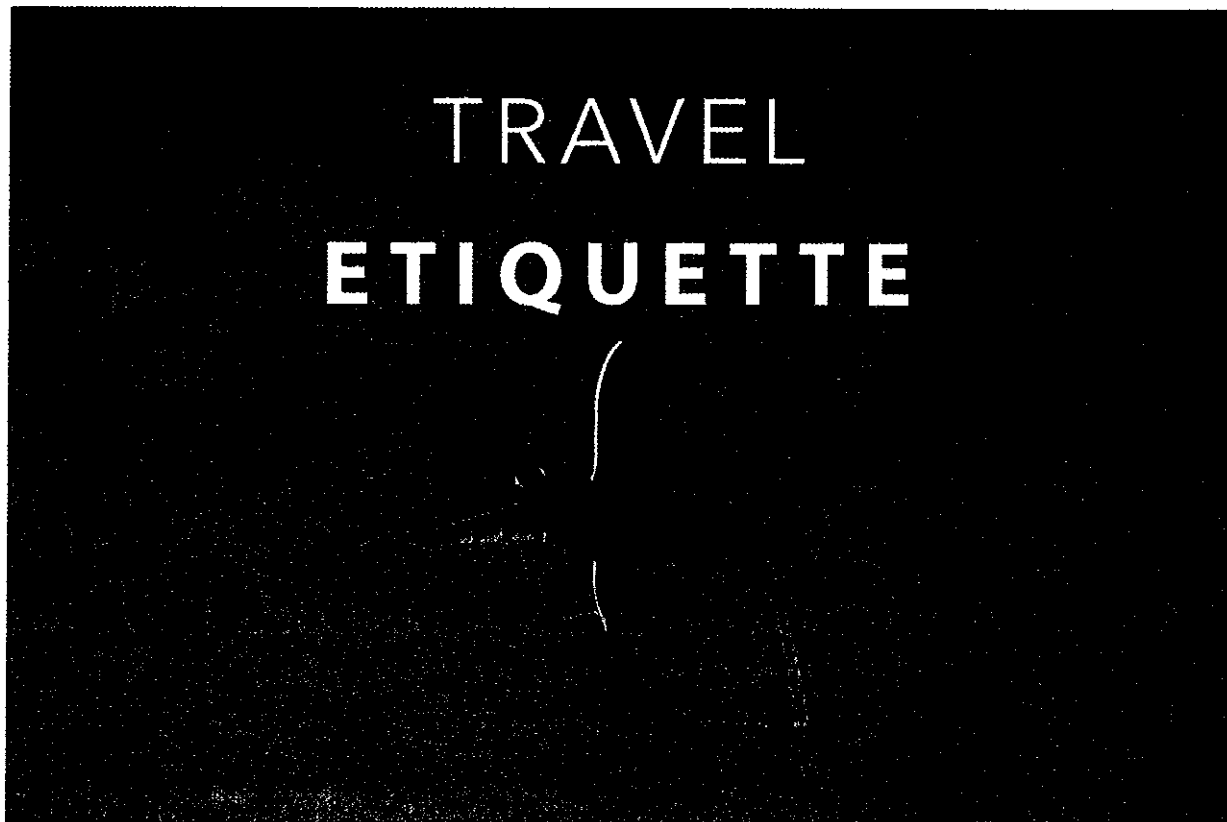
GENFARE

Survey Reveals Top Travel Annoyances

November 12, 2018

Traveling gives you the opportunity to learn about new cultures, eat different foods and explore some of the most beautiful places on earth. And thanks to advances in transportation technology, getting to those desired destinations has never been easier.

However, bad travel behavior is unfortunately still prevalent on flights, buses, trains and even in ridesharing services. But what really bugs us the most when it comes to travel etiquette? In order to find out, we surveyed 2,000 Americans who fly at least twice per year to determine the worst offenses when it comes to flying, public transportation and ridesharing. Our analysis covers everything from the top annoyances and how people confront them—if they do.



WE SURVEYED 2,000 AMERICANS WHO FLY AT LEAST TWICE PER YEAR TO FIND OUT THE WORST OFFENSES WHEN IT COMES TO FLYING, PUBLIC TRANSPORTATION AND RIDESHARING. OUR ANALYSIS COVERS EVERYTHING FROM THE TOP ANNOYANCES AND HOW PEOPLE CONFRONT THEM - IF THEY DO.



3 HRS

AVERAGE AMOUNT OF TIME BEFORE
PEOPLE GET UNCOMFORTABLE ON A
FLIGHT

LEG ROOM



SAY IT'S OK TO **TAKE SHOES OFF** ON A FLIGHT

64%



SAY IT'S OK TO **TAKE SOCKS OFF** ON A FLIGHT

20%

SLEEP



ABLE TO SLEEP ON A FLIGHT

3/4



NEED DRINK OR SLEEPING PILL TO FALL ASLEEP

34%



SNORE ON A FLIGHT

30%



RECLINING SEATS SHOULD BE BANNED

36%



PUT ON HEADPHONES TO DROWN OUT SNORING PASSENGER

68%

CONVERSATION STARTERS

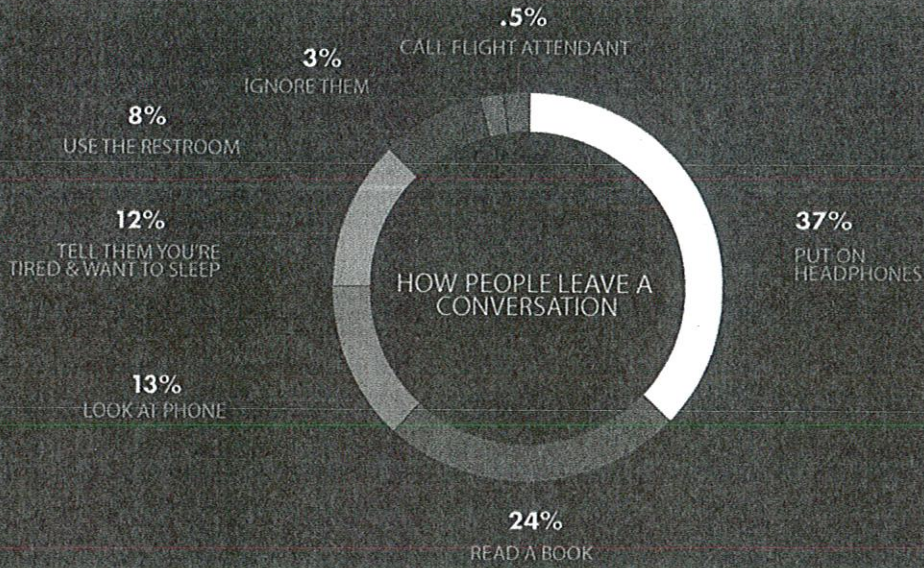
• **33%**

VIEW FLYING AS A WAY TO MEET SOMEONE NEW

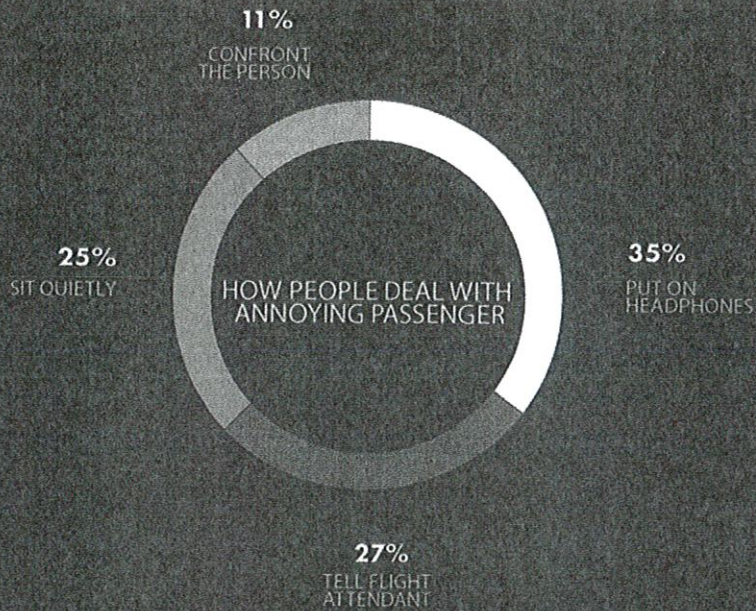
• **57%**

DON'T LIKE TALKING TO A SEATMATE

CONVERSATION ENDERS



HOW PEOPLE DEAL WITH ANNOYING PASSENGER



MILE HIGH



HAVE BEEN INTIMATE ON A FLIGHT

12%



HAVE SEEN SOMEONE BE INTIMATE ON A FLIGHT

23%

FLYING ANNOYANCES: RANKED

GETTING SEAT KICKED	54%
CRYING BABY/CHILD	27%
BODY ODOR	26%
TALKATIVE PASSENGER	23%
INATTENTIVE PARENTS	21%
DRUNK PASSENGER	18%
SEAT PULLED BACK OR LEANED ON	17%
SNORING	15%
RUSHING TO GET OFF PLANE AS SOON AS IT GETS TO THE GATE	15%
RECLINING SEAT	15%
PUTTING FEET UP	13%
SMELLY FOOD	11%
MAN-SPREADING	7%
PASSENGER REMOVING SHOES OR SOCKS	6%
BRIGHT SCREENS ON PHONES	3%
NON-SERVICE DOGS	2%
DRESSING SLOPPY (i.e. wearing pajamas/sweatpants on flight)	1%

Air Travel Etiquette and Comfort

Air travel gets us where we need to go, but it can also make for a long, long day. As the amenities start to dwindle and the leg room gets smaller, it's easy to get worn out and uncomfortable during a flight. In fact, our survey revealed that the average amount of time before people get uncomfortable on a flight is three hours.

So, what do travelers do to combat this discomfort? In order to get more comfortable on a flight, many fliers will try adjusting their seat or using a travel pillow while others may kick off their shoes and socks. But is this socially acceptable? According to our survey, 64% said it's OK to take their shoes off, and 20% said it's OK to take your socks off to get more comfortable during a flight.

Lastly, we asked our survey to rank flying annoyances. Coming in at No. 1 with 54% of the vote was getting your seat kicked. A crying child followed seat kicking with 27% of the vote and body odor came in third with 26% of the vote. Other flying annoyances were a talkative passenger, inattentive parents, a drunk passenger, a seat pulled back

or leaned on, snoring, rushing to get off the plane as soon as it gets to the gate, a reclining seat, a passenger putting their feet up, smelly food, man-spreading, a passenger removing their socks or shoes, bright screens on phones, non-service dogs, and finally in last place was dressing sloppy, which bothered just 1% of our survey.



PUBLIC TRANSPORTATION

PUBLIC TRANSPORTATION ANNOYANCES: RANKED

TALKING LOUDLY ON THE PHONE	54%
BODY ODOR	41%
PLAYING MUSIC WITHOUT HEADPHONES	29%
TAKING UP SEAT(S) WITH BAGS	28%
NOT GIVING UP SEAT FOR ELDERLY	22%
BLOCKING THE EXIT DOOR(S)	19%
TALKATIVE PASSENGER	18%
FACETIMING WITHOUT HEADPHONES	18%
PUTTING LEGS OR FEET UP ON SEAT	16%
EATING SMELLY FOOD	15%
MAN-SPREADING	11%



RIDE
SHARING

RIDESHARE ANNOYANCES: RANKED

AGGRESSIVE DRIVING	44%
DRIVER TALKING ON THE PHONE	32%
DIRTY/MESSY CAR	31%
BRAKING TOO HARD OR ACCELERATING TOO FAST	29%
TALKATIVE DRIVER	28%
DRIVER'S MUSIC	25%
DRIVER HOLDING THEIR PHONE/NOT USING A PHONE DOCK	20%
DRIVER EATING	13%
DRIVER ASKING YOU TO RATE THEM WELL	12%
DRIVER ASKING FOR A TIP	10%
DRIVER NOT USING GPS TO NAVIGATE	9%
OLD CAR/MECHANICAL ISSUES	8%
DRIVER PROMOTING OTHER JOB OR ANOTHER BUSINESS	7%
DRIVER GIVING YOU A BAD RATING	5%

Public Transportation and Ride Sharing Annoyances

Once you arrive to your gate and get on the ground at your destination, you'll need a way to go from point A to point B in town. While some travelers choose to rent a car, others rely on public transportation or ridesharing services while they're in town.

We asked our survey participants to tell us the most annoying things that happen while they use public transportation and ridesharing, and the results may surprise you.

As far as public transportation annoyances, our survey overwhelmingly said that talking loudly on the phone was the No. 1 offense, with 54% agreeing. Talking loudly on the phone was followed by body odor, which 41% of our survey disliked. Coming in at No. 3 on the list of annoying public transportation habits was playing music without headphones, followed by taking up seats with bags, not giving up a seat for an elderly passenger and a talkative passenger. Coming in at the bottom of our list were the annoying habits of FaceTiming without headphones, putting legs or feet on the seat, eating smelly food, and finally, man-spreading.

When it comes to ridesharing, 44% of our survey respondents couldn't stand it when their driver had aggressive driving habits. Following aggressive driving was a driver talking on the phone, which 32% of our survey couldn't stand. Coming in at No. 3 was a dirty/messy car, followed by hitting the brakes too hard or accelerating too fast, a talkative driver, a driver with bad taste in music, a driver holding their phone, a driver who was eating a meal, a driver who asked you to rate them well, and a driver asking for a tip. Coming in at the bottom of our ride sharing annoyances were an old car or mechanical issues, a driver promoting another business and finally, a driver giving you a bad rating.

Chicago Tribune

Why Americans, Particularly Millennials, Have Fallen Out Of Love With Cars

By: Mary Wisniewski_

November 12, 2018

Car ads sell a romantic fantasy. They often feature a driver on the open road taking the curves along a mountain or speeding through a curiously depopulated urban landscape, rugged and free.

But in the real world, congestion and the high cost of car ownership may have cooled the romance between Americans and their cars, especially for younger adults, according to a new national survey.

Almost half of more than 1,000 consumers surveyed do not enjoy most of the time they spend driving, said a study by Arity, a Chicago-based transportation technology and data company created two years ago by Allstate Insurance.

The numbers are starkest for millennials. More than half of adults between the ages of 22 and 37 say a car is not worth the money spent on maintenance, and that they would rather be doing something other than driving.

Samuel Kling, 30, of Evanston, who commutes to his downtown job by bicycle, said he knows how to drive but has never owned a car and does not want one.

"It is expensive. It's a headache in the city. I'd have to worry about parking, I'd have to worry about insurance, repairs, finding a trustworthy mechanic and gas," said Kling. "I don't really see the benefit, except maybe once in a blue moon going to Ikea, in which case I could rent a Zipcar."

Celia Magnone, 26, of Chicago's Ukrainian Village neighborhood, does not even have a license. She uses the CTA and Uber ride-share service to get around, and said most of her friends who do have licenses do not own cars.

“I think it’s more than the cost,” said Magnone. “It just doesn’t seem as necessary anymore.”

The Arity study found that drivers of all ages report spending about 335 hours a year in their cars, or almost three times as much as the 120 hours spent on vacation.

A third of consumers surveyed agreed that the amount of time they spend sitting in cars is “very frustrating.”

Millennials in particular feel the pain, with 59 percent saying they would rather spend their time doing more productive tasks than driving. Less than half said they enjoy most of the time they spend driving.

“There is a lot written about the fun of the open road ... I don’t think that necessarily has changed as a desire,” said Lisa Jillson, leader of research and design for Arity. But she noted that seeing the country on a road trip is a lot different from commuting in stop-and-go traffic every day.

Among baby boomers, who grew up with car songs like “Little Deuce Coupe” and “Thunder Road,” 61 percent say they enjoy most of the time they spend driving. Baby boomers are also most likely to think they are good drivers, at 92 percent. Boomers drive the least of all groups, likely because retirement and grown children mean less daily driving is required.

A friendly attitude toward cars decreases in younger generations, with 16 percent of millennials saying they could live without having access to a car, compared with 13 percent of Gen X respondents and 9 percent of boomers. Millennials live in households that have 1.5 cars on average compared with 1.7 for older adults.

Millennials are also more likely than older adults to use ride-share services, the most popular alternative transportation option.

This does not mean that millennials are not buying cars — a National Automobile Dealers Association study early this year found that young adults are buying them at a higher rate now than they did 11 years ago. Association spokesman Jared Allen said the hangover from the 2008 recession meant that young adults delayed decisions such as buying their first car until later in their lives than earlier generations did.

But although they buy cars, young adults do not appear to have the same relationship with their vehicles as boomers have, said Jillson.

“Millennials might be buying cars but sharing them more often, or they may have cars they use on weekends only and therefore invest less in it, because they’re going to use ride-share during the week,” said Jillson. “The place the vehicle is in the mindset of younger consumers is shifting because they are being offered more opportunities and more options.”

Jillson said concerns about the environmental impact of cars did not seem to be a “big driver” of perceptions.

Kling agreed that the 2008 recession has made more people of his generation cautious about big spending decisions, especially since many are burdened by heavy student loan debt. But he does not think the shift in attitude toward car ownership is just economic.

“There’s also a cultural shift in people just not seeing the benefit of having a car,” Kling said. “It’s really not a good way to live in the city.”



OCTA Launches OC Flex Microtransit Service

Orange County Transportation Authority (OCTA)

November 6, 2018

The Orange County Transportation Authority has launched an on-demand microtransit program, part of an ongoing initiative to better match public-transit services with the changing ways that passengers want to travel.

The one-year pilot program, called OC Flex, allows passengers to request a ride on demand through a mobile app. The shuttles, much smaller than a typical 40-foot bus, take passengers curb-to-curb within two designated zones.

OCTA, which launched the program in mid-October in two Orange County areas, is on the leading edge of a nationwide trend toward microtransit services that provides more flexibility for passengers.

"This is a great example of OCTA entirely rethinking what public transit means and delivering options that better meet the needs of an individual community," said OCTA Chairwoman Lisa Bartlett, also the county's Fifth District Supervisor. "We hope that this innovative alternative will help introduce more people to the convenience of leaving their cars at home."

The shuttles, each capable of holding up to eight passengers, take riders straight from their pickup location to their destination within two designated zones – one in Huntington Beach and Westminster, and the other in Mission Viejo, Aliso Viejo and Laguna Niguel.

Riders pay for \$4.50 when using the OC Flex Mobile app – developed by the rideshare company Via – or they can pay \$5 cash, with no surge pricing. One fare provides unlimited daily rides in either zone and free connections to OCTA's traditional bus service and rail transit.

"A public agency's willingness to evolve and tailor solutions to market demands is a critical factor in effectively meeting the diverse needs of the public," said OCTA CEO Darrell E. Johnson. "The OC Flex pilot program

achieves this through a combination of innovation, technology and private-sector partnerships."

The program is part of a larger OCTA initiative called OC Bus 360°, launched in 2016 to tackle shifting travel patterns and declining ridership experienced by transit agencies nationwide.

OC Flex operates seven days a week and wheelchair-accessible vehicles are operated by professional drivers who undergo background checks and extensive safety training.

The service during the pilot program is primarily funded with a grant from the Mobile Source Air Pollution Reduction Review Committee, which supports projects that remove cars from the road and reduce air pollution.

OCTA will collect and analyze OC Flex data throughout the year so the board of directors can determine by the end of the pilot program whether to continue and, potentially, expand the service.

Vox

The Bus Gets A Lot Of Hate. American Cities Are Trying To Change That.

As bus ridership continues to decrease, cities are turning to creative alternatives.

By: Aditi Shrikant on November 5, 2018

For Joan Gomez, 78, the best part of public transportation is winning at her favorite dice game, Bunco. "I'm getting out all on my own to participate in activities that I hadn't in years," she says of Via, the ride-hailing service that West Sacramento began using as an alternative to a city bus. "Now I am attending ceramics class again, where I've made a number of very nice pieces, and I've started back up at Bunco. And since I started riding Via, I've won at Bunco twice."

Gomez has lived her whole life in the Sacramento region and says she used to get around primarily by car, which she can't do anymore. When her psychologist told her to get out of the house more, she took up a ceramics class, where another student alerted her to the Via service. In West Sacramento, customers can book a seat in a Via van, and the app will match them with riders going the same way. Now, for \$1.75 a trip, a "warm, friendly" driver escorts Gomez to all her activities.

This partnership is just one method cities are employing to deal with the 17 percent decrease in bus ridership since 1990. Even though buses are cheaper to implement than rail, more efficient than trains, and better for the environment than cars, there is an aversion to riding them, so cities are working to create solutions that provide the service of a bus without actually feeling like the bus.

West Sacramento is one of two cities in America where Via is deploying vans to subsidize a bus system. The other is Arlington, Texas, which decommissioned its sole bus last year citing low ridership (only 200 riders per day). Since May, Via's service in Arlington has gained triple the ridership of the bus.

People don't like to ride the bus

It's no secret that America doesn't value public transportation. However, the bus holds a special stigma that cars and even the train doesn't. The source of this disdain for the bus may seem obvious at first glance. Buses are often hot, slow, and can get stuck in traffic. But anyone who rides the subway knows these frustrations to be true of the train as well. What city transportation bureaus really have to overcome is the cultural perception that buses are, frankly, gross — also known as the “bus stigma.”

The stigma against taking the bus can be seen everywhere. Articles like Thought Catalog's 9 Reasons Why Taking the Bus is The Worst, a piece that baselessly claims “statistically on a crowded bus of 40 people there is going to be at least 5 robbers,” riddle the internet. Even less severe pieces, like this one by Lifehacker, cite “weirdos on the bus” as one of the challenges of taking public transportation.

And in movies and television, characters who ride the bus are often down on their luck. The Pursuit of Happyness, 8 Mile, and Superbad all paint the bus as a grimy last choice, not an agreeable option.

On the flipside, there are those who enjoy taking the bus but feel alienated for doing so. One reader on AskaManager.org wrote in with the question, “My office will not stop freaking out that I take the bus to work.” She said that her co-workers were “constantly commenting on the type of people who ride the bus,” remarking on how dangerous their office's neighborhood was, and also offering her rides. Below the post, a slew of comments from bus-lovers says they've dealt with similar reactions to their choice of transit.

Who rides the bus today

According to the Los Angeles Times, the Metropolitan Transportation Authority bus system has experienced a 21 percent drop in ridership over the past five years.

Joseph Schwieterman, who studies public transportation, says the decline of bus ridership today has many causes. “It's been death by a thousand cuts,” he says. “There is no one culprit, which makes fixing the problem frustratingly complex.”

This is often the case with public transit, and can be seen in the history of the bus's predecessor: the streetcar. In the 1880s, electric streetcars were the most popular form of transit and a profitable business. It's been largely

debunked, but many originally thought that the General Motors Streetcar Scandal — a theory that claimed National City Lines, an organization GM was part of, bought up all the streetcar lines and converted them into bus lanes — led to the downfall of streetcars and rise of buses.

What actually killed streetcars was the proliferation of private cars, which crowded the tracks and kept streetcars from running efficiently, along with the streetcar's plummeting value of five cents. Streetcar companies were required by law to keep paved roads clean (which cost more once damage from cars was factored in) and keep their prices at five cents per ride.

After World War I, this became difficult, which led to the demise of the streetcar and made way for buses. In the long term, GM benefited from the demise of mass transit but it was not solely responsible for the end of streetcars.

After the bus gained popularity, it became a symbol of civic unrest and segregation. The Montgomery Bus Boycott started in 1955 with Rosa Parks's civil disobedience — attempting to sit in the front of a segregated bus — and ended with bus desegregation in 1956.

But in June of 1956, during the heat of the boycott, the Federal-Aid Highway Act of 1956 allocated \$26 billion to pay for the construction of 41,000 miles of highway, many of which leveled low-income neighborhoods and shifted Americans and the government's focus towards cars.

And in 1967, the Federal Highway Administration was built, solidifying the automobile's dominance. Highways encouraged wealthier people to abandon cities, buy cars, and live spaciouly in shiny new suburbs, thus eliminating the need for them to take or care about public transit, the effects of which reverberate today.

Today, Schwieterman cites the strong economy (meaning people can afford to buy cars), ride-sharing or ride-hailing, the popularity of a work-from-home lifestyle and the bus riders themselves as reasons for a decline in ridership. "I think the clientele on buses is often what people are worried about," he says.

According to a report by the American Public Transportation Association, which categorizes public transit as either being "bus" or "rail," a bus

includes bus rapid transit and trolleys, and rail includes a commuter train, light rail, subway, or streetcar. The two largest income brackets riding the bus today are those making under \$15,000, who account for 30 percent of reported ridership, and those making between \$25,000 and \$50,000, who account for 23 percent of reported ridership.

On rail, the largest ridership comes from those making more than \$100,000, who account for 29 percent of reported ridership; the next largest is those making between \$25,000 and \$50,000, who account for 21 percent. Overall, the income demographics of riders are spread more evenly on the rail compared to the bus. The report also shows that at least 65 percent of bus riders are not white, but on the rail that number drops down to 55 percent.

Americans live in a society where your socioeconomic class is tied to your possession of a car. The average price of a car in the United States is more than \$36,000; for those making under \$15,000 that may not be able affordable. According to the American Public Transit Association report, 68 percent of bus riders have no vehicle, but this is true for only 50 percent of rail riders. Increase in ride-sharing and ride-hailing, scooters, and e-bikes have also diminished the demand for buses.

Problems with the bus

Schwieterman says that from a technological standpoint, buses have been stranded. "Running a bus every 30 minutes when the world is going at lightning speed is a recipe for failure," he explains. "I think in big cities it's more of a more a question of concerns about the slow speed and long wait times you may wait for the bus. In smaller towns I have been to, I feel there is a strong stigma."

Amos Haggiag is trying to fix this problem with his company Optibus, a software provider that helps cities optimize their public transit system with algorithms and machine learning. He has worked with cities like Las Vegas and Austin to improve their bus transit, and says America's lackluster bus infrastructure has to do with the prominence of the automobile and politician's preference for addressing middle-class constituents.

In America, public transit is often seen as only benefitting low-income populations, groups often ignored by government agencies. "Sometimes

you'll see more budget goes into trains mostly because — it's a sad reason — but mostly because high-income population use that form of mobility, which is something that is very specific to the US," Haggiag says. "In China, or Asia in general, or in South America, it's not the case." Improving bus lines isn't the kind of political win that rail improvements can be.

Another problem with US bus systems, Haggiag says, is that it was not implemented properly in the first place, especially in sprawling suburbs, giving car owners no reason to use them. "People will not use the [bus] system because you did not create a system that would work well for them," he says.

He also notes that many of the buses he sees running in America are just not as nice as the ones that run in other countries, which he speculates may have to do with the Buy America initiative, a program that requires cities to only buy American-made buses.

There are "a very limited amount" of companies you can purchase from, and they tend to be of worse quality, Haggiag says. In other countries, buses can be made by Mercedes or BMW, brands that carry a clout that could chip away at the stigma. Schwieterman says that the Buy America initiative had the unintended consequences of slowing the pace on innovation and driving up costs.

Today, cities spend billions more on the development of rail than they would need to if they invested in buses. The Second Avenue New York subway stop cost \$2.5 billion to build, and Citylab reports that subways cost between \$200 million and \$900 million per mile. But, according to another article, buses cost between \$300,000 and \$600,000 each and are cheaper to operate per mile.

Haggiag says an investment in buses would be smart, as trains are restricted to rail but buses can reach a wider demographic. "Once you have bus lanes in a congested city, you get to the point where riding a bus is faster than driving in a car, and that's the tipping point where people understand that it doesn't make sense to use the car," Haggiag says.

How cities are reinventing their bus systems

A few cities are trying to improve their bus system by addressing the coverage, frequency, price point, and ambiance toward the bus itself.

In the Bronx, the MTA hosted public forums to ask riders what they need out of their bus system, as ridership has been steadily falling for years. At the meetings, riders debated whether they would rather have more frequency or more coverage, discussed the importance of bus amenities like real-time information, and talked about what their recent bus experiences have been like. This process was first done in Staten Island, where the MTA implemented six new rush-hour trips based on customer feedback.

In 2015, Houston redesigned its bus system by getting rid of lightly used routes and making bus paths straighter and easier to remember. By eliminating stops, they were able to send buses more frequently to densely populated areas, servicing about 1 million Houstonians. Now passengers don't have to wait more than 15 minutes for a bus.

Washington, DC, is also addressing its lack of bus infrastructure by allocating \$2.2 million for the Bus Transformation Project, a committee that will ask riders in the region what role they think the bus should play in DC, then come up with concrete steps to provide better service in the next 10 years.

Seattle is one city that wasn't subject to the 17 percent bus ridership decline over the past two decades. Just this year, the city announced that its transit system is growing faster than any others in the country. The 191.7 million rides taken in 2017 is the highest it's ever been in that region.

The city accomplished this by doing a few things: making transfers from light rail to bus easier, implementing bus lanes, optimizing routes so they go to the most congested places, and implementing queue jumps that allow buses to start before other cars at stoplights. All of this costs significantly less than reupping rail.

"Cost for a lot of these projects are fairly inexpensive," Seattle city traffic engineer Dongho Chang says. "When we put in a bus-only lane, we put in some paint and some signs, which could cost as low as \$10,000 to \$20,000." Much of the efforts focus on analyzing high-volume areas and locations with significant delays and trying to solve their issues.

An increase in ridership may also have to do with the bus's affordability, which Seattle has achieved by giving discounts to seniors and low income riders and letting high schoolers ride for free.

Chang says that it's key to not only invest in bus routes but also to concentrate employment and housing in urban areas. Today, 97 percent of residents live within a quarter mile of a bus stop and Seattle's downtown has 262,000 jobs.

"I think what we're implementing in Seattle is very translatable to smaller cities and other large cities," Chang says. "It's really about planning your community so growth and development are predictable and transportation modes have the ability to serve growth as it occurs."

The rise of micro-transit

But some cities are abandoning the bus altogether and turning to a fairly new concept: micro-transit. Micro-transit combines the familiarity of an automobile with the convenience of a frequent bus — i.e., what Via provides for residents like Joan Gomez in West Sacramento. In cities where people commute using private cars, this is a much softer transition into public transit.

One 2018 study by Schweiterman gathered data on cities where ride-hailing apps worked with public transit. According to his data, these partnerships were practically nonexistent before 2015, but by early 2018, almost two dozen were underway.

In Dayton, Ohio, the transit authority partnered with Lyft to provide free rides between select transit stops. In Charlotte, North Carolina, the city will contribute \$4 to every Lyft trip to and from selected light-rail stations. They will do this for up to 40 rides for monthly transit pass holders, and up to two rides for those with non-monthly passes.

And in Vallejo, California, the city partnered with Lyft to provide \$2 or \$3 rides to the Amtrak station which links Sacramento to San Jose. Rides were limited to those who work in social services, food manufacturing, and hospital organizations.

Via founder Daniel Ramot says his goal was two-fold when working with Arlington, Texas, and West Sacramento: both to provide an alternative to

car-owners and to make rides available for more “disadvantaged” residents without cars.

Using ridership data, Ramot says they were able to optimize routes and find out where most of the traffic was coming from and at what time. This allows Via to create a “dense cloud of virtual stops that was more flexible than a bus route but not a private car.”

“For Americans who can afford a car, sometimes they don’t even think about [public transit],” Ramot says. “Breaking that habit is not easy. What we can do with the city is educate residents about this alternative when maybe they weren’t even thinking of the bus as an option.”

But many micro-transit programs don’t make it past the pilot. In 2016, the Southeastern Pennsylvania Transportation Authority in Philadelphia partnered with Uber to offer discounted rides to 11 suburban railway stations. But due to a foginess in how to measure the effectiveness of the program, the offer stopped in September 2017.

In Centennial, Colorado, a suburb of Denver, the city subsidized Lyft rides to a light-rail station that ran service to downtown Denver. The program only ran from August 2016 to February 2017 due to lack of demand. Apparently the city had allotted \$400,000 for the program to use by June, but at the time of cancellation only \$130,000 had been spent.

As bus systems in America are fighting extinction, some are redesigning completely while others are turning to third-party technologies. For Gomez, micro-transit is better than a bus. It’s on-demand, friendly and luxurious. (“They send a Mercedes Benz van!”)

Even if a bus was available, she says, she wouldn’t have taken it. “You don’t feel that warmth that Via gives you,” she says. “It’s lifted my hopes in life so much.”

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PROP 6

California Transit Association

SB1 UPDATE

By Joshua W. Shaw, Executive Director

November 28, 2018

Prop 6 Headed for Resounding Defeat; Senate Bill 1 Funding is Here to Stay

As vote counting from the November 6 General Election continues, the Association is proud to say that Proposition 6 suffered an overwhelming defeat, currently trailing by approximately 1.5 million votes. The ballot measure, which would have repealed more than \$5 billion in annual funding for transportation projects, has 56.8 percent of the voters opposed as of this writing. The Secretary of State has until mid-December to certify the results of the election.

The Association cannot thank our members enough for all of your efforts over the last 18 months to ensure that your constituents were aware of the impacts of Senate Bill 1 on transit systems and in our communities.

In addition to the defeat of Proposition 6, it appears that Democrats in both houses of the Legislature are poised to make some significant gains, surpassing the number of seats required for a super-majority. The Assembly looks as though it will have at least 60 Democrats come 2019, with one more seat (AD 77-San Diego) still too close to call. If the current results hold, Assembly Democrats would hold 6-7 seats beyond the 54 needed for a super-majority.

In the Senate, 28 Democrats and 10 Republicans are headed to Sacramento to start the 2019-20 Legislative Session. With the election of Senator Ricardo Lara (D-Bell Gardens) as State Insurance Commissioner and Senator Ted Gaines (R-Roseville) to the District 1 Board of Equalization seat, there are now two vacancies in the Senate. These seats are fairly safe for the respective parties, so at some point in 2019, the Senate will likely have 29 Democrats and 11 Republicans, with 27 needed for a super-majority.

Finally, congrats to our Association member, SamTrans, on the success of their half-cent sales tax measure dedicated to transportation in San Mateo County – Measure W – which passed with 66.8 percent of the vote!

If you have any questions or comments about this SB1 Update, feel free to contact our advocacy team:

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