

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA  
November 12, 2004 (Second Friday of Each Month)  
SCMTD ENCINAL CONFERENCE ROOM\*  
\*370 ENCINAL STREET, SUITE 100\*  
SANTA CRUZ, CALIFORNIA  
9:00 a.m. – 11:00 a.m.

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

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

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

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION
  - a. Mariann Soulek Re: Recent Bus Service Cuts
  - b. Sue Wilson Re: Recent Bus Service Cuts
  - c. Caroline Bliss-Isberg Re: Stroke Center
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

**CONSENT AGENDA**

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 8 AND OCTOBER 22, 2004  
Minutes: Attached
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS  
Report: Attached
- 5-3. ACCEPT AND FILE OCTOBER 2004 RIDERSHIP REPORT  
Report: Attached  
**PAGE 1 OF THE RIDERSHIP REPORT WILL BE INCLUDED IN THE NOVEMBER 19, 2004 BOARD PACKET**
- 5-4. CONSIDERATION OF TORT CLAIMS: None
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR NOVEMBER 17, 2004 AND MINUTES OF SEPTEMBER 15, 2004  
Agenda/Minutes: Attached

- 5-6. ACCEPT AND FILE THE MASTF COMMITTEE AGENDA FOR NOVEMBER 18, 2004 AND THE MINUTES OF OCTOBER 21, 2004  
Agenda/Minutes: **WILL BE INCLUDED IN THE NOVEMBER 19, 2004 BOARD PACKET**
- 5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2004 AND APPROVAL OF BUDGET TRANSFERS  
Staff Report: Attached
- 5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR AUGUST 2004  
Staff Report: Attached
- 5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR SEPTEMBER 2004  
Staff Report: **WILL BE INCLUDED IN THE NOVEMBER 19, 2004 BOARD PACKET**
- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE  
Staff Report: Attached
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT  
Staff Report: **WILL BE INCLUDED IN THE NOVEMBER 19, 2004 BOARD PACKET**
- 5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE OCTOBER MEETING  
Staff Report: Attached
- 5-13. INTRODUCTION OF EMPLOYEE WITH 30-YEAR EMPLOYMENT ANNIVERSARY WHO WAS ABSENT FROM THE OCTOBER 22, 2004 BOARD MEETING  
Staff Report: Oral Report

#### REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS  
Presented by: Chairperson Reilly  
Staff Report: Attached  
**THIS PRESENTATION WILL TAKE PLACE AT THE NOVEMBER 19, 2004 BOARD MEETING**

7. CONSIDERATION OF RECEIPT OF REPORT REGARDING THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND DRAFT MINUTES OF OCTOBER 20, 2004  
Presented by: Director Pat Spence  
Staff Report: October 20, 2004 Draft Minutes are attached
8. CONSIDERATION OF AWARD OF CONTRACT FOR LONG TERM DISABILITY INSURANCE  
Presented by: Tom Stickel, Fleet Maintenance Manager  
Staff Report: **WILL BE INCLUDED IN THE NOVEMBER 19, 2004 BOARD PACKET**
9. CONSIDERATION OF PARACRUZ OPERATIONS STATUS REPORT  
Presented by: Bryant Baehr, Operations Manager  
Staff Report: **POWERPOINT PRESENTATION WILL TAKE PLACE AT THE NOVEMBER 12, 2004 BOARD MEETING**
10. CONSIDERATION OF FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR FOR YEAR ENDING JUNE 30, 2004  
Presented By: Elisabeth Ross, Finance Manager  
Staff Report: Attached
11. CONSIDERATION OF STATUS OF FEDERAL LEGISLATION AND THE IMPACT ON MAJOR CAPITAL PROJECTS AT METRO  
Presented By: Les White, General Manager  
Staff Report: Attached
12. CONSIDERATION OF A **RESOLUTION** TO POSTHUMOUSLY REDEDICATE THE SCOTTS VALLEY PARK AND RIDE CENTER AS THE BART CAVALLARO TRANSIT CENTER IN RECOGNITION OF HIS SERVICE ON THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
Presented By: Les White, General Manager  
Resolution: Attached
13. CONSIDERATION OF A **RESOLUTION** OF APPRECIATION AND RECOGNITION FOR THE SERVICES OF LINDA WILSHUSEN AS THE EXECUTIVE DIRECTOR OF THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION  
Presented By: Les White, General Manager  
Resolution: Attached
14. CONSIDERATION OF REQUEST FROM THE CITY OF SANTA CRUZ FOR SHUTTLE SERVICE FOR 2005 EVENTS  
Presented By: Mark Dorfman, Assistant General Manager  
Staff Report: Attached

15. ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR NOVEMBER 19, 2004 – WATSONVILLE CITY COUNCIL CHAMBERS, 250 MAIN STREET, WATSONVILLE  
Presented By: Director Keogh, Vice Chair  
Staff Report: Oral Announcement
16. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
17. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

**SECTION II: CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Pursuant to Government Code Section 54956.9)
  - a. Name of Case: Ward Howard vs. Santa Cruz Metropolitan Transit District  
(Before the Workers' Compensation Appeals Board)
2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
(Pursuant to Government Code Section 54956.8)  
  
Property: 25 Sakata Lane  
Negotiating parties: Leslie White, Santa Cruz METRO  
Under Negotiation: Price and Terms  
  
Property: 120 Golf Club Drive  
Negotiating parties: Ceil Cirillo, Executive Director, City of Santa Cruz  
Redevelopment for SCMTD  
John Elliott Negotiator for Yvonne Aiassa, Owner of the  
property  
Under Negotiation: Price and Terms
3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
(Pursuant to Government Code Section 54956.9)
  - a. Number of Cases: Two

**SECTION III: RECONVENE TO OPEN SESSION**

18. REPORT OF CLOSED SESSION

**ADJOURN**

**NOTICE TO PUBLIC**

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

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

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

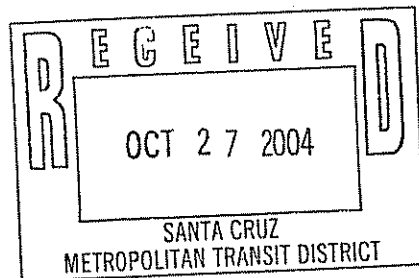
The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The Encinal Conference Room is located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, please contact Cindi Thomas at 831-426-6080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

Metro Bd. of Directors  
370 Encinal St. Suite 100  
Santa Cruz, CA 95060

Please! do not withdraw  
Routes 65 & 67. I just  
moved to Hault Street Senior  
Housing. We have 36 + low  
income seniors who need  
access to these buses.

Thank you

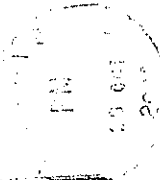
Mercer Boulevard  
211 Hault St. # 109  
Santa Cruz, CA 95062



Z-9.1



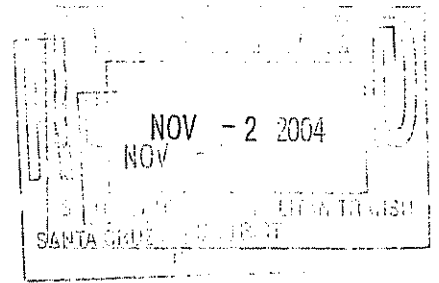
Mariam Soulek  
 211 Gault St. Unit 109  
 Santa Cruz, CA 95062  
 Phone: 831-426-7062



Metro Bd. of Directors  
 370 Encinal St.  
 Suite 100  
 Santa Cruz, CA 95060

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2-a-2



Re: Route 65

I recently moved into an apartment at 211 Hault St., Mercy and City Senior Housing. One of the big issues was only 8 parking spaces but we had bus service right accross the street. I moved in and in less than a month the bus was eliminated. We have to walk to Soquel to catch a bus now. That still seems close but  $2\frac{1}{2}$  blocks is a lot in the rain, wind, sun, and when you have trouble walking anyway.

Hault St. apts. was great right on Route 65. This particular bus took me from home to where I volunteer at 718 Fredrick, to S.C. medical clinic, Capitola Mall, Downtown, and Long's for prescriptions. Also right to my bank.

When I drove a car I still used the bus for these places and many more. In my family we have had at least 8-10 people a day riding the bus for 30 years. I remember in the early 80's they were going to strike and one of my boys made a slogan Work, school, or play. The metro is the only way.

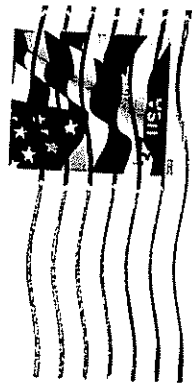
I hope you can restore the bus to 5 times a day. Thank You.

Jue Wilson

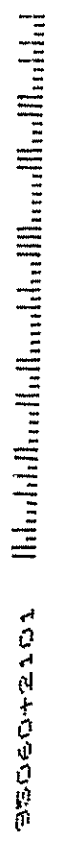
2-b.1



*Sue Wilcox  
211, Havel St. #206  
Santa Cruz, Ca 95062*

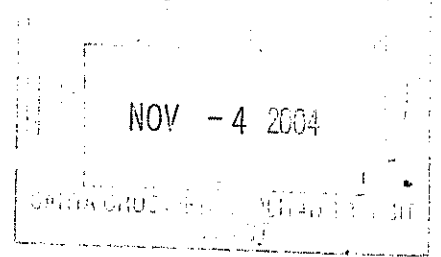


*Metro Board of Directors  
370 Encinal St.  
Suite 100  
Santa Cruz, Ca 95060*



*2-62*

**Cabrillo College Stroke Center**  
501 Upper Park Road, De Laveaga Park, Santa Cruz, CA 95065  
Phone (831) 425-0622 ♦ Fax (831) 425-0223



November 3, 2004

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

Dear Members of the Board,

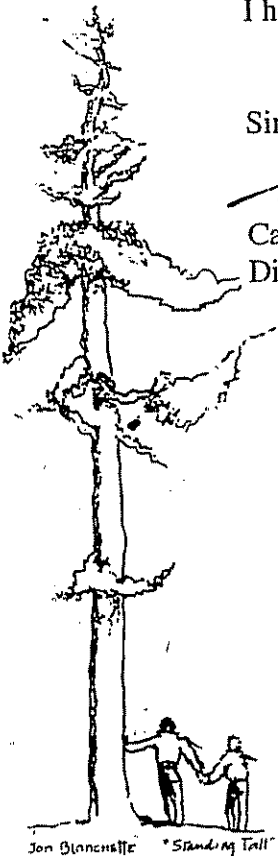
I want to let you know that from the perspective of the students and staff of the Cabrillo College Stroke Center, the transition to Metro Paracruz went extremely well this week. There were a few predictable snafus, but they were each handled easily and gracefully. The drivers have been polite and gentle with our students. And, most students have arrived and departed on time.

We want to especially commend your Board and staff for creating a workable solution to the \$3.00 fare conundrum. Bryant Baehr has been thoughtful and effective, taking time to speak to all of our students and to follow up with several visits at peak hours.

I hope that we can all work together to maintain this high quality of service.

Sincerely,

Caroline Bliss-Isberg, Ph.D.  
Director



2-c.1

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

October 8, 2004

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, October 8, 2004 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA.

Vice Chair Keogh called the meeting to order at 9:00 a.m.

## SECTION 1: OPEN SESSION

### 1. ROLL CALL:

#### DIRECTORS PRESENT

Jan Beautz (arrived after roll call)  
Michelle Hinkle  
Mike Keogh  
Emily Reilly (arrived after roll call)  
Mike Rotkin  
Pat Spence  
Mark Stone  
Marcela Tavantzis

#### DIRECTORS ABSENT

Sheryl Ainsworth  
Dennis Norton  
Dale Skillicorn  
Ex-Officio Wes Scott

#### STAFF PRESENT

Bryant Baehr, Operations Manager  
Frank Cheng, MetroBase Project Manager  
Mark Dorfman, Assistant General Manager  
Marilyn Fenn, Assistant Finance Manager

Margaret Gallagher, District Counsel  
Robyn Slater, Human Resources Manager  
Judy Souza, Base Superintendent  
Les White, General Manager

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

Ron Dean, UTU  
Gary Klemz, SEIU  
Jeff Le Blanc  
James Lewis

Bonnie Morr, UTU  
Karena Pushnik, SCCRTC  
Will Regan, VMU  
Bob Yount

Vice Chair Keogh announced that action is required today on Items #5-20, 5-21, 5-23 and Item #11.

### 2. ORAL AND WRITTEN COMMUNICATION

#### Written:

- a. Graciela Vega Carbajal
- b. James W. Lewis
- c. Mr. & Mrs. Daniel Ross

- Re: Bus Service in Watsonville  
Re: Bus Service in Live Oak  
Re: Bus Service in Live Oak

5-1.1

Three additional written communications regarding bus service were distributed at the meeting and are attached to the minutes.

Oral:

James Lewis stated he believes METRO'S public interface seems to be broken and is ineffective in communicating with passengers. Mr. Lewis stated that the District's bylaws were not posted in the lobby and suggested they should also be on the website.

Margaret Gallagher replied that today, once the Chair signs the recently adopted revised bylaws, they would be available for the public to view at the front desk of the Admin office and on the website.

**3. LABOR ORGANIZATION COMMUNICATIONS**

Bonnie Morr resubmitted a copy of the letter distributed to the Board at the September 24, 2004 meeting regarding health insurance costs for UTU represented employees. The letter is attached to the minutes.

**DIRECTOR REILLY ARRIVED AT THIS TIME.**

UTU is requesting the Board to direct Staff to meet and confer with UTU over health insurance costs to its employees. It was reported that UTU employees are the only group in the District with a cap on its medical benefits and will have to pay over \$400.00 per month for an HMO.

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

None.

**CONSENT AGENDA**

**5-1. APPROVE REGULAR BOARD MEETING MINUTES OF SEPTEMBER 10 AND SEPTEMBER 24, 2004 AND THE SPECIAL MEETING MINUTES OF SEPTEMBER 24, 2004**

No questions or comments.

**5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS**

No questions or comments.

**5-3. ACCEPT AND FILE SEPTEMBER 2004 RIDERSHIP REPORT**

Page 1 of the Ridership Report will be presented for consideration at the October 22, 2004 Board Meeting

5-1.2

**5-4. CONSIDERATION OF TORT CLAIMS: ALLOW THE CLAIM IN FULL OF: UNIVERSITY OF CA, SANTA CRUZ, CLAIM #: 04-0018**

Vice Chair Keogh asked why we would allow this claim when all others are denied. Margaret Gallagher replied that this was a rear-end collision, clearly the District's fault, and that actual damages were less than the estimate.

**5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR OCTOBER 20, 2004 AND MINUTES OF AUGUST 18, 2004**

Bonnie Morr requested that a group be formed, possibly from MAC, to test the volume of the bus stop announcements because there have been complaints regarding some being too loud. Jeff Le Blanc suggested MASTF also be involved. There is some disagreement over what an appropriate volume is.

Director Rotkin suggested this be placed on the next closed session agenda. Les White said Staff would continue to work on this in the interim.

**5-6. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF OCTOBER 21, 2004 AND THE MINUTES OF THE SEPTEMBER 16, 2004 MEETING**

No questions or comments.

**5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JULY AND AUGUST 2004 AND CONSIDERATION OF BUDGET TRANSFERS**

Director Rotkin asked about the regular fares being low by 11%. Mark Dorfman replied that July was the first month of the fiscal year and that fares had gone up last year, which resulted in fewer passengers.

**5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR JULY 2004**

Director Tavantzis commented that she preferred to have more information than was provided this month. Bryant Baehr replied that the new software would be able to generate a report on nearly anything the Board wants.

Staff needs to hear from the Board and the public, including input from MAC and MASTF what information they want to see reports on.

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

**Add UTU Health Insurance Costs to the Closed Session Agenda for October 22, 2004.**

**Motion passed unanimously with Directors Ainsworth, Beutz, Norton and Skillicorn being absent.**

**5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR JULY 2004**

Documentation will be presented for consideration at the October 22, 2004 Board Meeting

**5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE**

Director Rotkin commented that there were a lot of Staff and Faculty rides in August, which is normally a slow month. Mark Dorfman replied that the cafeteria workers are now UC staff and qualify for free bus passes.

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

Director Rotkin reported that Les White and Frank Cheng had given a MetroBase presentation at the City Council meeting last week, which received no negative comments, and that the partnership between the City and the Redevelopment Agency is working out very well.

Vice Chair Keogh complimented the Redevelopment Agency for their work on acquiring the properties needed for MetroBase.

**5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE AUGUST MEETINGS**

No questions or comments.

**5-13. CONSIDERATION OF CONTRACT RENEWAL WITH DIXON AND SON, INC. FOR REVENUE AND NON-REVENUE TIRES**

Mark Dorfman clarified that there would be no increase for new revenue tires.

**5-14. CONSIDERATION OF CONTRACT RENEWAL WITH CLASSIC GRAPHICS FOR VEHICLE PAINT AND BODY REPAIRS**

Mark Dorfman stated that the hourly labor rate would increase 1.8%, from \$45.00 to \$45.81 per hour.

**DIRECTOR BEAUTZ ARRIVED AT THIS TIME.**

**5-15. CONSIDERATION OF CONTRACT RENEWAL WITH FOLGER GRAPHICS FOR THE PRINTING OF HEADWAYS**

No questions or comments.

**5-16. CONSIDERATION OF CONTRACT RENEWAL WITH DRIVER ALLIANT FOR BROKER SERVICES FOR EXCESS WORKERS COMPENSATION INSURANCE**

Mark Dorfman explained that the term would be extended through June 30, 2005 to match the District's Workers' Compensation period.

5-1.4

**5-17. CONSIDERATION OF APPROVAL OF BOARD OF DIRECTORS REGULAR MEETING SCHEDULE FOR 2005**

No questions or comments.

**5-18. CONSIDERATION OF REPORT REGARDING PASSENGERS AND OPERATING COST FOR THE CITY OF SANTA CRUZ BEACH SHUTTLE FOR 2004**

There was a discussion about advertising the service and increasing sponsors by advertising their businesses on the Beach Shuttle and the District's advertising policy. Chair Reilly requested that advertising templates be emailed to her.

**Direction:** Include Update on Bus Advertising on a future agenda.

**5-19. CONSIDERATION OF REVISION TO DRUG AND ALCOHOL POLICY TO ADD PARATRANSIT SAFETY SENSITIVE POSITIONS**

Documentation will be presented for consideration at the October 22, 2004 Board Meeting.

**5-20. CONSIDERATION OF APPROVAL OF PARATRANSIT CLASS SPECIFICATION (JOB DESCRIPTION) FOR PARATRANSIT CLERK III**

Action required at the October 8, 2004 Board Meeting.

Bryant Baehr clarified that this was the last position being presented for Board approval. This person would be strictly administrative and not have interaction with customers.

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

**Approve the Paratransit Class Specification (Job Description) for Paratransit Clerk III.**

**Motion passed unanimously with Directors Ainsworth, Norton and Skillicorn being absent.**

**5-21. NOTIFICATION OF AUTHORIZATION FOR DISPOSAL OF FOUR (4) CHAMPION BUSES AND ASSOCIATED PARTS INVENTORY**

Action required at the October 8, 2004 Board Meeting.

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

**Authorization the Disposal of Four (4) Champion Buses and Associated Parts Inventory**

Les White stated that a public entity could express interest in one of these buses, which could be held back from auction. The price would be determined by what the other buses sold for at auction.

**Motion passed unanimously with Directors Ainsworth, Norton and Skillicorn being absent.**

**5-1.5**

**5-22. CONSIDERATION OF OWNED AND LEASED PROPERTY INVENTORIES TO DETERMINE IF THERE IS ANY PROPERTY IN EXCESS OF SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S FORESEEABLE NEEDS**

Les White reported that the Sakata Lane property has been appraised. Director Tavantzis requested that the City of Watsonville be notified when it goes on the market.

**5-23. CONSIDERATION OF SERVICE MODIFICATIONS FOR WINTER 2004**

Action required at the October 8, 2004 Board Meeting.

**Summary:**

Mark Dorfman gave a slide presentation of the proposed transit service revisions and said that the last round of service cuts were the hardest to make, but were necessary to balance the budget. Mr. Dorfman stated that the cuts were heavily advertised and several public hearings were held to inform the public and receive input. Several complaints have been received since eliminating the Route 67.

In order to comply with UTU's 46-day notice requirement, the Board needs to act today, unless UTU waives that requirement, which would provide more time to develop service modifications for the next Board meeting. The total cost of the current proposed modifications is approximately \$3,000.00. Other changes that have been suggested to Staff had higher costs involved. Stickers could be put on affected bus stops and stickers or inserts for *Headways* would be used to inform the public.

**Discussion:**

James Lewis suggested bus stop locations in Live Oak and urged the Board to reduce service on each of the routes rather than eliminate entire routes in the future. Jeff Le Blanc informed Mr. Lewis that specific bus stop suggestions should be forwarded to METRO's Bus Stop Advisory Committee (BSAC).

Bonnie Morr stated that UTU had come up with a list of service revisions 9 months ago, and urged not cutting Route 67, which Staff ignored and now UTU is being asked to approve these revisions in only 4 days or waive its 46-day notice requirement.

Director Beautz agreed that cutting Route 67 was a bad idea and urged UTU to accept these changes now and then work through the more controversial issues.

**Direction:**

Bring March 2005 Service Modifications to the Board to begin discussion next month in order to meet UTU's 46-day notice in January 2005.

5-1.6



**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BEAUTZ**

**Approve proposed Service Reductions and Modifications for December 2004 with Staff and UTU to begin working now on the changes that are to be effective in March 2005.**

Director Tavantzis stated that she would not support any other changes until missed connections were corrected.

Director Beautz stated that she had responded to Item 2c, written correspondence.

**Motion passed unanimously with Directors Ainsworth, Norton and Skillicorn being absent.**

**REGULAR AGENDA**

**6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

This presentation will take place at the October 22, 2004 Board Meeting.

**7. CONSIDERATION OF RECEIPT OF REPORT REGARDING THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND DRAFT MINUTES OF SEPTEMBER 15, 2004**

Margaret Gallagher clarified that she had been provided with an opportunity to review the minutes from the Task Force meeting in which she made a presentation regarding the legal requirements of Paratransit.

**8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR WORKERS COMPENSATION CLAIMS ADMINISTRATIVE SERVICES**

Documentation will be presented for consideration at the October 22, 2004 Board Meeting.

**9. CONSIDERATION OF PARACRUZ TRANSITION STATUS REPORT**

Documentation will be presented for consideration at the October 22, 2004 Board Meeting.

**10. CONSIDERATION OF REQUEST FROM THE CITY OF SANTA CRUZ FOR ADDITIONS TO THE METROBASE PROJECT**

Documentation will be presented for consideration at the October 22, 2004 Board Meeting.

**Discussion:**

Director Rotkin stated that he had seen the list of requested modifications prepared by the City of Santa Cruz and many items are not affordable. Les White replied that the report would include 3 categories: items that can be done in Phase I, recommending items not be done or that items are not workable, and items that could be included in Phase II.

**S-1.7**

Director Reilly suggested stating that nothing would be done to preclude something from happening at a later time when money is available that cannot be done now.

**11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE AMENDMENT WITH ALI GHARAHGOZLOO AND JESSICA HSU TO ALLOW THE TENANTS TO CANCEL THEIR TERM OF THE LEASE IN DECEMBER OF 2004 FOR THE GROCERY STORE LEASE**

Action required at the October 8, 2004 Board Meeting.

**Summary:**

Margaret Gallagher explained that this tenant has been in the grocery store space since the Watsonville Transit Center opened, and also occupies the old McDonalds section with a restaurant. The tenant wants to retire and with the Board's approval, cancel the current lease at the end of December 2004, recapture a new 5-year Lease and sell the 2 businesses and the new 5-year Lease. Staff recommends that the Board authorize this with the provision that METRO not lose any money and make a percentage of the sale price.

**ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR SPENCE**

**Authorize the General Manager to execute a Lease Amendment with Ali Gharahgozloo and Jessica Hsu to allow the Tenants to cancel their term of the Lease in December of 2004 for the Grocery Store Lease with the provision that METRO not lose any money and make a percentage of the sale price.**

**Motion passed unanimously with Directors Ainsworth, Norton and Skillicorn being absent.**

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

Margaret Gallagher reported that the Board would discuss the Worker's Compensation case of Laura Harrell and that the claim of Freddy Castillo needed to be added to today's Closed Session Agenda.

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

**Make the necessary findings to add the potential claim of Fredy Castillo to the Closed Session agenda since it came to the Board's attention after the posting of the Regular Meeting Agenda and there is a need to take action before the next Board meeting.**

**Motion passed unanimously with Directors Ainsworth, Norton and Skillicorn being absent.**

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

None.

**SECTION II: CLOSED SESSION**

Vice Chair Keogh adjourned to Closed Session at 10:52 a.m. and reconvened to Open Session at 10:58 a.m.

**SECTION III: RECONVENE TO OPEN SESSION**

**14. REPORT OF CLOSED SESSION**

Margaret Gallagher had nothing to report at this time.

**ADJOURN**

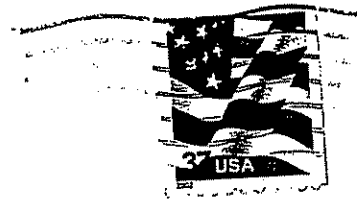
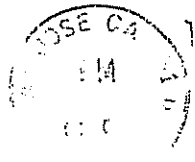
There being no further business, Vice Chair Keogh adjourned the meeting at 10:59 a.m.

Respectfully submitted,

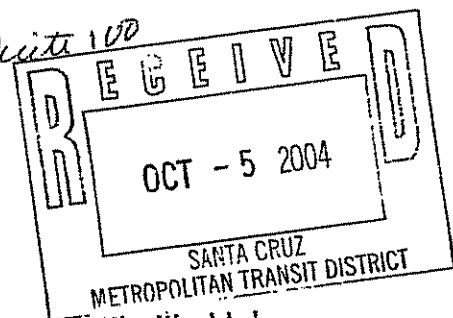


CINDI THOMAS  
Administrative Services Coordinator

DRAFT



Metro Board of Directors  
 370 Encinal St. Suite 100  
 Santa Cruz,  
 Ca 95060



5080+2101 

S-1.10

To All Staff:

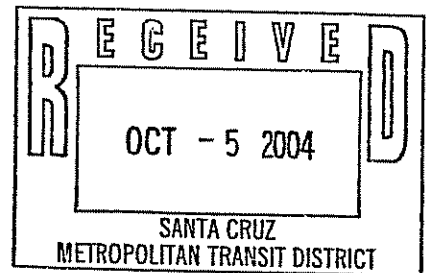
It is VERY important to re-emphasize  
Rts. 105 & 107. Many handicapped & senior citizens  
CANNOT afford to use steps. A serious hardship.

Many depend on the bus service for  
countless reasons - including myself. Also the bus  
has a terrible hardship with a fixed income.

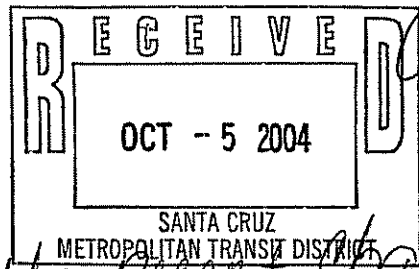
Many bus operators are now jobless  
due to so many cutbacks. The un-employment  
adds to a serious problem in Santa Cruz &  
Many across in the State!

Also a lot of service has been cut on  
weekends to such places as the boardwalk, Costco,  
Hakouy West park, Gateway Plaza & many more.  
For the sake of all Santa Cruz citizens, please  
don't protest.

Santa Cruz Citizens



5-1.11



Oct 3, 2004

To Whom it May Concern:

I am Writing concerning the recent change in the #7 Beach bus schedule.

As a parent of a disabled Cabrillo Student I am aware first hand of the hardship this change has caused.

The Early A.M Bus is used by most of the Elderly, and disabled on this route. Many who have appointments to work, or school must use the Early bus to reach their destinations.

With the bus not reaching us until 9:00 many are forced to walk to the metro.

This is not only difficult for the Elderly, but a hazard for the handicapped. When winter arrives this hazard is increased immensely.

Many of us live on fixed income and cannot afford any other means of transportation.

Presently the 9:00 bus is virtually empty, as many must have an earlier bus. Since school buses are cut we desperately need the early bus.

We are asking that you add one early trip. Eight past eight, because it is a very much needed bus, to many of the #7 bus riders.

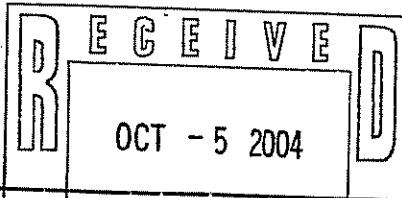
Thank you for your immediate response to this matter. 5-1.12

Change the bus time to 8:00

- 1) Jackie Sitherney 122 Second Street Concerned parent
- 2) Maile Sitherney 122 Second Street Disabled Cab Student
- 3) Suzanne Bedrossian
- 4) Michael Lubell SR.
- 5) Louis Masi
- 6) Darlene Montoya
- 7) Greg McKinnon 1200 2nd St Santa Cruz CA 95062
- 8) Ron Myers 317 Weber St Santa Cruz
- 9) Carol Myers 313 Weber St Santa Cruz
- 10) Manuel Arce JR 116 A 2ND ST Santa Cruz
- 11) Tim Bresnahan 2nd ST Santa Cruz
- 12) Susan George 122 A 2ND ST, SANTA CRUZ

5-1.13

# Customer Service Report



REPORT # 9,712	REC'D BY CSR	DATE 10-4-04	TIME SANTA CRUZ METROPOLITAN TRANSIT DISTRICT	<input type="checkbox"/> PHONE <input type="checkbox"/> LETTER <input type="checkbox"/> CUSTOMER COMMENT SLIP	<input type="checkbox"/> REROUTED <input type="checkbox"/> IN PERSON
-------------------	-----------------	-----------------	--	---	---

OK TO REVEAL CUSTOMER'S NAME  DO NOT REVEAL CUSTOMER'S NAME

CUSTOMER'S NAME Nichan Terlerian PHONE (H) 7420-1215  
 ADDRESS 114 2nd St PHONE (W) 251-1215

DATE OF INCIDENT	DAY OF WEEK	TIME	a.m. p.m.	LOCATION (include cross st)
------------------	-------------	------	--------------	-----------------------------

ROUTE <u>7</u>	BLOCK #	BUS #	DIRECTION <input type="checkbox"/> inb <input type="checkbox"/> outb	EMPLOYEE NAME/DESCRIPTION/ID
----------------	---------	-------	---	------------------------------

REFER TO:  
 Operations  Building & Grounds  Risk Management  Fleet Maintenance  Protective Services  Service Planning/Administration  Customer Services

FYI ONLY  INVESTIGATE  C.C. \_\_\_\_\_ DEPT. \_\_\_\_\_

REPLY DUE DATE 10/22/04

<input type="checkbox"/> Accident/Injury <input type="checkbox"/> Bus Cleanliness <input type="checkbox"/> Bus No Show <input type="checkbox"/> Bus Off-Route <input type="checkbox"/> Bus Overloaded <input type="checkbox"/> Bus Running Early <input type="checkbox"/> Bus Running Late <input type="checkbox"/> Bus Speeding <input type="checkbox"/> Commendation <input type="checkbox"/> Complaint Handling <input type="checkbox"/> District Policy Issue <input type="checkbox"/> Employee Behavior <input type="checkbox"/> Fare Problem <input type="checkbox"/> Information Problem	<input type="checkbox"/> Lost & Found Handling <input type="checkbox"/> Mechanical Problem <input type="checkbox"/> Passenger Behavior <input type="checkbox"/> Passenger Pass-Up <input type="checkbox"/> Reckless Driving <input type="checkbox"/> Report of Violation of District Ordinance or Law <input checked="" type="checkbox"/> Request to Add Service <input type="checkbox"/> Request to Reduce Service <input checked="" type="checkbox"/> Routing Change Request <input type="checkbox"/> Scheduling/Run Time <input type="checkbox"/> Wheelchair Lift Problem <input checked="" type="checkbox"/> Other _____	<input type="checkbox"/> Bike Stand _____ <input type="checkbox"/> Bus Bench _____ <input type="checkbox"/> Bus Sign _____ <input type="checkbox"/> Bus Shelter _____ <input type="checkbox"/> Bus Stop _____ <input type="checkbox"/> Metro Center _____ <input type="checkbox"/> Trash Can _____ <input type="checkbox"/> Watsonville Center _____ <input type="checkbox"/> Other _____
--	---	---

EXPLAIN: Customers request Route 7 to be reinstated at early hour 7:50 a.m.

REFERRED FOR INVESTIGATION TO: \_\_\_\_\_ DATE: \_\_\_\_\_

ANALYSIS/ACTION TAKEN: \_\_\_\_\_

INVESTIGATOR'S SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

CUSTOMER SERVICE USE ONLY	
<p>INTERNAL</p> <p>(date / initials)</p> <p>1st Notice Rec'd: _____</p> <p>Add'l Cust Inquiries: _____</p> <p>Cross-Ref. Cases: _____</p> <p>Case Closed: _____</p>	<p>CUSTOMER FOLLOW-UP</p> <p>(date / initials)</p> <p>Personal Letter _____</p> <p>Form Letter # _____</p> <p>Complimentary Day Pass _____</p> <p>Phone Call _____</p> <p>Referral Department Reply _____</p> <p>No Reply/Explain _____</p>

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

5-1.14



To: Santa Cruz Metro  
Board of Directors

Nicholas TerPentian      Tel - 420/215  
114 2nd St. Santa Cruz.      251/215

5-1.15



September 20, 2004

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

Santa Cruz Metropolitan Transit District  
Board of Directors  
370 Encinal Street  
Santa Cruz, California 95060

Dear Metro Board of Directors,

The United Transportation Union is requesting the assistance and direction of the Board of Directors in order to find an ability to deal with the upcoming Medical costs.

The United Transportation Union would like to have the Board of Directors direct Staff to enter into a meet and confer to deal with this situation.

The Bus Operators are working under a situation where we have a monetary cap on our medical benefits. Due to the increase in the costs of medical we are the only unit that will be paying over 400.00 per month for an HMO. Our members cannot afford this amount of money coming out of our paychecks on a monthly basis; it interferes with the cost of housing and food. The other unit at the Transit District will not pay for HMO coverage at this level.

We are requesting parity and fair treatment in this area.

Sincerely,

Bonnie L. Morr, Chairperson  
UTU Local 23

5-1.16

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

October 22, 2004

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, October 22, 2004 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Reilly called the meeting to order at 9:05 a.m.

## SECTION 1: OPEN SESSION

### 1. ROLL CALL:

#### DIRECTORS PRESENT

Jan Beautz (arrived after roll call)  
Michelle Hinkle  
Mike Keogh  
Dennis Norton  
Emily Reilly  
Mike Rotkin  
Dale Skillicorn  
Pat Spence  
Mark Stone

#### DIRECTORS ABSENT

Sheryl Ainsworth  
Marcela Tavantzis  
Ex-Officio Wes Scott

#### STAFF PRESENT

Bryant Baehr, Operations Manager  
Frank Cheng, MetroBase Project Manager  
Mark Dorfman, Assistant General Manager  
Marilyn Fenn, Assistant Finance Manager  
Margaret Gallagher, District Counsel  
Steve Paulson, ParaCruz Administrator

Elisabeth Ross, Finance Manager  
Robyn Slater, Human Resources Manager  
Judy Souza, Base Superintendent  
Tom Stickel, Fleet Maintenance Manager  
Les White, General Manager

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

Caroline Bliss-Isberg, Stroke Center  
Genevieve Bookwalter  
Chuck Boxwell, RNL Design  
Scott Bugental, Seniors Commission  
Jeff Le Blanc, MASTF  
Paul Marcelin-Sampson, Metro Riders Union  
Pat McKelvey, RNL Design

Bonnie Morr, UTU  
Pat Star, Stroke Center  
Nicole Steel, JWA  
Mike Tomasee  
Amy Weiss, Spanish Interpreter  
Bob Yount

5-1.17

Chair Reilly announced that the Board meeting would be interrupted briefly at 10:00 a.m. to hold the annual meeting of the Santa Cruz Civic Improvement Corporation.

## 2. ORAL AND WRITTEN COMMUNICATION

### Written:

- |    |                        |     |                            |
|----|------------------------|-----|----------------------------|
| a. | Graciela Vega Carbajal | Re: | Bus Service in Watsonville |
| b. | James W. Lewis         | Re: | Bus Service in Live Oak    |
| c. | Mr. & Mrs. Daniel Ross | Re: | Bus Service in Live Oak    |

Les White distributed a memo from MAC, which is attached to these minutes, regarding MAC's opposition to Measure J.

### Oral:

Jeff LeBlanc, acting Vice Chair of MASTF, reported that MASTF had passed a motion at its October 21, 2004 meeting recommending that the Talking Bús systems be programmed to announce route numbers 4 times prior to departing METRO Center.

## 3. LABOR ORGANIZATION COMMUNICATIONS

None.

## 4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

### SECTION I:

### OPEN SESSION:

### CONSENT AGENDA:

- |                          |  |
|--------------------------|--|
| <b>ADD TO ITEM #5-3</b>  | ACCEPT AND FILE SEPTEMBER 2004 RIDERSHIP REPORT<br><b>(Insert Page 1 of the Ridership Report)</b>  |
| <b>REPLACE ITEM #5-8</b> | ACCEPT AND FILE PARACRUZ STATUS REPORT FOR JULY 2004<br><b>(Insert REVISED Staff Report)</b>   |
| <b>INSERT ITEM #5-9</b>  | ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR AUGUST 2004<br><b>(Insert Report)</b>   |
| <b>INSERT ITEM #5-19</b> | CONSIDERATION OF REVISION TO DRUG AND ALCOHOL POLICY TO ADD PARATRANSIT SAFETY SENSITIVE POSITIONS<br><b>(Insert Staff Report)</b>                                     |
| <b>DELETE ITEM #5-20</b> | CONSIDERATION OF APPROVAL OF PARATRANSIT CLASS SPECIFICATION (JOB DESCRIPTION) FOR PARATRANSIT CLERK III<br><b>(Action taken at the October 8, 2004 Board Meeting)</b> |
| <b>DELETE ITEM #5-21</b> | CONSIDERATION OF AUTHORIZATION FOR DISPOSAL OF FOUR (4) CHAMPION BUSES AND ASSOCIATED PARTS INVENTORY<br><b>(Action taken at the October 8, 2004 Board Meeting)</b>    |

5-1.18

- DELETE ITEM #5-23** CONSIDERATION OF SERVICE MODIFICATIONS FOR WINTER 2004  
(Action taken at the October 8, 2004 Board Meeting)
- ADD ITEM #5-24** CONSIDERATION OF AUTHORIZATION FOR DISPOSAL OF FIVE (5) NEW FLYER BUSES  
(Insert Staff Report)
- REGULAR AGENDA:**  
**DELETE ITEM #8** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR WORKERS COMPENSATION CLAIMS ADMINISTRATIVE SERVICES  
(STAFF RECOMMENDS DEFERRING TO NOVEMBER DUE TO ONGOING NEGOTIATIONS)
- INSERT ITEM #9** CONSIDERATION OF PARACRUZ TRANSITION STATUS REPORT  
(Insert Staff Report)
- INSERT ITEM #10** CONSIDERATION OF REQUEST FROM THE CITY OF SANTA CRUZ FOR ADDITIONS TO THE METROBASE PROJECT  
(Insert Staff Report)
- DELETE ITEM #11** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE AMENDMENT WITH ALI GHARAHGOZLOO AND JESSICA HSU TO ALLOW THE TENANTS TO CANCEL THEIR TERM OF THE LEASE IN DECEMBER OF 2004 FOR THE GROCERY STORE LEASE  
(Action taken at the October 8, 2004 Board Meeting)
- ADD ITEM #12** CONSIDERATION OF INFORMATION PREPARED IN RESPONSE TO QUESTIONS RAISED BY MEMBERS OF THE BOARD OF DIRECTORS REGARDING THE METROBASE PROJECT  
(Insert Staff Report)
- ADD ITEM #13** CONSIDERATION OF AESTHETIC TREATMENT OPTIONS FOR THE MAINTENANCE BUILDING FOR THE METROBASE PROJECT  
(Insert Staff Report)
- ADD ITEM #14** CONSIDERATION OF CONTRACT RENEWAL WITH LESLIE R. WHITE TO SERVE AS GENERAL MANAGER FOR THE PERIOD OF DECEMBER 1, 2004 THROUGH DECEMBER 31, 2009  
(Insert Staff Report)
- ADD ITEM #15** CONSIDERATION OF CALL STOP AUDIT REPORT  
(Insert Staff Report)
- ADD ITEM #16** CONSIDERATION OF SALE OF SURPLUS FAREBOXES TO METRO EMPLOYEES AND OTHER INTERESTED PARTIES  
(Insert Staff Report)

A Staff Report was distributed as additional documentation for Item #9.

5-1.19

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF SEPTEMBER 10 AND SEPTEMBER 24, 2004 AND THE SPECIAL MEETING MINUTES OF SEPTEMBER 24, 2004
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS
- 5-3. ACCEPT AND FILE SEPTEMBER 2004 RIDERSHIP REPORT
- 5-4. CONSIDERATION OF TORT CLAIMS: ALLOW THE CLAIM IN FULL OF: UNIVERSITY OF CA, SANTA CRUZ, CLAIM #: 04-0018
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR OCTOBER 20, 2004 AND MINUTES OF AUGUST 18, 2004
- 5-6. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF OCTOBER 21, 2004 AND THE MINUTES OF THE SEPTEMBER 16, 2004 MEETING
- 5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JULY AND AUGUST 2004 AND CONSIDERATION OF BUDGET TRANSFERS
- 5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR JULY 2004
- 5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR JULY 2004
- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT
- 5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE AUGUST MEETINGS
- 5-13. CONSIDERATION OF CONTRACT RENEWAL WITH DIXON AND SON, INC. FOR REVENUE AND NON-REVENUE TIRES
- 5-14. CONSIDERATION OF CONTRACT RENEWAL WITH CLASSIC GRAPHICS FOR VEHICLE PAINT AND BODY REPAIRS
- 5-15. CONSIDERATION OF CONTRACT RENEWAL WITH FOLGER GRAPHICS FOR THE PRINTING OF HEADWAYS
- 5-16. CONSIDERATION OF CONTRACT RENEWAL WITH DRIVER ALLIANT FOR BROKER SERVICES FOR EXCESS WORKERS COMPENSATION INSURANCE
- 5-17. CONSIDERATION OF APPROVAL OF BOARD OF DIRECTORS REGULAR MEETING SCHEDULE FOR 2005
- 5-18. CONSIDERATION OF REPORT REGARDING PASSENGERS AND OPERATING COST FOR THE CITY OF SANTA CRUZ BEACH SHUTTLE FOR 2004
- 5-19. CONSIDERATION OF REVISION TO DRUG AND ALCOHOL POLICY TO ADD PARATRANSIT SAFETY SENSITIVE POSITIONS
- 5-20. DELETED (Action taken at the October 8, 2004 Board Meeting)
- 5-21. DELETED (Action taken at the October 8, 2004 Board Meeting)
- 5-22. CONSIDERATION OF OWNED AND LEASED PROPERTY INVENTORIES TO DETERMINE IF THERE IS ANY PROPERTY IN EXCESS OF SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S FORESEEABLE NEEDS
- 5-23. DELETED (Action taken at the October 8, 2004 Board Meeting)
- 5-24. CONSIDERATION OF AUTHORIZATION FOR DISPOSAL OF FIVE (5) NEW FLYER BUSES

5-1. 20

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

**Approve the Consent Agenda**

**Motion passed unanimously with Directors Ainsworth, Beautz and Tavantzis being absent.**

**REGULAR AGENDA**

**6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

**DIRECTOR BEAUTZ ARRIVED AT THIS TIME**

The following employees were awarded with longevity certificates for their years of service:

**FIFTEEN YEARS**

Diane L. Meyer, Bus Operator

**THIRTY YEARS**

Sylvia E. Rogers, Payroll & Benefits Coordinator

Director Reilly suggested contacting the Sentinel to run a story on long-term METRO employees.

As an additional Oral Communication, Director Norton suggested providing free bus service to children age 14 and under, meaning Junior High and Elementary school age.

**Direction:** Agendize "free bus service for children age 14 and under" sometime after January 1, 2005.

Director Rotkin commented that this would not be free service and that it would cost the District money it does not have.

**7. CONSIDERATION OF RECEIPT OF REPORT REGARDING THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND FINAL MINUTES OF SEPTEMBER 15, 2004**

Director Spence reported that there would be two more meetings, possibly more if the work plan cannot be completed by the January deadline. Director Spence clarified the first paragraph on page 7.8 by stating that 7,000 people were not lost, but that many were duplicates, moved away or are deceased.

Paul Marcelin-Sampson was thanked for his presentation he made at the Task Force meeting and he offered to forward it to the Board.

**5-1.21**

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

**Accept the report of the Paratransit Coordination Task Force and final minutes of the September 15, 2004 meeting.**

**Motion passed unanimously with Directors Ainsworth and Tavantzis being absent.**

**8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR WORKERS COMPENSATION CLAIMS ADMINISTRATIVE SERVICES**

Staff recommended that this item be deferred to the November meeting due to ongoing negotiations.

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

**Defer item to the November Board Meeting.**

**Motion passed unanimously with Directors Ainsworth and Tavantzis being absent.**

**9. CONSIDERATION OF PARACRUZ TRANSITION STATUS REPORT**

**Summary:**

Bryant Baehr reported on what Staff has accomplished over the past two months and went over the final transition steps to be taken next week, and said METRO is ready to provide service on November 1<sup>st</sup>. ParaCruz-ID lanyards were distributed to the Board. These are currently being mailed to customers and are designed to hold pre-paid coupons or cash fares as well as IDs.

Mr. Baehr then reported that an issue came up at the last Paratransit Task Force meeting regarding Lifeline's current practice of accepting cash from Stroke Center staff for ParaCruz rides taken by their students when they are dropped off at the Center. METRO staff was unaware of this practice and has heard it may also be happening at Twin Lakes Church. Existing policy is that fares are paid in cash or pre-paid tickets when a customer enters the vehicle.

**Discussion:**

There was a lengthy discussion regarding the Stroke Center purchasing pre-paid tickets for specific clients of theirs and the District providing the tickets directly to those clients.

Pat Star and Caroline Bliss-Isberg of the Stroke Center both commented that using the ID lanyards is humiliating and having their students responsible for their own tickets is an added barrier.

**5-1.22**



Director Spence said that she had been a 4-year student of the Stroke Center and her experience was that 80 – 90% of the students are fine mentally and challenged physically.

Ms. Bliss-Isberg agreed that pre-paid coupons could be mailed to the Stroke Center for specific students to be distributed to some of the students directly, and some paid to the drivers by staff.

Scott Bugental spoke in favor of the pre-paid coupon system currently being discussed.

Jeff Le Blanc spoke in favor of keeping Lift Line's arrangement with the Stroke Center the way it currently is and changing District Policy to reflect that.

Paul Marcelin-Sampson suggested not using coupons at all, just having pre-payments recorded on file and monitored internally by METRO. This would avoid the legal risk of discrimination of allowing some to pay at their destination and others having to pay at the time of boarding. Bryant Baehr said that is the system VTA uses.

Bryant Baehr recommended that Staff investigate VTA's system, which utilizes a pre-payment accounting system, and in the interim, working with the Stroke Center to find something that works within District Policy, for the Board, the General Manager and Staff while working with District Counsel to develop a comprehensive pre-payment plan to be brought to the Board for approval within 30 – 60 days.

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

**Direct Staff to work with District Counsel to develop an interim program regarding trips to the Stroke Center, which may include modifying the current practice for the short term, and Staff to investigate the possibilities of a pre-paid system and report back to the Board within 60 – 90 days with a recommendation.**

Director Spence suggested including in the motion that somebody put the customer's name and ID number on each ticket.

Directors Rotkin and Reilly rejected the addition to the motion, explaining that District Counsel would ensure meeting all legal requirements.

Jeff Le Blanc suggested that if prepaid accounts became too low for a ride, the ride would not be denied, but rather the customer could pay cash.

**Motion passed unanimously with Directors Ainsworth and Tavantzis being absent.**

Director Rotkin, on behalf of the Board, thanked Staff for their extraordinary work on the rapid transition, and Sam Storey and Community Bridges for their cooperation throughout the process.

Scott Bugental echoed Director Rotkin's comments, then expressed concern for people whose wheelchairs to not conform to ADA standards being denied rides. The larger vehicles could be used for these rides and he would like this addressed in the next mailing.

**5-1.23**

Director Spence reported that there was less of a parking problem at the new ParaCruz facility than anticipated and encouraged Board members to go see the facility.

**CHAIR REILLY RECESSED THE BOARD MEETING AT 10:30 A.M. FOR THE ANNUAL MEETING OF THE SANTA CRUZ CIVIC IMPROVEMENT CORPORATION AND RECONVENED TO THE BOARD MEETING AT 10:35 A.M.**

**10. CONSIDERATION OF REQUEST FROM THE CITY OF SANTA CRUZ FOR ADDITIONS TO THE METROBASE PROJECT**

**Summary:**

Frank Cheng reported on September 23, 2004, the City of Santa Cruz sent METRO comments and requests regarding the MetroBase Project. Attachment A is a spreadsheet of those comments and the responses from RNL.

**Discussion:**

Director Spence stated that the sidewalks in Item #2 must have 36" of unobstructed width, including no tree grates within that space.

The following items were clarified for Director Spence:

#4 refers to lights on the back of the building; #6 is referring to a "curb cut" and sidewalk improvements would happen in Phase II; #11 is referring to upsizing the storm drain to accommodate for drainage not associated with MetroBase which would be a cost-sharing project with the City in Phase II; #16 refers to access for District employees to enter the premises through a gate from the bike path.

**ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR REILLY**

**Approve recommendations of the RNL Design Team and METRO Staff, developed in response to questions raised with regard for components of Phase I of the MetroBase Project.**

**Motion passed unanimously with Directors Ainsworth and Tavantzis being absent.**

**11. DELETED (Action taken at the October 8, 2004 Board Meeting)**

**12. CONSIDERATION OF INFORMATION PREPARED IN RESPONSE TO QUESTIONS RAISED BY MEMBERS OF THE BOARD OF DIRECTORS REGARDING THE METROBASE PROJECT**

**Summary:**

Frank Cheng reported that this Staff Report addresses questions raised by the Board at its August 27, 2004 meeting regarding the MetroBase Project. Demolition materials will be disposed of in a manner consistent with US Green Building Council guidelines; rainwater from rooftops can be returned to the earth rather than discharged into storm sewers by using leach

5-1.24

trenches; photovoltaic collectors can be used on the new Maintenance building in the future, and lastly, funds are not available for a larger balcony off the Driver's Room.

**Discussion:**

Discussion centered on whether or not to invest in the larger balcony, which is one of the items that had been cut from the original plans to reduce costs. Les White added that there is an outdoor memorial garden for employees with a patio and seating near the river included in the current plans. Some of the Directors expressed agreement that the larger balcony was too expensive and may not be the most important item to add back into the project. Mr. Tomasee commented that money should not be wasted on the larger balcony.

Mr. White then explained that the construction bid would possibly be for the Maintenance and Service buildings for LNG, with the OPS building as an add-on due to funds not being available.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BEAUTZ**

**Approve recommendations of the RNL Design Team and METRO Staff, developed in response to questions raised with regard for components of Phase I of the MetroBase Project.**

**Motion passed unanimously with Directors Ainsworth and Tavantzis being absent.**

**13. CONSIDERATION OF AESTHETIC TREATMENT OPTIONS FOR THE MAINTENANCE BUILDING FOR THE METROBASE PROJECT**

Pat McKelvey, Chuck Boxwell and Nicole Steel of the RNL Design Team presented information to the Board including current renderings of the buildings and landscape options.

**DIRECTOR NORTON LEFT THE MEETING AT THIS TIME**

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BEAUTZ**

**Approve recommendations of the RNL Design Team and METRO Staff, developed in response to questions raised with regard for components of Phase I of the MetroBase Project.**

**Motion passed unanimously with Directors Ainsworth, Norton and Tavantzis being absent.**

**14. CONSIDERATION OF CONTRACT RENEWAL WITH LESLIE R. WHITE TO SERVE AS GENERAL MANAGER FOR THE PERIOD OF DECEMBER 1, 2004 THROUGH DECEMBER 31, 2009**

Director Rotkin reported that the Board had recently conducted a performance evaluation of the General Manager. The Board is very pleased with his services and wishes to give Mr. White a clear sense that the Board wants him to continue as General Manager for the next five years.

**5-1.25**

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

**Authorize the Chair to execute a contract renewal with Leslie R. White to serve as General Manager for the period of December 1, 2004 through December 31, 2009.**

Paul Marcelin-Sampson, speaking on behalf of the Metro Riders Union, expressed support in continuing the stability and excellent service of Mr. White. Mr. Tomasee stated that Mr. White is doing a great job. Bonnie Morr expressed support in Mr. White continuing as General Manager.

**Motion passed unanimously with Directors Ainsworth, Norton and Tavantzis being absent.**

**15. CONSIDERATION OF CALL STOP AUDIT REPORT**

Bryant Baehr reported that this is a quarterly report and went over the figures for the most recent audit of July – September 2004.

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

**Accept the Call Stop Audit Report**

Director Keogh inquired about Jeff Le-Blanc's earlier comment regarding the number of times a route number is announced prior to the bus departing METRO Center. Mr. Baehr explained that the issue is a combination of both the METRO Center design and the cognitive abilities of the passengers.

Directors Rotkin and Beautz commented that they both had heard announcements with the volume set too high.

**Motion passed unanimously with Directors Ainsworth, Norton and Tavantzis being absent.**

**16. CONSIDERATION OF SALE OF SURPLUS FAREBOXES TO METRO EMPLOYEES AND OTHER INTERESTED PARTIES**

**Summary:**

Mark Dorfman reported that in order to determine a fair market value for the old fareboxes, one was listed on E-Bay. The winning bid was for \$51.00 plus \$60.00 for handling.

Paul Marcelin-Sampson suggested offering them for \$1.00 or for free to recent retirees or current employees.

Ian McFadden stated that his wife is soon to be a 25-year METRO employee and would like a farebox for her anniversary award rather than choosing from what is normally offered.

**5-1.26**

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

**Authorize Staff to sell surplus fareboxes at a price of \$51 and advertise to current and past Staff and the public that they are available. Further authorize to liquidate the remaining fareboxes through E-Bay and other negotiations after approval by District Counsel.**

**Motion passed unanimously with Directors Ainsworth, Norton and Tavantzis being absent.**

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

Margaret Gallagher reported that the Board would have a conference with Legal Counsel regarding the Worker's Compensation case of Laura Harrell, have a conference with Labor Negotiator regarding a matter with UTU, Local 23 and also with SEIU, Local 415, and a conference with Legal Counsel to discuss 2 anticipated litigation cases.

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

Oral:

Bonnie Morr, UTU, Local 23 requested the repeated and loud volume of the Talking Bus call stops be mitigated prior to the completion of the investigation that would determine an appropriate volume. Ms. Morr also noted that Mr. White's benefits are attached to SEIU and suggested benefits being under a Master Agreement so fair treatment does occur for different employees on different levels.

**SECTION II: CLOSED SESSION**

Chair Reilly adjourned to Closed Session at 11:34 a.m. and reconvened to Open Session at 12:28 p.m.

**SECTION III: RECONVENE TO OPEN SESSION**

**19. REPORT OF CLOSED SESSION**

Margaret Gallagher had nothing to report at this time.

**ADJOURN**

There being no further business, Chair Reilly adjourned the meeting at 12:28 p.m.

Respectfully submitted,

CINDI THOMAS  
Administrative Services Coordinator

5-1.27

# **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

## **M E M O R A N D U M**

**Date:** October 22, 2004  
**To:** Chair and Board of Directors  
**From:** Metro Advisory Committee  
**Subject:** Position Regarding Measure J

On Wednesday October 20, 2004 the Metro Advisory Committee (MAC) held the regular monthly meeting in accordance with the Bylaws. One of the items contained in the Agenda was consideration of advising the Board of Directors regarding Measure J which is on the ballot for the November 2, 2004 General Election. Measure J, if passed by a 2/3 majority, would increase the sales tax rate levied in Santa Cruz County by .05% for thirty (30) years. The proceeds from the increase in the sales tax would be used to fund a wide variety of transportation improvement projects.

The MAC had previously discussed the projects and funding contained in Measure J on September 22, 2004. The meeting of October 20, 2004 was the conclusion of the discussions.

At the close of the discussions regarding Measure J the MAC voted to advise the METRO Board of Directors that the MAC is opposed to the passage of Measure J.

5-1.28

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

DATE: 10/01/04 THRU 10/31/04

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	TRANS. TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
13283P10/01/04		-1,245.52	166	HOSE SHOP, THE VOID CHECK		2837	VOID CHECK	-1,245.52	PRE-PAID
13456	10/01/04	650.00	001016	ALLARD'S SEPTIC SERVICE, INC.		2527	HAZ WASTE DISPOSAL	650.00	
13457	10/01/04	165.00	001027	OVERLAND PACIFIC & CUTLER, INC		2528	MB PROF SVCS AUG04	165.00	
13458	10/01/04	124.47	001038	TWINVISION NA INC.		2490	SMALL TOOLS	124.47	
13459	10/01/04	16,163.86	001044	PACKET FUSION, INC.		2529	SYSTEM FOR PT 70%	16,163.86	
13460	10/01/04	22,040.28	001063	NEW FLYER INDUSTRIES LIMITED		2491	REV VEH PARTS 2714	2,713.98	
						2492	REV VEH PARTS 2380	2,379.80	
						2493	REV VEH PARTS 3322	3,322.18	
						2494	REV VEH PARTS 3018	3,018.09	
						2495	REV VEH PARTS 1535	1,534.70	
						2496	REV VEH PARTS 1556	1,556.19	
						2497	REV VEH PARTS 31	30.68	
						2498	REV VEH PARTS 2144	2,143.76	
						2499	REV VEH PARTS 130	129.81	
						2500	REV VEH PARTS 203	267.19	
						2501	REV VEH PARTS 58	58.42	
						2502	REV VEH PARTS 4885	4,885.48	
13461	10/01/04	750.00	001090	BLUE DOLPHIN CAFE	7	2530	SEP CUSTODIAL SVCS	750.00	
13462	10/01/04	274.75	001379	SAFETY-KLEEN SYSTEMS, INC.		2531	HAZ WASTE DISPOSAL	274.75	
13463	10/01/04	18,744.13	001616	UNUM		2532	OCT LTD INSURANCE	18,744.13	
13464	10/01/04	359.00	001752	THOMPSON PUBLISHING GROUP, INC.		2533	FAIR LABOR HNBK/FIN	359.00	
13465	10/01/04	174,515.64	001762	COMMUNITY BRIDGES		2534	6/28-7/30 REIMBURSE	3,693.36	
						2535	AUG ADA PARATRANSIT	170,822.28	
13466	10/01/04	75.00	001856	BAY COMMUNICATIONS	7	2536	OUT REPAIR PHONES	75.00	
13467	10/01/04	165.36	002063	COSTCO		2537	CAMERA/OPS	120.71	
						2538	PHOTO PROCESS/OPS	26.41	
						2539	LOCAL MEETING EXP	18.24	
13468	10/01/04	2,000.00	002267	SHAW & YODER, INC.		2540	AUG LEGISLATIVE SVCS	2,000.00	
13469	10/01/04	5.20	002307	EWING IRRIGATION PRODUCTS		2541	REPAIRS/MAINTENANCE	5.20	
13470	10/01/04	625.00	002338	BURTON, DEBORAH LCSW LMFT	7	2542	OCT/NOV/DEC03 SAP SV	625.00	
13471	10/01/04	181.68	002504	TIFCO INDUSTRIES		2503	PARTS & SUPPLIES	181.68	
13472	10/01/04	346.05	002707	PITNEY BOWES CREDIT CORP		2543	9/30-12/30 RENTAL	346.05	
13473	10/01/04	3,778.19	004	NORTH BAY FORD LINC-MERCURY		2504	OUT REPAIR OTHER VEH	3,778.19	
13474	10/01/04	480.00	014	CABRILLO COLLEGE		2544	FINGERPRINTING	480.00	
13475	10/01/04	387.87	020	ADT SECURITY SERVICES INC.		2545	OCT ALARMS	387.87	
13476	10/01/04	224.53	036	KELLY-MOORE PAINT CO., INC.		2546	PAINT/RED ZONES	224.53	
13477	10/01/04	597.90	042	ORCHARD SUPPLY HARDWARE		2547	REPAIRS/MAINTENANCE	597.90	
13478	10/01/04	1,050.33	059	BATTERIES USA, INC.		2505	REV VEH PARTS	1,050.33	
13479	10/01/04	288.81	085	DIXON & SON TIRE, INC.		2506	OUT REPAIR REV VEH	288.81	
13480	10/01/04	464.93	104	STATE STEEL COMPANY		2507	REV VEH PARTS	464.93	
13481	10/01/04	2,374.94	110	JESSICA GROCERY STORE, INC.		2548	SEP CUSTODIAN SVCS	2,374.94	
13482	10/01/04	20.00	115	SNAP-ON INDUSTRIAL		2508	REPAIR TORQUE WRENCH	20.00	
13483	10/01/04	272.95	117	GILLIG CORPORATION		2509	REV VEH PARTS	172.84	
						2510	REV VEH PARTS	100.11	
13484	10/01/04	1,901.13	130	CITY OF WATSONVILLE UTILITIES		2549	CONTAINER RODRIGUEZ	1,289.04	
						2550	7/1-9/2 RODRIGUEZ	511.42	
						2551	7/1-9/2 RODRIGUEZ	60.31	
						2552	7/1-9/2 RODRIGUEZ	40.36	
13485	10/01/04	1,287.20	148	ZEP MANUFACTURING COMPANY		2511	CLEANING SUPPLIES	1,287.20	

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13486	10/01/04	197.34	149A	SENTINEL NEWSPAPER		2553	SUBSCRIPTION/ADMIN	197.34	
13487	10/01/04	9,376.51	156	PRINT GALLERY, THE		2554	PRINT ROUTE STICKERS	9,376.51	
13488	10/01/04	153.33	166	HOSE SHOP, THE		2555	REPAIRS/MAINTENANCE	153.33	
13489	10/01/04	42.60	186	WILSON, GEORGE H., INC.		2556	REPAIRS/MAINTENANCE	42.60	
13490	10/01/04	3,586.40	191	GOLDEN GATE PETROLEUM		2512	JULY FUEL FLEET	2,671.76	
						2513	AUG FUEL FLEET	914.64	
13491	10/01/04	183.42	192	ALWAYS UNDER PRESSURE		2557	PARTS/STEAM CLEANER	183.42	
13492	10/01/04	1,979.02	221	VEHICLE MAINTENANCE PROGRAM		2514	REV VEH PARTS 1979	1,979.02	
13493	10/01/04	728.21	282	GRAINGER		2515	SAFETY SUPPLIES	728.21	
13494	10/01/04	56.79	288	MUNCIE TRANSIT SUPPLY		2516	REV VEH PARTS	56.79	
13495	10/01/04	153.00	367	COMMUNITY TELEVISION OF		2558	TV COVERAGE 8/27 MTG	153.00	
13496	10/01/04	4,918.09	378	STEWART & STEVENSON		2517	OUT REPAIR REV VEH	4,769.66	
						2518	REV VEH PARTS	148.43	
13497	10/01/04	188.59	395	APPLIED GRAPHICS, INC.		2559	ENVELOPES/PT	188.59	
13498	10/01/04	348.75	432	EXPRESS PERSONNEL SERVICES		2519	TEMP W/E 9/3 FLEET	348.75	
13499	10/01/04	158.76	436	WEST PAYMENT CENTER		2560	AUG ACCESS CHGS	158.76	
13500	10/01/04	1,200.00	475	TRAPEZE SOFTWARE GROUP, INC.		2561	TRAPEZE FOR PT	1,200.00	
13501	10/01/04	236,566.88	502	CA PUBLIC EMPLOYEES'		2562	OCT MEDICAL INS	236,566.88	
13502	10/01/04	197.07	504	CUMMINS WEST, INC.		2520	REV VEH PARTS	197.07	
13503	10/01/04	699.82	508	COMPLETE COACH WORKS		2521	ENGINE MOUNTS	699.82	
13504	10/01/04	40.13	564	UPS SUPPLY CHAIN SOLUTIONS INC		2522	AUG FREIGHT OUT	40.13	
13505	10/01/04	69.76	565	WEST-LITE SUPPLY CO., INC.		2563	COMPCT FLUOR LAMPS	69.76	
13506	10/01/04	146.15	566	ARROWHEAD MTN SPRING WATER		2523	AUG WATER FLEET	74.91	
						2524	JULY WATER FLEET	71.24	
13507	10/01/04	16,100.00	616	BROWN ARMSTRONG		2564	AUDIT SERVICES	16,100.00	
13508	10/01/04	1,916.00	639	72 DEGREES		2565	RPR CMPRESSR/111 DUB	1,718.00	
						2566	REPAIR AC/METRO	198.00	
13509	10/01/04	90.35	667	CITY OF SCOTTS VALLEY		2567	7/15-9/15 KINGS VLG	90.35	
13510	10/01/04	70.00	682	WEISS, AMY L.	7	2568	PROF SVCS 9/24	70.00	
13511	10/01/04	933.80	733	CLAREMONT BEHAVIORAL SERVICES		2569	OCT EAP PREMIUM	933.80	
13512	10/01/04	360.00	746	FIRST AMERICAN TITLE COMPANY		2570	PRELIM ONLY/SAKATA	360.00	
13513	10/01/04	170.00	756	RECTOR, FAY	7	2571	REPAIR VINYL SIGNS	170.00	
13514	10/01/04	105.00	769	STERLING EDUCATION SVCS, INC.		2572	W/C MANUAL HRD	105.00	
13515	10/01/04	8,000.00	804	ORTHOPAEDIC HOSPITAL	7	2573	AUG PROF/TECH SVCS	8,000.00	
13516	10/01/04	9,466.98	871	YARDER MANUFACTURING COMPANY		2574	FRAMES/ADVRTISE 7045	7,615.94	
						2575	FRAMES/ADVRTISE 1632	1,851.04	
13517	10/01/04	38,931.12	875	PACIFICARE DENTAL		2576	OCT DENTAL	38,931.12	
13518	10/01/04	37.00	884	UNITED STATES POSTAL SERVICE		2577	POSTAGE/FLEET	37.00	
13519	10/01/04	63.00	894	AMOLSCH, MARILYN		2578	REFUND PT COUPONS	63.00	
13520	10/01/04	10,424.14	909	CLASSIC GRAPHICS		2525	OUT REPAIR REV VEH	5,002.92	
						2526	OUT REPAIR REV VEH	5,421.22	
13521	10/01/04	25,094.44	912	FOLGER GRAPHICS		2579	PRINTING/HEADWAYS	14,656.59	
						2580	GRAPH DSGN SVCS/HEAD	10,437.85	
13522	10/01/04	185.00	915	WORKIN.COM, INC.		2581	9/10-10/9 JOB POST	185.00	
13523	10/01/04	234.15	934	ADVANCED NETWORK SYSTEMS		2594	MCAFFEE MAINT 1 YEAR	234.15	
13524	10/01/04	136.20	950	PARADISE LANDSCAPE	7	2582	IRRIGATION/SVTC	136.20	
13525	10/01/04	100.00	B001	AINSWORTH, SHERYL	7	2584	SEP BOARD MEETING	100.00	
13526	10/01/04	100.00	B003	BEAUTZ, JAN	7	2585	SEP BOARD MEETING	100.00	
13527	10/01/04	50.00	B006	HINKLE, MICHELLE	7	2586	SEP BOARD MEETING	50.00	
13528	10/01/04	100.00	B007	KEOGH, MICHAEL	7	2587	SEP BOARD MEETING	100.00	

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13529	10/01/04	100.00	B011	REILLY, EMILY	7	2588	SEP BOARD MEETING	100.00	
13530	10/01/04	100.00	B012	SPENCE, PAT	7	2591	SEP BOARD MEETING	100.00	
13531	10/01/04	100.00	B014	CITY OF WATSONVILLE		2593	SEP BOARD MEETING	100.00	
13532	10/01/04	100.00	B015	ROTKIN, MIKE	7	2589	SEP BOARD MEETING	100.00	
13533	10/01/04	100.00	B016	SKILLICORN, DALE	7	2590	SEP BOARD MEETING	100.00	
13534	10/01/04	100.00	B017	STONE, MARK	7	2592	SEP BOARD MEETING	100.00	
13535	10/01/04	44.00	E306	BOWERS, CAROLYN		2583	DMV/VTT FEES	44.00	
13536M	10/04/04	112,894.38	001316	DEVCO OIL SEP FUEL		2737	SEP FUEL	112,894.38	MANUAL
13537M	10/04/04	110.00	001271	DEPARTMENT OF MOTOR VEHICLES DMV INSTRUCT TRAINING		2736	DMV INSTRUCT TRAINING	110.00	MANUAL
13538M	10/04/04	3,600.00	001085	INVESTMENT GRADE LOANS RENT 150 DUBOIS	7	2735	RENT 150 DUBOIS	3,600.00	MANUAL
13539	10/15/04	595.52	001	SBC		2636	OCT PHONE/IT	595.52	
13540	10/15/04	6,880.97	001025	COUNTY OF SANTA CRUZ		2637	HWY1 CONSTRUCT PROJ	6,880.97	
13541	10/15/04	6,651.14	001029	GOLDEN GATE SYSTEMS		2638	COMPUTER SUPPLIES/IT	635.64	
						2639	BACK-UPS & MNTRS/PT	6,015.50	
13542	10/15/04	5,000.00	001034	FREE, JAMES R., MAI. SRA	7	2640	APPRAISAL/SAKATA	5,000.00	
13543	10/15/04	2,259.85	001039	GRAFFITI REMOVAL, INC.		2595	VANDAL SHIELD	1,985.36	
						2596	VANDAL SHIELD	274.49	
13544	10/15/04	2,182.00	001042	EMPLOYER'S HEALTH SVCS, LLC		2641	AUG DRUG TESTING	1,575.00	
						2642	SEP DRUG TESTING	607.00	
13545	10/15/04	10,461.26	001043	VISION SERVICE PLAN		2643	OCT VISION INSURANCE	10,461.26	
13546	10/15/04	6,927.37	001044	PACKET FUSION, INC.		2644	SYSTEM/PT BAL DUE	6,927.37	
13547	10/15/04	1,361.42	001063	NEW FLYER INDUSTRIES LIMITED		2597	REV VEH PARTS 10	23.52	
						2598	REV VEH PARTS 172	171.84	
						2599	REV VEH PARTS 153	153.42	
						2600	REV VEH PARTS 1013	1,012.64	
13548	10/15/04	750.00	001090	BLUE DOLPHIN CAFE	7	2645	OCT CUSTODIAL SVCS	750.00	
13549	10/15/04	67.12	001112	BRINKS TROPHY SHOPPE	7	2646	UNIFORMS/OPS	67.12	
13550	10/15/04	1,688.05	001230	CAPITOL CLUTCH & BRAKE, INC.		2601	REV VEH PARTS	1,688.05	
13551	10/15/04	583.73	001315	WASTE MANAGEMENT		2647	SEP MT HERMON/KINGS	43.27	
						2648	SEP KINGS VILLAGE	145.23	
						2649	SEP RESEARCH PARK	56.95	
						2650	OCT-DEC LOMOND/HY	37.98	
						2651	OCT-DEC BIG BASIN/HY	37.98	
						2652	OCT-DEC AIRPORT/FREE	262.32	
13552	10/15/04	850.00	001346	CITY OF SANTA CRUZ		2653	PARKING DEF FEES	850.00	
13553	10/15/04	6,684.75	001365	BORTNICK, ROBERT S. & ASSOC.	7	2654	CALL STOP SURVEY	5,000.00	
						2655	INVESTIGATIVE SVCS	1,684.75	
13554	10/15/04	322.40	001420	CALIFORNIAN, THE		2656	CLASSIFIED AD	322.40	
13555	10/15/04	20,165.50	001454	MONTEREY BAY OFFICE PRODUCTS		2657	COPIER/ENCINAL	20,081.06	
						2658	COPIER STAPLES/ADM	84.44	
13556	10/15/04	7.05	001458	AT&T		2659	050 670 1867 001	7.05	
13557	10/15/04	202.95	001526	ADCOM/BHS		2660	HEADSET/METRO	202.95	
13558	10/15/04	36.80	001648	STEVE'S UNION SERVICE		2602	SEP FUEL	36.80	
13559	10/15/04	1,774.05	001800	THERMO KING OF SALINAS, INC		2603	REV VEH PARTS	1,774.05	
13560	10/15/04	150.00	001856	BAY COMMUNICATIONS	7	2661	OUT REPAIR PHONES	150.00	
13561	10/15/04	2,522.99	001A	SBC/MCI		2662	SEP PHONE/IT	92.08	
						2663	SEP PHONE/IT	176.87	

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						2664	SEP PHONE/IT	176.87	
						2665	SEP PHONES	2,077.17	
13562	10/15/04	136.26	002063	COSTCO		2666	OFFICE SUPPLIES/OPS	87.69	
						2667	PHOTO PROCESS/OPS	48.57	
13563	10/15/04	71.50	002069	A TOOL SHED, INC.		2668	EQUIPMENT RENTAL	71.50	
13564	10/15/04	33.62	002161	APPLIED INDUSTRIAL TECH		2669	REPAIRS/MAINTENANCE	33.62	
13565	10/15/04	2,550.00	002287	CALIFORNIA SERVICE EMPLOYEES		2670	OCT MEDICAL	2,550.00	
13566	10/15/04	25,492.80	002295	FIRST ALARM		2671	SEP SECURITY	25,492.80	
13567	10/15/04	120.00	002308	HORSNYDER PHARMACY * MEDICAL		2672	RENT FOR TRAINING/PT	120.00	
13568	10/15/04	3,750.00	002346	CHANEY, CAROLYN & ASSOC., INC.		2673	OCT LEGISLATIVE SVCS	3,750.00	
13569	10/15/04	827.21	002412	BORDEN DECAL		2604	REV VEH PARTS	827.21	
13570	10/15/04	235.00	002448	CLEAR VIEW, LLC	7	2674	WTC WINDOW CLEANING	235.00	
13571	10/15/04	713.04	002504	TIFCO INDUSTRIES		2605	PARTS & SUPPLIES	713.04	
13572	10/15/04	31.97	002514	APEX WELDING SUPPLIES INC.		2675	REPAIRS/MAINTENANCE	16.67	
						2676	REPAIRS/MAINTENANCE	15.30	
13573	10/15/04	800.00	002567	DEPARTMENT OF JUSTICE		2677	AUG FINGERPRINTS	800.00	
13574	10/15/04	3,000.00	002634	PITNEY BOWES PURCHASE POWER		2678	POSTAGE FOR METER	3,000.00	
13575	10/15/04	176.51	002639	NEXTEL COMMUNICATIONS		2606	8/26-9/25 PHONES	176.51	
13576	10/15/04	84.16	004	NORTH BAY FORD LINC-MERCURY		2607	REV VEH PARTS	84.16	
13578	10/15/04	14,324.86	009	PACIFIC GAS & ELECTRIC		2608	8/31-9/29 CNG/E RVR	2,273.95	
						2679	8/27-9/24 SAKATA	9.96	
						2680	8/31-9/29 RODRIGUEZ	1,373.24	
						2681	8/31-9/29 HRVY WEST	40.98	
						2682	8/31-9/29 GOLF CLUB	169.26	
						2683	8/31-9/29 GOLF CLUB	1,945.10	
						2684	8/31-9/29 RIVER ST	2,018.89	
						2685	8/31-9/29 111 DUB	841.80	
						2686	8/31-9/29 111 DUB	313.92	
						2687	8/31-9/29 RIVER ST	115.76	
						2688	8/31-9/29 370 ENC	3,070.54	
						2689	8/31-9/29 370 ENC	87.71	
						2690	8/31-9/29 RODRIGUEZ	25.21	
						2691	9/4-10/4 PACIFIC	1,214.96	
						2692	9/4-10/4 PACIFIC	675.46	
						2693	9/4-10/4 PACIFIC	148.12	
13579	10/15/04	828.00	017	SUN MICROSYSTEMS, INC.		2694	10/1-12/31 SVCS	828.00	
13580	10/15/04	1,779.19	018	SALINAS VALLEY FORD SALES		2609	REV VEH PARTS	207.32	
						2610	REV VEH PARTS	1,571.87	
13581	10/15/04	5.41	034	BLUEPRINT EXPRESS	7	2695	PRINTING/PT	5.41	
13582	10/15/04	31.78	036	KELLY-MOORE PAINT CO., INC.		2696	MISC BLK PAINT	31.78	
13583	10/15/04	1,298.75	039	KINKO'S INC.		2697	SEP PRINTING	1,298.75	
13584	10/15/04	2,505.07	041	MISSION UNIFORM		2611	SEP UNIFORMS/LAUNDRY	1,903.72	
						2698	SEP UNIFORMS/LAUNDRY	601.35	
13585	10/15/04	16.82	042	ORCHARD SUPPLY HARDWARE		2699	REPAIRS/MAINTENANCE	16.82	
13586	10/15/04	2,403.77	043	PALACE ART & OFFICE SUPPLY		2700	OFFICE SUPPLIES	2,403.77	
13587	10/15/04	977.80	059	BATTERIES USA, INC.		2612	REV VEH PARTS	977.80	
13588	10/15/04	148.75	074	KENVILLE LOCKSMITHS	7	2701	SEP LOCKS/KEYS	148.75	
13589	10/15/04	85.52	075	COAST PAPER & SUPPLY INC.		2702	CLEANING SUPPLIES	85.52	
13590	10/15/04	78.79	079	SANTA CRUZ MUNICIPAL UTILITIES		2703	9/2-9/27 RESEARCH	78.79	
13591	10/15/04	1,833.42	080A	STATE BOARD OF EQUALIZATION		2613	JUL-SEP FUEL TAX	1,833.42	

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CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
13592	10/15/04	16,004.05	085	DIXON & SON TIRE, INC.		2614	OUT REPAIR REV VEH	160.45	
						2615	SEP TIRES/TUBES	15,843.60	
13593	10/15/04	275.95	107	SAN LORENZO LUMBER		2704	REPAIRS/MAINTENANCE	275.95	
13594	10/15/04	4,922.35	117	GILLIG CORPORATION		2616	REV VEH PARTS	1,471.48	
						2617	REV VEH PARTS	2,808.51	
						2618	REV VEH PARTS	642.36	
13595	10/15/04	95.10	130	CITY OF WATSONVILLE UTILITIES		2705	9/1-10/1 SAKATA	13.45	
						2706	9/1-10/1 RODRIGUEZ	9.50	
						2707	9/1-10/1 SAKATA	72.15	
13596	10/15/04	4,007.15	134	DAY WIRELESS SYSTEMS		2619	OCT OUT REPAIR	4,007.15	
13597	10/15/04	922.10	135	SANTA CRUZ AUTO PARTS, INC.		2620	REV VEH PARTS/SUPPLY	922.10	
13598	10/15/04	255.44	149	SANTA CRUZ SENTINEL		2708	SEP ADVERTISING	255.44	
13599	10/15/04	1,201.58	156	PRINT GALLERY, THE		2709	PRINT ROUTE STICKERS	1,201.58	
13600	10/15/04	265.99	166	HOSE SHOP, THE		2710	REPAIRS/MAINTENANCE	265.99	
13601	10/15/04	711.00	174	SAYLOR & HILL COMPANY		2711	FIDELITY BONDS 04/05	711.00	
13602	10/15/04	120.00	271	CARLSON, BRENT D., M.D., INC.	7	2712	SEP/OCT DRUG TESTING	120.00	
13603	10/15/04	19.42	288	MUNCIE TRANSIT SUPPLY		2621	REV VEH PARTS	19.42	
13604	10/15/04	721.67	294	ANDY'S AUTO SUPPLY		2622	REV VEH PARTS/SUPPLY	721.67	
13605	10/15/04	153.00	367	COMMUNITY TELEVISION OF		2713	TV COVERAGE 9/24 MTG	153.00	
13606	10/15/04	16,928.44	378	STEWART & STEVENSON		2623	REV VEH PARTS	2,677.72	
						2624	REMAN ENGINE ASSMBLY	14,250.72	
13607	10/15/04	1,347.72	395	APPLIED GRAPHICS, INC.		2625	FUEL CARD - VSW	89.80	
						2626	DECAL	1,257.92	
13608	10/15/04	11.42	418	COUNTY OF SANTA CRUZ		2627	JULY & AUG CNG	11.42	
13609	10/15/04	897.11	422	IMAGE SALES INC.		2714	PHOTO SUPPLIES/MET	897.11	
13610	10/15/04	372.00	432	EXPRESS PERSONNEL SERVICES		2628	TEMP W/E 9/9	372.00	
13611	10/15/04	164.03	434	VERIZON WIRELESS-PAGERS		2715	OCT PAGERS	164.03	
13612	10/15/04	54.14	434B	VERIZON CALIFORNIA		2629	MT. BIEWLASKI	54.14	
13613	10/15/04	935.43	461	VULTRON INC.		2630	REV VEH PARTS	935.43	
13614	10/15/04	321.00	481	PIED PIPER EXTERMINATORS, INC.		2716	SEP PEST CONTROL/	321.00	
13615	10/15/04	309.60	493	IMAGING PRODUCTS INTERNATIONAL		2717	COLOR FILM/OPS	309.60	
13616	10/15/04	786.07	504	CUMMINS WEST, INC.		2631	REV VEH PARTS	786.07	
13617	10/15/04	347.67	511	LUMINATOR		2632	REV VEH PARTS 343	347.67	
13618	10/15/04	2,367.36	647	GFI GENFARE		2633	REV VEH PARTS	1,902.49	
						2634	REV VEH PARTS/SUPPLY	464.87	
13619	10/15/04	9,056.25	683	TRISTAR RISK MANAGEMENT		2718	OCT SC SVC FEE	9,056.25	
13620	10/15/04	135.31	757	R & R SIGNS	7	2719	AUTH PARK ONLY SIGNS	135.31	
13621	10/15/04	10.00	784	FRANCHISE TAX BOARD		2720	2003 EXEMPT RETURN	10.00	
13622	10/15/04	321.53	845A	BLUE SHIELD OF CALIFORNIA		2721	COBRA PREMIUMS	321.53	
13623	10/15/04	2,958.07	851	I.M.P.A.C. GOVERNMENT SERVICES		2722	4055019201230922	2,958.07	
13624	10/15/04	2,828.00	852	LAW OFFICES OF MARIE F. SANG	7	2723	WORKERS COMP CLAIM	2,534.00	
						2724	WORKERS COMP CLAIM	294.00	
13625	10/15/04	4,500.00	853	ZELLER APPRAISAL SERVICES, INC		2725	APPRAISL REVW/SAKATA	4,500.00	
13626	10/15/04	2,276.80	856	ANGI INTERNATIONAL LLC		2726	CNG PARTS	2,276.80	
13627	10/15/04	146,381.84	904	RNL DESIGN		2727	PROF SVCS THRU 8/31	143,128.25	
						2728	REIMBRS EXP TO 8/31	3,253.59	
13628	10/15/04	3,800.00	926	BICKMORE RISK SERVICES		2729	WC ACTUARIAL STUDY	3,800.00	
13629	10/15/04	627.00	950	PARADISE LANDSCAPE	7	2730	OCT MAINTENANCE	627.00	
13630	10/15/04	103.88	973	SANTA CRUZ DODGE		2635	REV VEH PARTS	103.88	
13631	10/15/04	53,972.93	975	TRISTAR RISK MANAGEMENT NO. 2		2731	SEP TRUST ACCOUNT	53,972.93	

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13632	10/15/04	44.00	E204	BALDWIN, DENNIS		2732	DMV/VTT FEES	44.00	
13633	10/15/04	10.00	E507	GENTRY, RITA		2733	VTT FEES	10.00	
13634	10/15/04	1,063.53	R427	TICHENOR, KENNETH ANTHONY	7	2734	SETTLEMENT CLAIM	1,063.53	
13635M10/14/04		27.50	R428	WALGREEN DRUG STORES PRESCRIPTION COSTS		2742	PRESCRIPTION COSTS	27.50	MANUAL
13636	10/22/04	1,407.05	001119	MACERICH PARTNERSHIP LP	7	9000203	CAPITOL MALL RENT	1,407.05	
13637	10/22/04	327,204.58	001762	COMMUNITY BRIDGES		2738	SEP ADA PARATRANSIT	190,648.89	
						2739	8/1-8/31 REIMBURSE	3,310.38	
						2740	OCT ADA PT/PARTIAL	130,000.00	
						2743	9/1-9/30 REIMBURSE	3,245.31	
13638	10/22/04	31,581.00	002116	HINSHAW, EDWARD & BARBARA	7	9000204	120 DUBOIS RENT	6,435.77	
						9000205	370 ENCINAL RENT	25,145.23	
13639	10/22/04	10,794.22	002117	IULIANO, NICK	7	9000206	111 DUBOIS RENT	10,794.22	
13640	10/22/04	900.00	840	BOUCHARD, BRENT	7	9000207	VERNON ST RENT	900.00	
13641	10/22/04	300.00	935	CSA INTERNATIONAL		2741	CNG SAFETY/TANK INSP	300.00	
13642	10/22/04	72.14	M001	HORTON, JOSEPH		9000208	MED INS PREMIUM REIM	72.14	
13643	10/22/04	41.14	M002	RACKLEY, EARL		9000209	MED INS PREMIUM REIM	41.14	
13644	10/22/04	228.77	M003	WYANT, JUDI		9000210	MED INS PREMIUM REIM	228.77	
13645	10/22/04	228.77	M005	ROSS, EMERY		9000211	MED INS PREM REIMB	228.77	
13646	10/22/04	596.40	M006	VAN DER ZANDE, ED		9000212	MED INS PREM REIMB	596.40	
13647	10/22/04	489.54	M007	BLAIR-ALWARD, GREGORY		9000213	MED INS PREM REIMB	489.54	
13648	10/22/04	7.72	M008	CAMPOS, ARVILLA		9000214	MED INS PREM REIMB	7.72	
13649	10/22/04	816.40	M009	FREEMAN, MARY		9000215	MED INS PREM REIMB	816.40	
13650	10/22/04	280.84	M010	SHORT, SLOAN		9000216	MED INS PREM REIMB	280.84	
13651	10/22/04	41.14	M011	LAWSON, LOIS		9000217	MED INS PREM REIMB	41.14	
13652	10/22/04	41.14	M012	ROSE, JACK		9000218	MED INS PREM REIMB	41.14	
13653	10/22/04	72.14	M013	JAHNKE, ELLEEN		9000219	MED INS PREM REIMB	72.14	
13654	10/22/04	41.14	M015	HETH, KATHRYN		9000220	MED INS PREM REIMB	41.14	
13655	10/22/04	249.84	M016	HICKLIN, DONALD KENT		9000221	MED INS PREM REIMB	249.84	
13656	10/22/04	20.07	M017	PORTILLA, EARLENE		9000222	MED INS PREM REIMB	20.07	
13657	10/22/04	72.14	M019	WILLIAMS, ROBERT		9000223	MED INS PREM REIMB	72.14	
13658	10/22/04	219.57	M022	CAPELLA, KATHLEEN		9000224	MED INS PREM REIMB	219.57	
13659	10/22/04	8.94	M023	CARLSON, WILLIAM		9000225	MED INS PREM REIMB	8.94	
13660	10/22/04	30.44	M024	DOBBS, GLENN		9000226	MED INS PREM REIMB	30.44	
13661	10/22/04	35.19	M025	ELIA, LARRY		9000227	MED INS PREM REIMB	35.19	
13662	10/22/04	30.44	M028	ORTEGA, MANUELA		9000228	MED INS PREM REIMB	30.44	
13663	10/22/04	39.94	M029	REESE, CHARLES		9000229	MED INS PREM REIMB	39.94	
13664	10/22/04	11.34	M032	TOWE, JANIE		9000230	MED INS PREM REIMB	11.34	
13665	10/29/04	482.43	001	SBC		2779	OCT PHONE LINES	86.51	
						2780	OCT PHONES	395.92	
13666	10/29/04	312.47	001008	SUNNYVALE FLUID SYSTEM		2744	PARTS & SUPPLIES	312.47	
13667	10/29/04	8,918.27	001063	NEW FLYER INDUSTRIES LIMITED		2745	REV VEH PARTS 1307	1,307.40	
						2746	REV VEH PARTS 422	422.20	
						2747	REV VEH PARTS 799	799.04	
						2748	REV VEH PARTS 379	378.96	
						2749	REV VEH PARTS	2,493.48	
						2750	REV VEH PARTS 2938	2,937.59	
						2751	REV VEH PARTS 580	579.60	
13668	10/29/04	750.00	001090	BLUE DOLPHIN CAFE	7	2834	OCT CUSTODIAL SVCS	750.00	
13669	10/29/04	347.16	001296	LEXISNEXIS MATTHEW BENDER		2781	CA EMP LAW REL#30	347.16	

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13670	10/29/04	5.65	001454	MONTEREY BAY OFFICE PRODUCTS	2782	TONER FREIGHT/ADM	5.65	
13671	10/29/04	273.75	001492	EVERGREEN OIL INC.	2783	HAZ WASTE DISPOSAL	180.00	
					2784	HAZ WASTE DISPOSAL	93.75	
13672	10/29/04	130.04	001627	NEW PIG CORPORATION	2752	PARTS & SUPPLIES 117	130.04	
13673	10/29/04	28.58	001711	MOHAWK MFG. & SUPPLY CO.	2753	REV VEH PARTS	28.58	
13674	10/29/04	830.00	001857	SWRCB FEES	2785	STORM WATER PERMIT	830.00	
13675	10/29/04	678.00	001976	SPORTWORKS NORTHWEST, INC.	2754	REV VEH PARTS 678	678.00	
13676	10/29/04	1,061.75	002034	CARLON'S FIRE EXTINGUISHER	2786	ANNUAL FIRE EXT CERT	1,061.75	
13677	10/29/04	21.66	002063	COSTCO	2787	PHOTO PROCESS/OPS	21.66	
13678	10/29/04	578.95	002069	A TOOL SHED, INC.	2788	EQUIPMENT RENTAL/PT	140.00	
					2839	EQUIPMENT RENTAL	438.95	
13679	10/29/04	1,794.90	002624	DIGITAL RECORDERS	2755	REV VEH PARTS	1,794.90	
13680	10/29/04	11,613.00	009	PACIFIC GAS & ELECTRIC	2756	8/31-9/30 CNG/G RVR	10,062.85	
					2789	9/11-10/8 KINGS VLG	807.06	
					2790	9/11-10/9 KINGS VLG	15.16	
					2791	9/14-10/12 PAUL SWT	86.79	
					2792	9/15-10/12 RESEARCH	15.66	
					2793	9/16-10/12 RESEARCH	625.48	
13681	10/29/04	320.00	014	CABRILLO COLLEGE	2794	FINGERPRINTING	100.00	
					2795	FINGERPRINTING	220.00	
13682	10/29/04	50.75	021	WHOLY WATER	2796	OUT REPAIR EQUIP/OPS	50.75	
13683	10/29/04	8.11	051	SANTA CRUZ FIRE EQUIPMENT	2797	REPAIRS/MAINTENANCE	8.11	
13684	10/29/04	84.40	061A	REGISTER PAJARONIAN	2757	CLASSIFIED AD FLEET	84.40	
13685	10/29/04	3,079.00	080	STATE BOARD OF EQUALIZATION	2798	JUL-SEP USE TAX	3,079.00	
13686	10/29/04	414.46	083	THYSSENKRUPP ELEVATOR	2799	OCT-DEC ELEV SVC	414.46	
13687	10/29/04	81.46	087	RECOGNITION SERVICES	2800	EMP INCENTIVE 33	81.46	
13688	10/29/04	311.44	104	STATE STEEL COMPANY	2758	PARTS & SUPPLIES	311.44	
13689	10/29/04	2,446.19	110	JESSICA GROCERY STORE, INC.	2835	OCT CUSTODIAN SVCS	2,446.19	
13690	10/29/04	155.91	122	SCMTD PETTY CASH - OPS	2801	PETTY CASH/OPS	155.91	
13691	10/29/04	245.61	147	ZEE MEDICAL SERVICE CO.	2802	SAFETY SUPPLIES	61.64	
					2803	SAFETY SUPPLIES	183.97	
13692	10/29/04	264.18	148	ZEP MANUFACTURING COMPANY	2804	CLEANING SUPPLIES	264.18	
13693	10/29/04	1,500.00	158	DLD TRUCK STRAPS, INC.	2759	REV VEH PARTS 1500	1,500.00	
13694	10/29/04	41.46	161	OCEAN CHEVROLET INC	2760	REV VEH PARTS	41.46	
13695	10/29/04	3,170.02	166	HOSE SHOP, THE	2761	REV VEH PARTS/SUPPLY	1,924.50	
					2838	PARTS & SUPPLIES	1,245.52	
13696	10/29/04	196.80	167	KEYSTON BROTHERS	2762	OTHER MOBILE SUPPLY	196.80	
13697	10/29/04	7.00	172	CENTRAL WELDER'S SUPPLY, INC.	2763	PARTS & SUPPLIES	7.00	
13698	10/29/04	622.65	180	MANPOWER	2764	TEMP W/E 10/10 FLT	622.65	
13699	10/29/04	779.40	215A	IKON FINANCIAL SERVICES	2836	10/26-1/25 COPIER/OP	779.40	
13700	10/29/04	3,143.12	221	VEHICLE MAINTENANCE PROGRAM	2765	REV VEH PARTS 3143	3,143.12	
13701	10/29/04	386.57	282	GRAINGER	2766	PARTS & SUPPLIES	156.53	
					2767	LINE STRAINER/FLT	15.93	
					2805	REPAIRS/MAINTENANCE	214.11	
13702	10/29/04	162.61	341	GRANITE CONSTRUCTION CO.	2806	BASE ROCK	162.61	
13703	10/29/04	289.00	347	HAMM, SCOTT	2807	BACKFLOW TESTS	289.00	
13704	10/29/04	53.08	372	FEDERAL EXPRESS	2768	SEPT MAILINGS/FLT	53.08	
13705	10/29/04	116.21	395	APPLIED GRAPHICS, INC.	2769	LETTERHEAD - FLEET	116.21	
13706	10/29/04	53.20	434B	VERIZON CALIFORNIA	2770	MT BIEWLASKI	53.20	
13707	10/29/04	90.99	436	WEST PAYMENT CENTER	2808	SEP ACCESS CHGS	90.99	

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13708	10/29/04	462.02	448	UNISOURCE		2809	COPY PAPER/OPS	252.01	
						2810	COPY PAPER/PT	210.01	
13709	10/29/04	1,180.00	478	BEE CLENE	0	2811	CUSTODIAL SVCS/CRPTS	1,180.00	
13710	10/29/04	139.28	504	CUMMINS WEST. INC.		2771	REV VEH PARTS	139.28	
13711	10/29/04	191.92	510	ASCOM HASLER LEASING		2812	NOV EQUIP RENTAL	191.92	
13712	10/29/04	64.15	511	LUMINATOR		2772	REV VEH PARTS 60	64.15	
13713	10/29/04	64.33	566	ARROWHEAD MTN SPRING WATER		2773	SEP WATER FLEET	64.33	
13714	10/29/04	245.00	632	GOVERNMENT FINANCE OFFICERS		2813	MEMBERSHIP RENEW/FIN	245.00	
13715	10/29/04	782.83	647	GFI GENFARE		2774	REV VEH PARTS	782.83	
13716	10/29/04	116.08	680	GOVPLACE		2814	CMPTR CABLES/IT	116.08	
13717	10/29/04	140.00	682	WEISS, AMY L.	7	2815	PROF SVCS/PARACRUZ	140.00	
13718	10/29/04	15.00	716	ROSE PRINTING CO., INC.		2816	RULES UPDATE 2005	15.00	
13719	10/29/04	516.37	738	WESTERN RUBBER & SUPPLY INC.		2775	MOUNT, ENGINE REAR	516.37	
13720	10/29/04	2,680.00	804	ORTHOPAEDIC HOSPITAL	7	2817	SEP PROF/TECH SVCS	2,680.00	
13721	10/29/04	964.59	845A	BLUE SHIELD OF CALIFORNIA		2818	COBRA PREMIUMS	964.59	
13722	10/29/04	2,408.56	854	AMERICAN SEATING COMPANY		2776	REV VEH PARTS	2,408.56	
13723	10/29/04	5.08	856	ANGI INTERNATIONAL LLC		2819	CABLE FREIGHT CHGS	5.08	
13724	10/29/04	2,659.61	872	YALE-PACIFIC, INC.		2777	OUT REPAIR FORKLIFTS	2,659.61	
13725	10/29/04	11,500.13	909	CLASSIC GRAPHICS		2778	OUT REPAIR REV VEH	11,500.13	
13726	10/29/04	100.00	B003	BEAUTZ, JAN	7	2824	OCT BOARD MEETING	100.00	
13727	10/29/04	50.00	B006	HINKLE, MICHELLE	7	2825	OCT BOARD MEETING	50.00	
13728	10/29/04	100.00	B007	KEOGH, MICHAEL	7	2826	OCT BOARD MEETING	100.00	
13729	10/29/04	50.00	B010	NORTON, DENNIS	7	2827	OCT BOARD MEETING	50.00	
13730	10/29/04	100.00	B011	REILLY, EMILY	7	2828	OCT BOARD MEETING	100.00	
13731	10/29/04	100.00	B012	SPENCE, PAT	7	2831	OCT BOARD MEETING	100.00	
13732	10/29/04	50.00	B014	CITY OF WATSONVILLE		2833	OCT BOARD MEETING	50.00	
13733	10/29/04	100.00	B015	ROTKIN, MIKE	7	2829	OCT BOARD MEETING	100.00	
13734	10/29/04	50.00	B016	SKILLICORN, DALE	7	2830	OCT BOARD MEETING	50.00	
13735	10/29/04	100.00	B017	STONE, MARK	7	2832	OCT BOARD MEETING	100.00	
13736	10/29/04	64.94	E002	STICKEL, TOM		2820	MECH TOOL SET/PT	64.94	
13737	10/29/04	3,000.00	E021	HILTNER, THOMAS		2821	MEDICAL EQUIPMENT	3,000.00	
13738	10/29/04	80.00	E128	BRONDSTATTER, CHERYL		2822	DMV-ETP ADVANCE	80.00	
13739	10/29/04	80.00	E179	LEGORRETA, PETE		2823	DMV-ETP ADVANCE	80.00	
TOTAL		1,614,995.37		COAST COMMERCIAL BANK		TOTAL CHECKS	284	1,614,995.37	

5-2.8

**Page 1 of the Ridership Report will be  
included in the November 19, 2004  
Board Packet.**

5-3.1

BUS OPERATOR LIFT TEST \*PULL-OUT\*

VEHICLE CATEGORY	TOTAL BUSES	AVG # DEAD IN GARAGE	AVG # AVAIL. FOR SERVICE	AVG # IN SERVICE	AVG # SPARE BUSES	AVG # LIFTS OPERATING	% LIFTS WORKING ON PULL-OUT BUSES
FLYER/HIGHWAY 17 - 40'	7	0	7	0	7	0	100%
FLYER/LOW FLOOR - 40'	12	1	11	7	4	7	100%
FLYER/LOW FLOOR - 35'	18	2	16	13	3	13	100%
FLYER/HIGH FLOOR - 35"	15	1	14	7	7	7	100%
GILLIG/SAM TRANS - 40'	10	3	7	4	3	4	100%
DIESEL CONVERSION - 35'	15	4	11	10	1	10	100%
DIESEL CONVERSION - 40'	14	3	11	8	3	8	100%
ORION/HIGHWAY 17 - 40'	11	2	9	7	2	7	100%
CHAMPION	2	0	2	1	1	1	100%
TROLLEY	1	0	1	0	1	0	100%
CNG NEW FLYER - 40'	8	1	7	6	1	6	100%

5-3.2



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF OCTOBER 2004

BUS #	DATE	DAY	REASON
2210CG	10-Oct	SUNDAY	Front not kneeling properly only the rear is tilting
2230CN	28-Oct	THURSDAY	Kneel sometimes jerks up & down
2303OR	26-Oct	TUESDAY	Kneel light is bad
8075F	11-Oct	MONDAY	Kneel will not stay down or gets stuck
8082F	14-Oct	THURSDAY	Lift won't deploy
9801LF	2-Oct	SATURDAY	Bus will move in Kneel with door open
9804LF	19-Oct	TUESDAY	Beeper on kneel working intermittently
9827LF	14-Oct	THURSDAY	Ramp only works periodically, have to lift manually

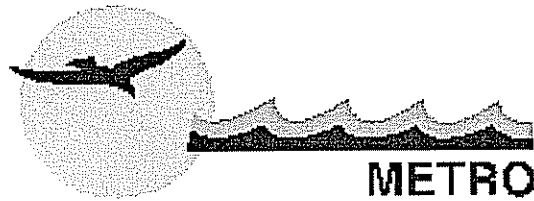
- F New Flyer
- G Gillig
- C Champion
- LF Low Floor Flyer
- GM GMC
- CG CNG
- CN SR855 & SR854
- OR Orion/Hwy 17

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

Service Interruption Summary Report  
Lift Problems  
10/01/2004 to 10/31/2004

AM Peak Hour/Mile	Midday Hour/Mile	PM Peak Hour/Mile	Other Hour/Mile	Weekday Hour/Mile	Saturday Hour/Mile	Sunday Hour/Mile
00:00/0	00:00/00.00	00:00/00.00	0:00	00:00/00.00	00:00/0	00:00/0

5-3.4



## **Agenda**

### **Metro Advisory Committee**

6:00 pm

November 17, 2004

920 Pacific Avenue

Santa Cruz, California

- I. Roll Call
- II. Agenda Additions/ Deletions
- III. Oral/Written Communication
- IV. Consideration of Minutes of October 20, 2004 MAC Meeting
- V. ParaTransit Task Force Update
- VI. Consideration of METRO'S No Smoking Policy
- VII. Discussion of Bikes and Surfboards on Buses Accessibility
- VIII. Discussion of Attendance at MAC Meetings
- IX. Discussion of Redeployment of Bus Shelters
- X. Discussion of Size of Buses Used on Route 20
- XI. Discussion of Talking Bus External Volume Issues
- XII. Discussion of Helping People to Find Their Bus at METRO Center
- XIII. Receive Information Regarding Comparability of METRO Labor Costs to Other Bay Area Transit Systems
- XIV. Discussion of UCSC and Cabrillo College Student Orientation to METRO

5-5.1

- XV. Communications to METRO General Manager
- XVI. Communications to METRO Board of Directors
- XVII. Items for Next Meeting Agenda
- XVIII. Adjournment

Next Meeting: Wednesday December 15, 2004 @ 6:00 pm  
Santa Cruz Metro Center Conference Room  
Santa Cruz Metro Center

5-5.2

**REVISED**

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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

**September 22, 2004**

A Regular Meeting of the METRO Advisory Committee (MAC) met on Wednesday, September 22, 2004 at the METRO Center Conference Room, 920 Pacific Avenue, Santa Cruz, CA.

At 6:05 p.m. METRO General Manager, Les White, announced that since MAC Chair Kanoa Dynek was absent and there was a quorum, the committee could proceed with their meeting. The Committee requested James Sheldon to act as Chair for the meeting. James Sheldon called the meeting to order and asked for the roll call.

**1. ROLL CALL:**

**MEMBERS PRESENT**

Kanoa Dynek, Chair (arrived after roll call)  
Norm Hagen  
Jeff Le Blanc  
Matthew Melzer  
Stuart Rosenstein  
James Sheldon  
Robert Yount

**MEMBERS ABSENT**

Dan Alper  
Paul Marcelin-Sampson  
Lesley Wright

**VISITORS PRESENT**

Jeff North, UTU

**STAFF PRESENT**

Bryant Baehr, Operations Manager  
Mark Dorfman, Assistant General Manager  
Margaret Gallagher, District Counsel

Les White, General Manager

**2. AGENDA ADDITIONS/DELETIONS**

Items 9, 10, 11 and 12 are deferred to next month.

**3. ORAL/WRITTEN COMMUNICATIONS**

**Written:**

- |    |                                      |                           |
|----|--------------------------------------|---------------------------|
| a. | Gary Harrold, People Power           | RE: Thank you card        |
| b. | Margaret Gallagher, District Counsel | RE: MAC appointee removal |

MAC acknowledged the thank you card from Gary Harrold. James Sheldon advised MAC that Margaret Gallagher's letter to MAC would be discussed as Agenda Item VI. Les White presented James Sheldon with a sealed envelope, addressed to MAC, from Paul Marcelin-Sampson. James opened the envelope and read aloud Paul's greeting to MAC as well as the first two paragraphs. He advised that he would read the remainder of the letter aloud as corresponding agenda items were heard. Mr. Marcelin-Sampson's letter is attached to these Minutes.

**5-5.3**

**KANOA DYNEK, ARRIVED AT 6:15 P.M**

Les White advised Kanoa that James Sheldon had been acting as Chair in Kanoa's absence. Kanoa stated that it would be fine with him for James to continue in that capacity.

**Oral:**

Stuart Rosenstein advised MAC that he attended September's Paratransit Task Force meeting. He expressed an interest in discussing fixed routes and accessibility issues relating to ParaCruz as well as Lift Line. Margaret Gallagher stated that Sam Storey of Lift Line would present information at the October Paratransit Task Force meeting to address those issues. Les White discussed ADA statutes. He advised that laws have been enacted to allow fiscal sanctions, as well as criminal proceedings, to punish agencies or individuals who violate ADA statutes. He discussed certification, eligibility, and civil rights of Paratransit clients. Jeff Le Blanc encouraged MAC members to go to the Regional Transportation Commission website, and navigate to Paratransit Coordination Task Force Agendas, to view the minutes for additional information.

**4. CONSIDERATION OF MINUTES OF AUGUST 18, 2004 MAC MEETING.**

**ACTION: MOTION JAMES SHELDON SECOND: ROBERT YOUNT**

**ACCEPT AND FILE MINUTES OF AUGUST 18, 2004 MAC MEETING**

**Motion passed: Kanoa Dynek, Norm Hagen, Jeff Le Blanc, Stuart Rosenstein, James Sheldon, and Robert Yount voted for the Motion. Matthew Melzer abstained. Dan Alper, Paul Marcelin-Sampson and Lesley Wright were absent.**

**5. ELECTION OF MAC VICE CHAIR**

**ACTION: MOTION JAMES SHELDON SECOND: JEFF LE BLANC**

**ELECT PAUL MARCELIN-SAMPSON AS MAC'S VICE-CHAIR.**

**Motion passed with Dan Alper, Paul Marcelin-Sampson and Lesley Wright absent.**

**6. CONSIDERATION OF RECOMMENDATION REGARDING PROCESS FOR BOARD REMOVAL OF ADVISORY COMMITTEE MEMBERS**

James Sheldon advised MAC that Paul Marcelin-Sampson's letter indicated that Paul supported the revised language that District Counsel Gallagher proposed in her September 10, 2004 staff report. The report makes it clear that current District bylaws state that speaking one's mind on transit-related issues is not reason for removal. Ms. Gallagher spoke to MAC about the exercise of the right to speak about matters of public concern. She reported that the Board would review the proposed revision at their September 24 meeting.

**ACTION: MOTION JAMES SHELDON SECOND: JEFF LE BLANC**

**5-5.4**

**MAC RECOMMENDS THAT THE BOARD ADOPT THE REVISED LANGUAGE REGARDING  
PROCESS FOR BOARD REMOVAL OF ADVISORY COMMITTEE MEMBERS**

**Motion passed with Dan Alper, Paul Marcelin-Sampson and Lesley Wright absent.**

**7. DISCUSSION OF BIKES ON BUSES ACCESSIBILITY**

Jeff Le Blanc inquired as to whether METRO applied for a grant to purchase bike racks to allow three bikes, as opposed to two bikes, on the front of buses. Mark Dorfman advised that an \$80,000 demonstration grant was awarded to Metro to purchase racks that will hold three bikes. The first racks will be used on the two routes most widely used by bicyclists, the Highway 17 and University routes. The grant will allow METRO to get some real operational experience with the larger capacity bike racks. He advised that METRO has some of the highest bus/bike ridership per capita in the United States. Les White explained the current bikes on buses policy of last stop on, first stop off, in each direction for Highway 17. Discussion ensued as to development of a uniform policy for bikes on buses. Jeff Le Blanc reported that MASTIF requested that securement straps for bicycles be installed on Highway 17 buses in the wheelchair securement area.

**ACTION: JEFF LE BLANC**

**SECOND: ROBERT YOUNT**

**MAC RECOMMENDS THAT SECUREMENT STRAPS BE INSTALLED ON HIGHWAY 17  
BUSES**

**Motion passed unanimously with Dan Alper, Paul Marcelin-Sampson and Lesley Wright  
being absent.**

**8. CONSIDERATION OF ACTIONS TAKEN BY THE CALIFORNIA TRANSPORTATION  
COMMISSION ON AUGUST 5, 2004 AND THE IMPACT ON METROBASE FUNDING**

Les White distributed a staff report that was submitted to the Regional Transportation Commission in August. It reflects what happened with regard to the 7.8 million dollars in funding the MetroBase project that was in dispute as a part of the State Transportation Improvement Program (STIP). Mr. White advised MAC of the upcoming public hearing of the Regional Transportation Commission. Mr. White discussed the status of METRO's plan to convert diesel buses to CNG.

**ACTION: JEFF LE BLANC SECOND: MATTHEW MELZER**

**MAC STRONGLY RECOMENDS THAT THE BOARD OF DIRECTORS, ON BEHALF OF  
MAC, COMMUNICATE A STRONG SUPPORT TO THE REGIONAL TRANSPORTATION  
COMMISSION THAT THEY A) TRADE UP TO \$7,500,000 IN FY 07-09 STIP FOR FY 07-09  
REGIONAL TRANSPORTATION PROGRAM FUNDS FOR PROJECTS LISTED IN THE 2004**

**5-5.5**

**STIP AND B) THAT THEY THEN PROGRAM THE FREED UP STIP FUNDS FOR THE TOTAL \$7,500,000 FOR THE METROBASE PROJECT**

**Motion passed unanimously with Dan Alper, Paul Marcelin-Sampson and Lesley Wright being absent.**

### **13. CONSIDERATION OF MEASURE J FOR THE NOVEMBER ELECTION**

Les White distributed some voter's information pamphlets relative to Measure J that are available at the Regional Transportation Commission; and he gave a brief synopsis of the measure.

**MOTION: JEFF LE BLANC**

**SECOND: NORM HAGEN**

**MAC RECOMMENDS THAT THE METRO BOARD SUPPORT MEASURE J**

Discussion ensued as to the various aspects of Measure J.

**Motion failed. Aye Votes: Norm Hagen, Jeff Le Blanc. No Votes: Matthew Melzter MELZER, Stuart Rosenstein. Abstentions: Kanoa Dynek, James Sheldon, Robert Yount. Absent: Dan Alper, Paul Marcelin-Sampson and Lesley Wright**

### **14. DISCUSSION OF SURFBOARDS ON BUSES**

Matthew Meltzer MELZER informed MAC that University students who live on campus and who do not have access to a vehicle must walk a great distance to get to the beach with their surfboards. Bryant Baehr advised that any object over five feet in length is not permitted on buses. The use of bike lockers at the Boardwalk during the off-season was discussed. Surfboard racks for the rear of buses was discussed.

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

Public comment at Board meetings was discussed. Margaret Gallagher read the proposed Board Bylaws. "The Chair of the Board of Directors may, depending on the circumstances, limit the total amount of time allocated for public testimony on particular issues and/or for each individual speaker. However, any restrictions placed on public testimony shall be reasonable and not an effort to suppress expression merely because of the content of the speaker's views." This language will allow the Chair to have flexibility to, depending on the circumstances, control their agenda. The proposed language will create fairness for the public and members of the Board relative to hearing all items on an agenda.

5-5.6



MAC's representation at the Paratransit Task Force was discussed. Stuart Rosenstein stated that he would like to attend the Paratransit Task Force meetings on behalf of MAC and Robert Yount stated that arrangement would be fine with him.

**17. ITEMS FOR THE NEXT MEETING AGENDA**

- Consideration of Report Regarding Meetings of the Paratransit Coordination Task Force
- Consideration of METRO Smoking Prohibition Policy
- Consideration of Rules of Order for MAC Meetings
- Consideration of Revisions to the Policy Regarding Bikes on Buses
- Consideration of the State of California General Fund Debt to the Transportation Funds
- Consideration of the Comparison of METRO Labor Costs to Other Bay Area Transit Systems
- Consideration of Allowing Surfboards to be Carried Inside of Buses
- Review of the Status of the MetroBase Project

**ADJOURN**

There being no further business, Acting Chair James Sheldon adjourned the meeting at 8:00 p.m.

Respectfully submitted,



Debi Prince  
Administrative Secretary

5-5.7

To my fellow MAC members:

I apologize for not being able to attend today's meeting. I am glad that we decided to observe the religious holiday on September 15.

I did want to comment on a few of the likely agenda items. I decided to give my sealed remarks to Les, and have him unseal them during the meeting.

Greetings and best wishes to all of you,

Paul Marcelin-Sampson  
Written September 15, 2004

-----

#### Announcements

I'd like to acknowledge Stuart for suggesting that Metro ask Devco Oil for a discount. Devco has offered to reduce Metro's diesel fuel markup. Way to go, Stuart!

I'd like to acknowledge Jeff Leblanc for his support of our right, as MAC members, to speak freely. The remarks he made at the September 10 board meeting were very daring.

#### Bikes inside buses

I favor replacing 2-bike external racks with 3-bike models as quickly as possible. Check with Steve Paulson for good ideas about internal and external bike racks. I also favor installing fixed racks at more bus stops. I oppose expanding the current bikes-inside-buses privilege, except on SINGLE segments of express routes. Disabilities are not always visible, and asking for accommodations, or having someone ask on your behalf, can be a barrier. To help remove this barrier, I propose the following policy: "The front seats of the bus are always the last to be used."

#### Parliamentary procedure

I oppose asking the board to amend MAC's bylaws to specify a system (any system) of parliamentary procedure. The current bylaws compel us to seek consensus, and require us to vote before taking action. These provisions, and the discretion of the (elected) chairperson, are sufficient in my mind. MAC was meant to be for ordinary transit customers. Those in the know could use parliamentary procedure to intimidate, manipulate, or silence. Check with James Sheldon for good ideas about consensus-based decision-making.

#### Smoking

I favor signage (or better signage) at transit centers and key bus

stops, and an in-bus poster campaign to remind customers that smoking is not allowed at transit centers and bus stops. I favor stepped-up enforcement (no warning; immediate arrest; citation) in locations where Metro currently provides security guards (cf. BART's approach to enforcing its no-eating policy). I acknowledge that Metro has no control in locations where no security guard or management employee is ordinarily present, and that Metro should have no liability for the effects of second-hand smoke. I am a lifelong asthma sufferer, and I'd like to thank Bob for his tireless anti-smoking work (though I disagree, respectfully, on the question of Metro's liability).

Actions before the Metro board

> Clarification re: removal of MAC appointees

I support the revised language (Item 12, Part A, Attachment B, #2) that the District Counsel proposed in her September 10 staff report. It makes clear, right in the bylaws, that speaking one's mind on a transit-related issue is not grounds for dismissal. I'd like to thank Peggy for her work.

> Clarification re: chairperson's right to limit public comment at board meetings

I support the language (Item 12, Part B, Attachment D) that the District Counsel proposed in her September 10 staff report. It's almost as if she anticipated our concern as customers: that the public comment not be limited for the sake of squelching dissent. Again, I thank Peggy for her work.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** November 19, 2004  
**TO:** Board of Directors  
**FROM:** Elisabeth Ross, Finance Manager  
**SUBJECT:** MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2004, AND APPROVAL OF BUDGET TRANSFERS

## I. RECOMMENDED ACTION

**Staff recommends that the Board of Directors approve the budget transfers for the period of October 1 – 31, 2004.**

## II. SUMMARY OF ISSUES

- Operating revenue for the year to date totals \$10,203,107 or \$168,836 over the amount of revenue expected to be received during the first three months of the fiscal year, based on the final budget.
- Total operating expenses for the year to date, in the amount of \$7,654,693, are at 23.5% of the final budget.
- A total of \$1,777,677 has been expended through September 30<sup>th</sup> for the FY 04-05 Capital Improvement Program.

## III. DISCUSSION

An analysis of the District's budget status is prepared monthly in order to apprise the Board of Directors of the District's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue and expense report represents the status of the District's FY 04-05 budget as of September 30, 2004. The fiscal year is 25% elapsed.

### A. Operating Revenues

Revenues are \$168,836 over the amount projected to be received for the period. Sales tax revenue is \$159,783 over budget due to higher sales during the April – June 2004 period than projected. Variances are explained in the notes following the report.

### B. Operating Expenses

Operating expenses for the year to date total \$7,654,693 or 23.5% of the final budget, with 25% of the year elapsed. Variances are explained in the notes following the report.

5-7.1

**C. Capital Improvement Program**

For the year to date, a total of \$1,777,677 has been expended on the Capital Improvement Program, with \$1,705,956 expended on the MetroBase project.

**D. Top 25 Accounts Filing Business Tax Returns**

The following is an alphabetical listing of the top 25 retailers filing business tax returns to the State Board of Equalization for the District's dedicated sales tax payment. These are the retailers with the highest payments for on-going business filed for the fifteen-month period of January 2003 through March 2004.

Beacon Service Station	North Bay Ford, Lincoln, Mercury
Big Creek Lumber Company	Ocean Chevrolet
Circuit City Stores	Orchard Supply Hardware Corp
Costco Wholesale Corporation	Pacific Coast Imports, Inc.
DMV Allocation Account for BOE	Rite Aid
Gottschalks Inc.	Ross Stores Inc.
Granite Rock Co.	Safeway, Inc.
K-Mart Corporation	San Lorenzo Lumber Co. Inc.
Long's Drug Store	Santa Cruz Datsun
Macy's West Inc.	Sears-Roebuck and Co.
Marina Motor Company	Target Stores
Mervyns	Toyota of Santa Cruz
Nob Hill General Store	

**IV. FINANCIAL CONSIDERATIONS**

Approval of the budget transfers will increase some line item expenses and decrease others. Overall, the changes are expense-neutral.

**V. ATTACHMENTS**

**Attachment A:** Revenue and Expense Report for September 2004, and Budget Transfers

5-7.2

MONTHLY REVENUE AND EXPENSE REPORT  
 OPERATING REVENUE - SEPTEMBER 2004

Attachment **A**

Operating Revenue	FY 04-05 Budgeted for Month	FY 04-05 Actual for Month	FY 04-05 Budgeted YTD	FY 03-04 Actual YTD	FY 04-05 Actual YTD	YTD Variance from Budgeted	
Passenger Fares	\$ 355,286	\$ 299,966	\$ 1,028,247	\$ 999,949	\$ 911,345	\$ (116,902)	
Paratransit Fares	\$ 26,597	\$ 20,372	\$ 54,511	\$ 50,204	\$ 41,957	\$ (12,554)	
Special Transit Fares	\$ 145,893	\$ 200,580	\$ 250,440	\$ 220,935	\$ 306,994	\$ 56,554	
Highway 17 Revenue	\$ 82,841	\$ 90,323	\$ 233,133	\$ 163,972	\$ 259,583	\$ 26,450	
<i>Subtotal Passenger Rev</i>	\$ 610,557	\$ 611,241	\$ 1,566,331	\$ 1,435,060	\$ 1,519,879	\$ (46,452)	See Note 1
Advertising Income	\$ -	\$ 7,240	\$ -	\$ 17,509	\$ 14,240	\$ 14,240	See Note 2
Commissions	\$ 617	\$ 566	\$ 1,850	\$ 1,803	\$ 2,105	\$ 255	
Rent Income	\$ 13,467	\$ 22,246	\$ 40,265	\$ 36,082	\$ 72,626	\$ 32,361	See Note 3
Interest - General Fund	\$ 24,164	\$ 31,168	\$ 73,566	\$ 75,106	\$ 82,818	\$ 9,252	See Note 4
Non-Transportation Rev	\$ 500	\$ 295	\$ 1,500	\$ 504	\$ 897	\$ (603)	
Sales Tax Income	\$ 1,417,187	\$ 1,576,970	\$ 3,869,287	\$ 3,783,544	\$ 4,029,070	\$ 159,783	See Note 5
TDA Funds	\$ 1,438,313	\$ 1,438,313	\$ 1,438,313	\$ 1,348,222	\$ 1,438,313	\$ -	
FTA Op Asst - Sec 5307	\$ 384,670	\$ 384,670	\$ 2,950,231	\$ 2,804,435	\$ 2,950,231	\$ -	
FTA Op Asst - Sec 5311	\$ -	\$ -	\$ 92,928	\$ 65,704	\$ 92,928	\$ -	
FTA Op Asst Advance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FY 03-04 Carryover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Insurance Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer - Proj Mgr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Operating Revenue</b>	<b>\$ 3,889,474</b>	<b>\$ 4,072,709</b>	<b>\$ 10,034,271</b>	<b>\$ 9,567,969</b>	<b>\$ 10,203,107</b>	<b>\$ 168,836</b>	

5-7.91

**MONTHLY REVENUE AND EXPENSE REPORT  
OPERATING EXPENSE SUMMARY - SEPTEMBER 2004**

	FY 04-05 Final Budget	FY 04-05 Revised Budget	FY 03-04 Expended YTD	FY 04-05 Expended YTD	Percent Expended of Budget	
<b>PERSONNEL ACCOUNTS</b>						
Administration	\$ 917,905	\$ 917,905	\$ 183,925	\$ 273,367	29.8%	See Note 6
Finance	\$ 552,664	\$ 552,664	\$ 120,572	\$ 133,859	24.2%	
Customer Service	\$ 490,027	\$ 490,027	\$ 113,135	\$ 115,085	23.5%	
Human Resources	\$ 353,462	\$ 353,462	\$ 82,769	\$ 49,472	14.0%	See Note 7
Information Technology	\$ 438,670	\$ 438,670	\$ 106,424	\$ 104,412	23.8%	
District Counsel	\$ 376,655	\$ 376,655	\$ 81,254	\$ 89,126	23.7%	
Facilities Maintenance	\$ 1,050,695	\$ 1,050,695	\$ 227,800	\$ 254,954	24.3%	
Paratransit Program	\$ 236,906	\$ 236,906	\$ 49,758	\$ 79,829	33.7%	See Note 8
Operations	\$ 1,921,272	\$ 1,921,272	\$ 440,875	\$ 499,560	26.0%	See Note 9
Bus Operators	\$ 12,661,130	\$ 12,661,130	\$ 2,772,831	\$ 3,125,691	24.7%	
Fleet Maintenance	\$ 4,046,043	\$ 4,040,243	\$ 862,404	\$ 897,709	22.2%	
Retired Employees/COBRA	\$ 955,033	\$ 955,033	\$ 182,846	\$ 260,028	27.2%	See Note 10
<b>Total Personnel</b>	<b>\$ 24,000,462</b>	<b>\$ 23,994,662</b>	<b>\$ 5,224,593</b>	<b>\$ 5,883,091</b>	<b>24.5%</b>	
<b>NON-PERSONNEL ACCOUNTS</b>						
Administration	\$ 568,070	\$ 568,070	\$ 122,379	\$ 140,393	24.7%	
Finance	\$ 899,457	\$ 899,413	\$ 227,221	\$ 233,422	26.0%	See Note 11
Customer Service	\$ 92,060	\$ 92,060	\$ 21,158	\$ 45,176	49.1%	See Note 12
Human Resources	\$ 31,603	\$ 32,603	\$ 2,782	\$ 9,844	30.2%	See Note 13
Information Technology	\$ 92,235	\$ 92,235	\$ 20,928	\$ 15,930	17.3%	
District Counsel	\$ 11,340	\$ 11,340	\$ 1,742	\$ 10,442	92.1%	See Note 14
Risk Management	\$ 254,870	\$ 254,870	\$ 27,598	\$ 18,906	7.4%	
Facilities Maintenance	\$ 449,100	\$ 449,100	\$ 72,059	\$ 69,684	15.5%	
Paratransit Program	\$ 2,743,186	\$ 2,743,186	\$ 422,723	\$ 435,195	15.9%	See Note 15
Operations	\$ 578,730	\$ 578,774	\$ 79,778	\$ 98,153	17.0%	
Bus Operators	\$ 7,000	\$ 7,000	\$ -	\$ 67	1.0%	
Fleet Maintenance	\$ 2,868,265	\$ 2,873,065	\$ 530,933	\$ 694,370	24.2%	
Op Prog/SCCIC	\$ 300	\$ 300	\$ -	\$ 20	6.7%	
<b>Total Non-Personnel</b>	<b>\$ 8,596,216</b>	<b>\$ 8,602,016</b>	<b>\$ 1,529,300</b>	<b>\$ 1,771,602</b>	<b>20.6%</b>	
<b>Subtotal Operating Expense</b>	<b>\$ 32,596,678</b>	<b>\$ 32,596,678</b>	<b>\$ 6,753,893</b>	<b>\$ 7,654,693</b>	<b>23.5%</b>	
Grant Funded Studies/Programs	\$ -	\$ -		\$ -	0.0%	
Transfer to/from Cap Program	\$ -	\$ -		\$ -	0.0%	
<b>Total Operating Expense</b>	<b>\$ 32,596,678</b>	<b>\$ 32,596,678</b>	<b>\$ 6,753,893</b>	<b>\$ 7,654,693</b>	<b>23.5%</b>	
<b>YTD Operating Revenue Over YTD Expense</b>				<b>\$ 2,548,414</b>		

**CONSOLIDATED OPERATING EXPENSE  
SEPTEMBER 2004**

	FY 04-05 Final Budget	FY 04-05 Revised Budget	FY 03-04 Expended YTD	FY 04-05 Expended YTD	% Exp YTD of Budget	
<b>LABOR</b>						
Operators Wages	\$ 6,753,430	\$ 6,753,430	\$ 1,407,309	\$ 1,551,605	23.0%	
Operators Overtime	\$ 1,020,350	\$ 1,020,350	\$ 217,101	\$ 201,273	19.7%	
Other Salaries & Wages	\$ 6,173,059	\$ 6,167,259	\$ 1,330,519	\$ 1,422,816	23.1%	
Other Overtime	\$ 165,700	\$ 165,700	\$ 64,072	\$ 33,004	19.9%	
	\$ 14,112,539	\$ 14,106,739	\$ 3,019,002	\$ 3,208,699	22.7%	
<b>FRINGE BENEFITS</b>						
Medicare/Soc Sec	\$ 161,240	\$ 161,240	\$ 34,386	\$ 36,339	22.5%	
PERS Retirement	\$ 1,510,704	\$ 1,510,704	\$ 253,069	\$ 349,550	23.1%	
Medical Insurance	\$ 2,908,041	\$ 2,908,041	\$ 609,801	\$ 936,434	32.2%	See Note 16
Dental Plan	\$ 460,743	\$ 460,743	\$ 96,112	\$ 141,144	30.6%	See Note 17
Vision Insurance	\$ 125,100	\$ 125,100	\$ 28,733	\$ 30,609	24.5%	
Life Insurance	\$ 61,065	\$ 61,065	\$ 13,023	\$ 8,962	14.7%	
State Disability Ins	\$ 217,937	\$ 217,937	\$ 32,926	\$ 45,956	21.1%	
Long Term Disability Ins	\$ 237,221	\$ 237,221	\$ 48,810	\$ 73,901	31.2%	See Note 18
Unemployment Insurance	\$ 71,243	\$ 71,243	\$ 302	\$ 920	1.3%	See Note 19
Workers Comp	\$ 1,473,634	\$ 1,473,634	\$ 415,866	\$ 321,181	21.8%	
Absence w/ Pay	\$ 2,628,861	\$ 2,628,861	\$ 666,887	\$ 722,385	27.5%	See Note 20
Other Fringe Benefits	\$ 32,135	\$ 32,135	\$ 5,677	\$ 7,011	21.8%	
	\$ 9,887,923	\$ 9,887,923	\$ 2,205,591	\$ 2,674,392	27.0%	
<b>SERVICES</b>						
Acctng/Admin/Bank Fees	\$ 311,700	\$ 311,700	\$ 72,834	\$ 89,803	28.8%	See Note 21
Prof/Legis/Legal Services	\$ 389,680	\$ 389,680	\$ 50,345	\$ 57,066	14.6%	
Temporary Help	\$ -	\$ 4,800	\$ -	\$ 721	15.0%	
Custodial Services	\$ 83,800	\$ 83,800	\$ 19,387	\$ 18,004	21.5%	
Uniforms & Laundry	\$ 37,500	\$ 37,500	\$ 5,446	\$ 7,773	20.7%	
Security Services	\$ 392,555	\$ 392,555	\$ 45,314	\$ 54,380	13.9%	
Outside Repair - Bldgs/Eqmt	\$ 186,546	\$ 186,046	\$ 24,502	\$ 25,851	13.9%	
Outside Repair - Vehicles	\$ 274,563	\$ 274,563	\$ 69,979	\$ 71,651	26.1%	See Note 22
Waste Disp/Ads/Other	\$ 86,159	\$ 87,159	\$ 5,249	\$ 36,295	41.6%	See Note 23
	\$ 1,762,503	\$ 1,767,803	\$ 293,056	\$ 361,543	20.5%	
<b>CONTRACT TRANSPORTATION</b>						
Contract Transportation	\$ 100	\$ 100	\$ -	\$ -	0.0%	
Paratransit Service	\$ 2,606,136	\$ 2,606,136	\$ 407,847	\$ 390,286	15.0%	See Note 15
	\$ 2,606,236	\$ 2,606,236	\$ 407,847	\$ 390,286	15.0%	
<b>MOBILE MATERIALS</b>						
Fuels & Lubricants	\$ 1,560,314	\$ 1,560,314	\$ 252,612	\$ 371,710	23.8%	
Tires & Tubes	\$ 164,000	\$ 164,000	\$ 15,751	\$ 47,867	29.2%	See Note 24
Other Mobile Supplies	\$ 6,000	\$ 6,000	\$ 1,742	\$ 2,616	43.6%	See Note 25
Revenue Vehicle Parts	\$ 344,000	\$ 344,000	\$ 86,373	\$ 102,269	29.7%	See Note 26
	\$ 2,074,314	\$ 2,074,314	\$ 356,478	\$ 524,461	25.3%	



**CONSOLIDATED OPERATING EXPENSE  
SEPTEMBER 2004**

	FY 04-05 Final Budget	FY 04-05 Revised Budget	FY 03-04 Expended YTD	FY 04-05 Expended YTD	% Exp YTD of Budget	
<b>OTHER MATERIALS</b>						
Postage & Mailing/Freight	\$ 23,174	\$ 23,174	\$ 3,670	\$ 5,512	23.8%	
Printing	\$ 68,925	\$ 69,425	\$ 15,694	\$ 29,755	42.9%	See Note 27
Office/Computer Supplies	\$ 51,284	\$ 50,884	\$ 12,868	\$ 22,783	44.8%	See Note 28
Safety Supplies	\$ 18,375	\$ 18,375	\$ 2,689	\$ 1,384	7.5%	
Cleaning Supplies	\$ 56,100	\$ 56,100	\$ 3,824	\$ 5,134	9.2%	
Repair/Maint Supplies	\$ 65,000	\$ 65,000	\$ 9,496	\$ 11,691	18.0%	
Parts, Non-Inventory	\$ 42,000	\$ 42,000	\$ 5,212	\$ 7,066	16.8%	
Tools/Tool Allowance	\$ 9,600	\$ 9,600	\$ 1,505	\$ 1,612	16.8%	
Promo/Photo Supplies	\$ 11,645	\$ 11,945	\$ 243	\$ 2,267	19.0%	
	\$ 346,103	\$ 346,503	\$ 55,201	\$ 87,205	25.2%	
<b>UTILITIES</b>	\$ 310,305	\$ 310,305	\$ 65,894	\$ 60,450	19.5%	
<b>CASUALTY &amp; LIABILITY</b>						
Insurance - Prop/PL & PD	\$ 582,000	\$ 582,000	\$ 150,974	\$ 142,564	24.5%	
Settlement Costs	\$ 150,000	\$ 150,000	\$ 21,754	\$ 16,006	10.7%	
Repairs to Prop	\$ -	\$ -	\$ (801)	\$ (8,486)	0.0%	See Note 29
Prof/Other Services	\$ -	\$ -	\$ -	\$ -	0.0%	
	\$ 732,000	\$ 732,000	\$ 171,928	\$ 150,084	20.5%	
<b>TAXES</b>	\$ 48,594	\$ 48,594	\$ 5,097	\$ 5,318	10.9%	
<b>MISC EXPENSES</b>						
Dues & Subscriptions	\$ 51,176	\$ 51,176	\$ 10,631	\$ 10,387	20.3%	
Media Advertising	\$ -	\$ -	\$ -	\$ 9,891	0.0%	
Employee Incentive Program	\$ 7,820	\$ 7,820	\$ 1,316	\$ 1,153	14.7%	
Training	\$ 5,900	\$ 5,900	\$ 3,577	\$ -	0.0%	
Travel	\$ 19,915	\$ 20,015	\$ 3,149	\$ 576	2.9%	
Other Misc Expenses	\$ 17,900	\$ 17,900	\$ 5,090	\$ 3,725	20.8%	
	\$ 102,711	\$ 102,811	\$ 23,763	\$ 25,733	25.0%	
<b>OTHER EXPENSES</b>						
Leases & Rentals	\$ 613,450	\$ 613,450	\$ 150,036	\$ 166,523	27.1%	See Note 30
	\$ 613,450	\$ 613,450	\$ 150,036	\$ 166,523	27.1%	
<b>Total Operating Expense</b>	\$ 32,596,678	\$ 32,596,678	\$ 6,753,893	\$ 7,654,693	23.5%	

**MONTHLY REVENUE AND EXPENSE REPORT  
FY 04-05 CAPITAL IMPROVEMENT PROGRAM**

<b>CAPITAL PROJECTS</b>	<b>Program Budget</b>	<b>Expended in September</b>	<b>YTD Expended</b>
<b>Grant Funded Projects</b>			
MetroBase	\$ 16,000,000	\$ 146,859	\$ 1,705,956
Urban Bus Replacement	\$ 1,675,432		\$ 11,953
	\$ 17,675,432		
<b>District Funded Projects</b>			
Bus Stop Improvements	\$ 10,000		\$ 5,515
IT Projects including GIRO carryover	\$ 15,200	\$ 1,605	\$ 12,190
Facilities Repairs & Improvements	\$ 26,500		
Non-Revenue Vehicle Replacement	\$ 195,000		
Office Equipment	\$ 31,400	\$ 20,081	\$ 22,390
Diagnostic Scanner	\$ 3,000		
ParaCruz Equipment	\$ -	\$ 19,673	\$ 19,673
	\$ 281,100		
<b>TOTAL CAPITAL PROJECTS</b>	\$ 17,956,532	\$ 188,218	\$ 1,777,677
<b>CAPITAL FUNDING SOURCES</b>			
	<b>Budget</b>	<b>Received in September</b>	<b>YTD Received</b>
Federal Capital Grants	\$ 14,140,345	\$ 445,217	\$ 1,241,214
State/Local Capital Grants	\$ -	\$ -	\$ -
STA Funding	\$ 860,994	\$ -	\$ -
District Reserves	\$ 2,955,193	\$ -	\$ 536,463
<b>TOTAL CAPITAL FUNDING</b>	\$ 17,956,532	\$ 445,217	\$ 1,777,677

5-7.25

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

1. Passenger fares (farebox and pass sales) are \$116,902 or 11% under the final budget amount for the year to date. Paratransit fares are \$12,554 or 23% under budget due to fewer riders for the year to date than projected. Special transit fares (contracts) are \$65,554 or 23% over the budgeted amount. Highway 17 Express revenue is \$26,450 or 11% over the year to date budgeted amount. Together, all four passenger revenue accounts are under the budgeted amount for the first three months of the fiscal year by a net \$46,452 or 3%.
2. Advertising income is \$14,240 over budget due to sales of exterior ads on buses. Sales had been projected to begin in January 2005.
3. Rent income is \$32,361 over budget due to payment of temporary rent by A Tool Shed pending relocation.
4. Interest income is \$9,252 over budget due to an interest rate of 1.66% for September compared to a projected interest rate of 1.40%, and a slightly higher treasury balance than projected for the period.
5. Sales tax income is \$159,783 over budget for the first three months since the September wrap-up payment was higher than anticipated. For the April-June 2004 sales period, sales tax revenue for the District was up 6.3% over the previous year, while the budget projected a 2.0% increase.
6. Administration personnel expense is at 29.8% of the budget due to high workers' comp expenses during the period.
7. Human Resources personnel expense is only at 14.0% of the budget due to a \$28,478 workers' comp credit in July.
8. Paratransit program personnel expense is at 33.7% of the budget due to hiring of additional ParaCruz staff. Funds will be allocated by line item in a budget transfer.
9. Operations personnel expense is at 26.0% of the budget due to high workers' comp expenses during the period.
10. Retired employees/COBRA expense is at 27.2% of the budget due to payment of October medical and dental premiums during September.
11. Finance non-personnel expense is at 26.0% of the budget due to progress payments for auditor fees.
12. Customer Service non-personnel expense is at 30.2% of the budget due to higher printing and graphics expenses than anticipated for the fall schedule.
13. Human Resources non-personnel expense is at 30.2% of the budget due to recruitment and hiring costs for the ParaCruz department.
14. District Counsel non-personnel expense is at 92.1% of the budget due to \$9,920 in expenses associated with the Sakata property sale. These expenses will be covered once the property is sold and payment received by the District.

**5-7.96**

15. Paratransit program is only at 15.9% of the budget because the September billing was not submitted by the contractor by the report deadline, which comprises most of the expense.
16. Medical insurance is at 32.2% of the budget because the October premiums were included in the September report for a total of four monthly payments in the three month period.
17. Dental insurance is at 30.6% of the budget because the October premiums were included in the September report, for a total of four monthly payments in the three month period.
18. Long term disability insurance is at 31.2% of the budget because the October premiums were included in the September report, for a total of four monthly payments in the three month period.
19. Unemployment insurance is only at 1.3% of the budget because the tax is paid on wages beginning in January and the cap has been reached for most employees by this point in the calendar year.
20. Absence with pay is at 27.5% of the budget since more vacation time is taken in the summer months. Total payroll is within budget.
21. Accounting/admin/bank fees are at 28.8% of the budget due to progress payments for auditor fees.
22. Outside repair for vehicles is at 26.1% of the budget due to engine costs.
23. Waste disposal/ads/other is at 41.6% of the budget due to expenses associated with the sale of the Sakata property.
24. Tires and tubes expense is at 29.2% of the budget since this account fluctuates from month to month, depending on how many tires are purchased.
25. Other mobile supplies expense is at 43.6% of the budget due to volume purchases.
26. Revenue vehicle parts are at 29.7% of the budget since this account fluctuates from month to month depending on the parts needed for repairs.
27. Printing is at 42.9% of the budget due to printing of route stickers for the fall schedule, and higher costs for printing Headways.
28. Office/computer supplies are at 44.8% of the budget due to volume purchase of IT supplies.
29. Repairs to property is a casualty and liability account to which repairs to District vehicles and property are charged when another party is liable for the damage. All collections made from other parties for property repair are applied to this account to offset the District's repair costs.
30. Leases and rentals are at 27.1% of the budget primarily due to the annual payment to Greyhound for Metro Center parking.

5-7.47 otessep04

FY 03-04 BUDGET TRANSFERS  
10/1/04-10/31/04

	ACCOUNT #	ACCOUNT TITLE	AMOUNT
<hr/>			
TRANSFER # 05-006			
TRANSFER FROM:	504311-1200	Office Supplies	\$ (44)
TRANSFER TO:	504311-3200	Office Supplies	\$ 44
REASON:	To cover cost of payroll envelopes for the Finance Department.		
<hr/>			

5-7.98

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** November 19, 2004

**TO:** Board of Directors

**FROM:** Steve Paulson, Paratransit Administrator

**SUBJECT:** METRO PARACRUZ PROGRAM STATUS MONTHLY UPDATE

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

- The Board receives monthly reports on the status of the federally mandated ADA complementary paratransit program
- Operating Statistics reported are for the month of August 2004
- Cost reflects hourly rate increased by 4% effective this reporting period.
- Eligibility/certification statistics reported are through October 31, 2004

## III. DISCUSSION

### Operating Statistics for August 2004

	This Aug	Last Aug	% Change	FYTD	Last FYTD	% Change
Cost	\$187,996.28	\$198,637.88	-5.36%	\$390,286.27	\$407,847.02	-4.31%
Revenue	\$21,657	\$21,810	.7%	\$42,633.00	\$44,754.00	-4.74%
Subsidy	\$166,339.28	\$176,827.88	-5.93%	\$347,653.27	\$363,093.02	-4.25%
Rides performed	6684	7402	-9.7%	13,709	15,289	-10.33%
Cost/ Ride	\$28.13	\$26.84	4.81%	\$28.47	\$26.68	6.72%
Productivity	1.98	1.99	-.5%	1.95	2.0	-2.5%

\* Revenue does not equal \$3.00/ride because no revenue is generated by rides to and from certification interviews or appeals.

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**Performance Measures**  
**Calendar year figures**

	Jan	Feb	Mar	Apr	May	June	July	Aug
Rides performed	6,983	6,787	8,280	7,938	7,621	7,301	7,025	6,684
late pick ups (more than 20 minutes)	297	324	487	436	403	288	324	236
% late	4.25%	4.77%	5.88%	5.49%	5.29%	3.94%	4.61%	3.5%
Picked up too early (more than 10 minutes)	92	75	65	93	61	101	86	73
Total rides not "on time"	389	399	552	529	464	389	410	309
% "on time"	94.4%	94.1%	93.33%	93.34%	93.91%	94.67%	94.2%	95.4%
missed trips	3	3	3	4	1	1	0	0
Excessively late scheduled (more than 60 minutes)	8	3	10	9	9	5	2	4
Excessively late will call (more than 100 minutes)	3	4	10	3	5	8	5	3
total violation w/ \$50 penalty	14	10	23	16	15	14	7	7
Total violation w/\$100 penalty	0	9	12	0	0	0	0	
Liquidated damages	\$700	\$1,400	\$2,350	\$800	\$750	\$700	\$350	\$350

**Eligibility Certification/ Recertification**

During the month of October 2004, there were 70 applicants for eligibility. 91.5% were found eligible for some level of service. The total number of eligible riders is effected by expiration of temporary eligibility and other factors. As a result of mailing the new ParaCruz identification cards, staff was able to update the ridership database, resulting in a net decrease of 54 riders eligible for service during October.

There is one eligibility appeal currently pending.

**IV. FINANCIAL CONSIDERATIONS**

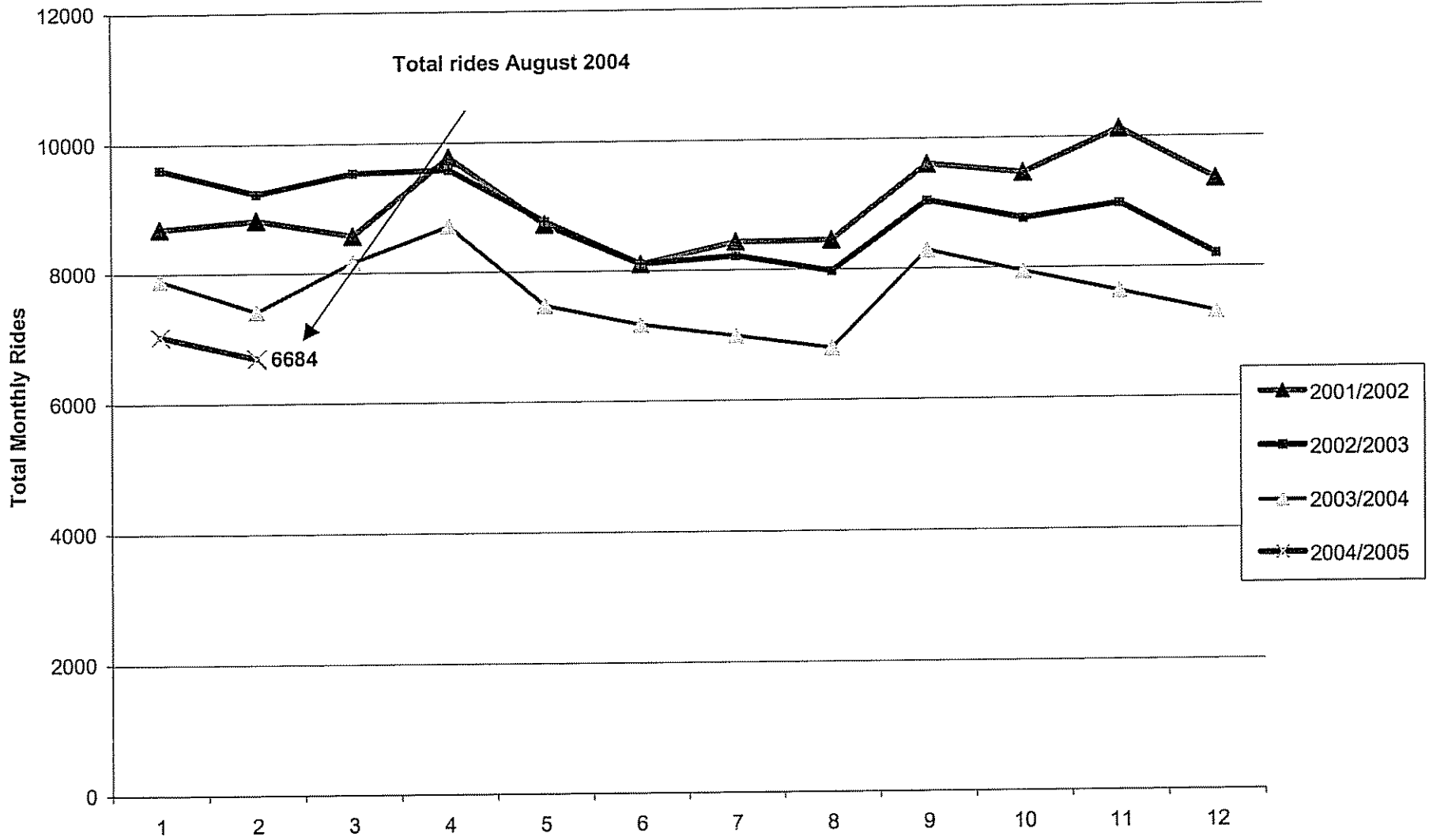
none

**V. ATTACHMENTS**

- Attachment A:** METRO ParaCruz Rides by Month
- Attachment B:** METRO ParaCruz Cost by Month
- Attachment C:** Recertification and New Applicant Eligibility Determinations
- Attachment D:** METRO ParaCruz Registrants by Month

5-8.2

### METRO ParaCruz Rides by Month

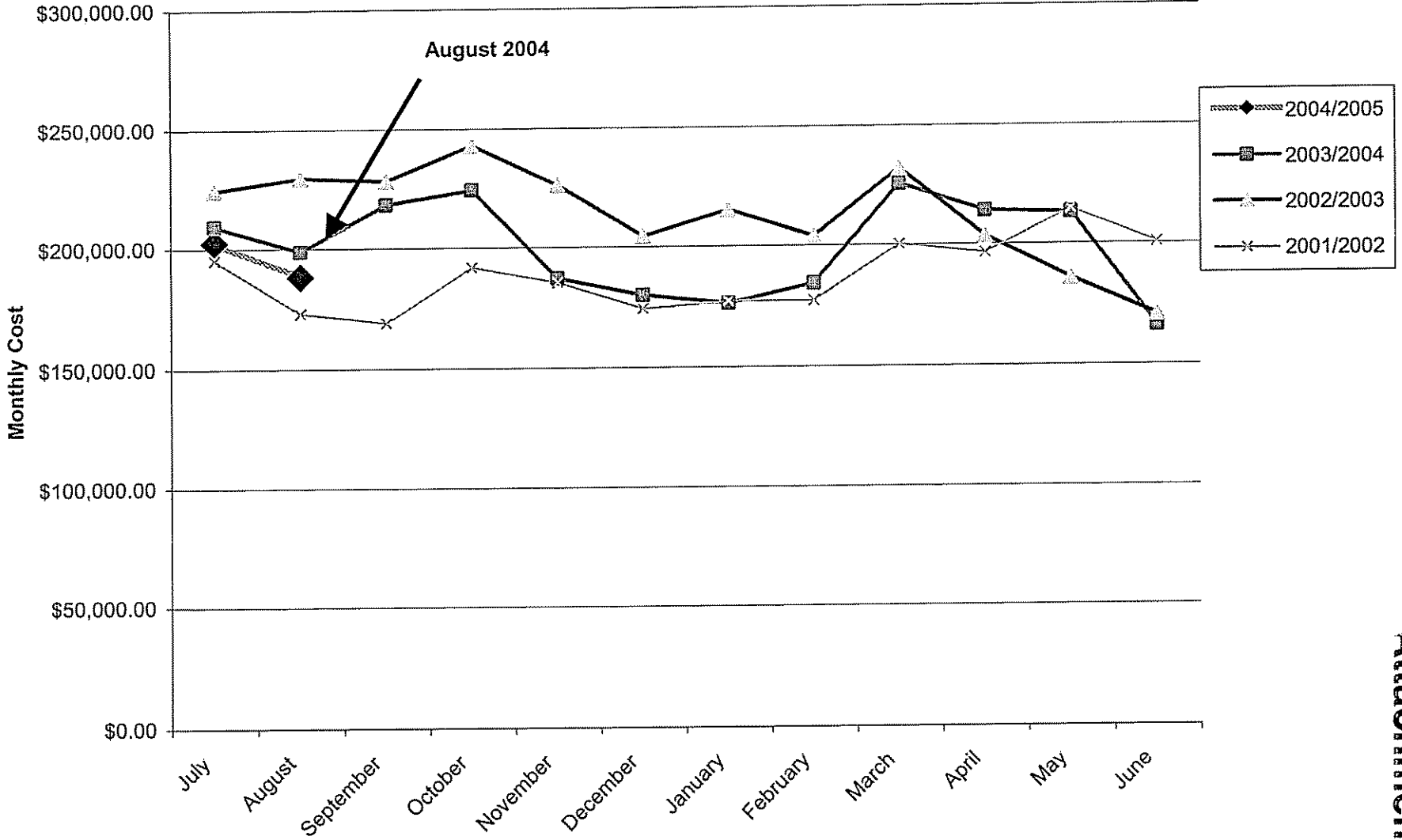


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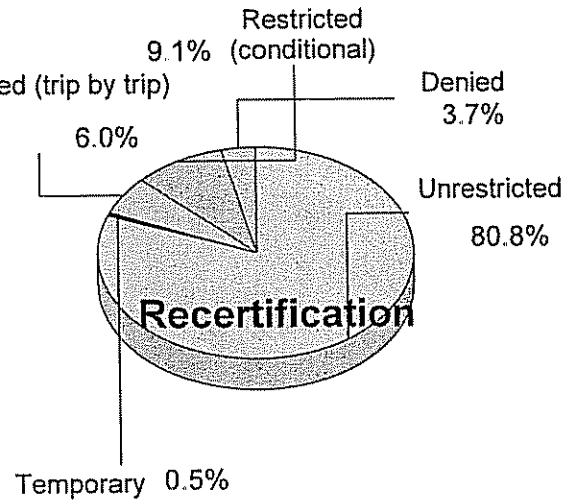
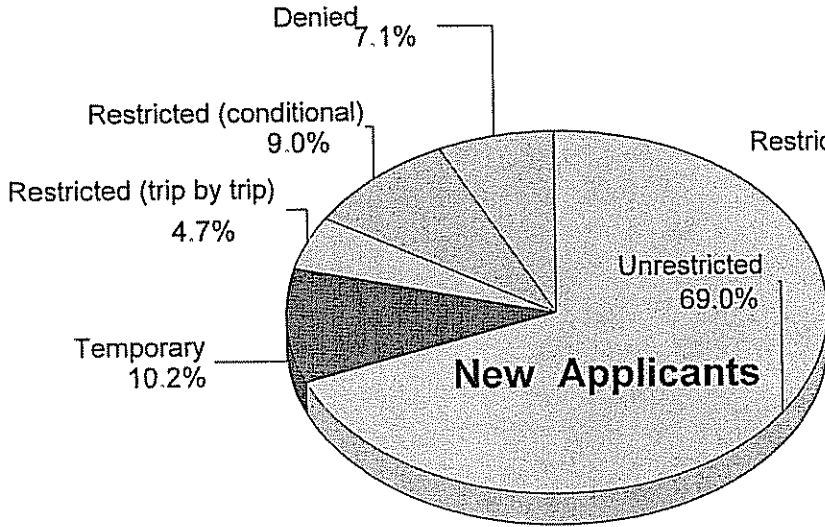
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### METRO ParaCruz Cost By Month



# METRO ParaCruz Eligibility Determinations - Aug 1 02 through October 31 04

**Attachment**



### New Applicants

Unrestricted	1610
Temporary	238
Restricted (trip by trip)	109
Restricted (conditional)	211
Denied	165
<b>Group Total:</b>	<b>2333</b>

### Recertification

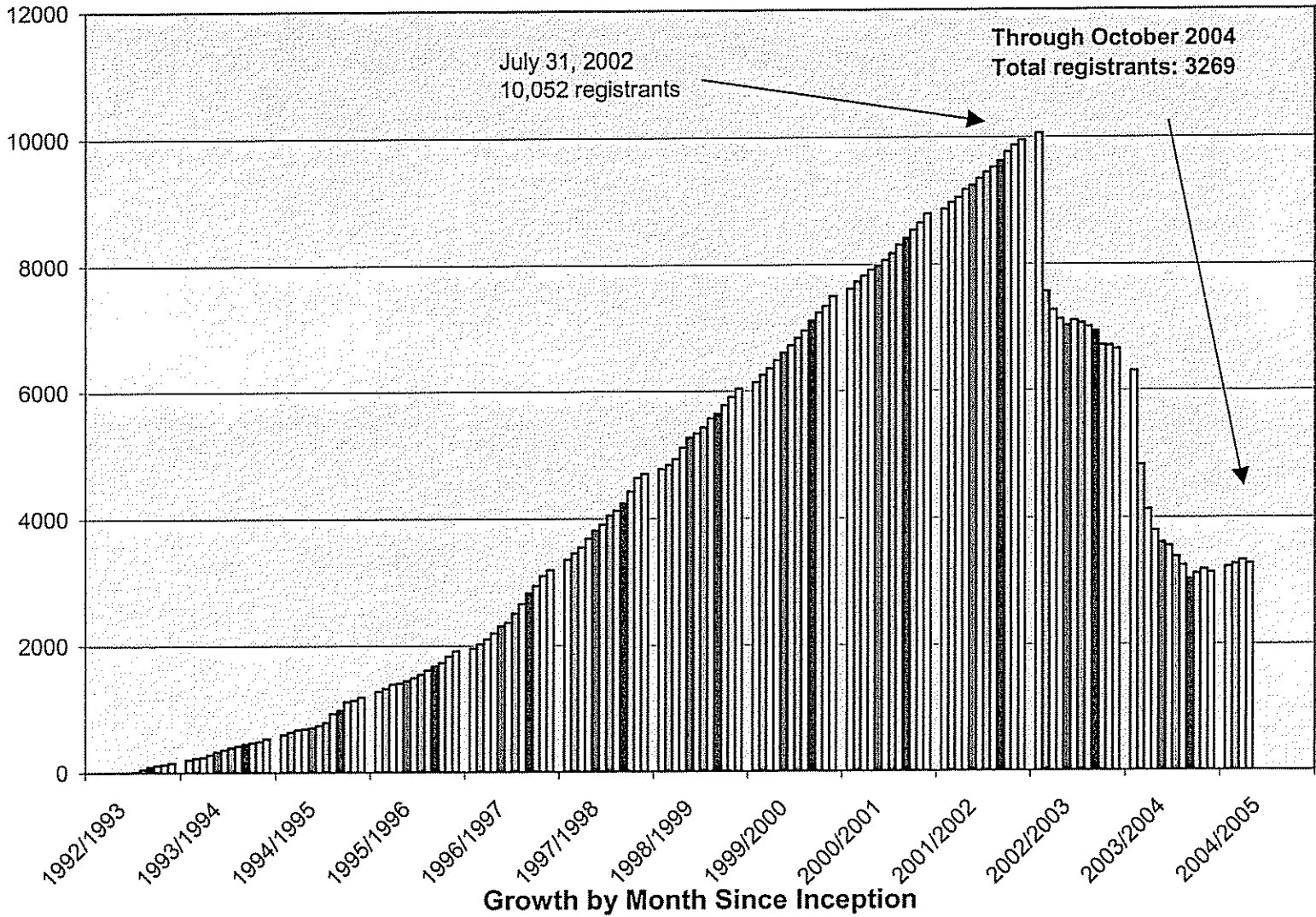
Unrestricted	1096
Temporary	7
Restricted (trip by trip)	81
Restricted (conditional)	123
Denied	50
<b>Group Total:</b>	<b>1357</b>

**Grand Total:** **3687**

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### METRO ParaCruz Registrants



# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** November 19, 2004  
**TO:** Board of Directors  
**FROM:** Bryant J. Baehr, Manager of Operations  
**SUBJECT:** UNIVERSITY OF CALIFORNIA - SANTA CRUZ SERVICE UPDATE

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

- Student trips for September 2004 increased by 30.4% versus September 2003. Year to date student billable trips have increased by 19.6%.
- Faculty / staff trips for September 2004 decreased by (8.8%) versus September 2003. Year to date faculty / staff billable trips have decreased by (3.1%).
- Revenue received from UCSC for September 2004 was \$127,484 versus \$88,114 for September 2003 an increase of 44.7%.

	Faculty/Staff Ridership	Student Ridership	Monthly Increase - (Decrease) Student	Monthly Increase - (Decrease) Faculty-Staff
This Year	17,765	125,637	30.4%	(8.8%)
Last Year	19,475	96,475		

## III. DISCUSSION

UCSC started Fall instruction on September 23, 2004. A summary of the results for September 2004 is:

- Student billable trips for the month of September 2004 were 125,637 vs. 96,318 for September 2003 an increase of 30.4%.
- Faculty / staff billable trips for the month of September 2004 were 17,765 vs. 19,475 for September 2003 a decrease of (3.1%).
- Year to date Student billable trips increased by 19.6% and faculty / staff billable trips decreased by (8.8%).
- Revenue for September 2004 was \$127,484 versus \$88,114 for September 2003.

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**IV. FINANCIAL CONSIDERATIONS**

NONE

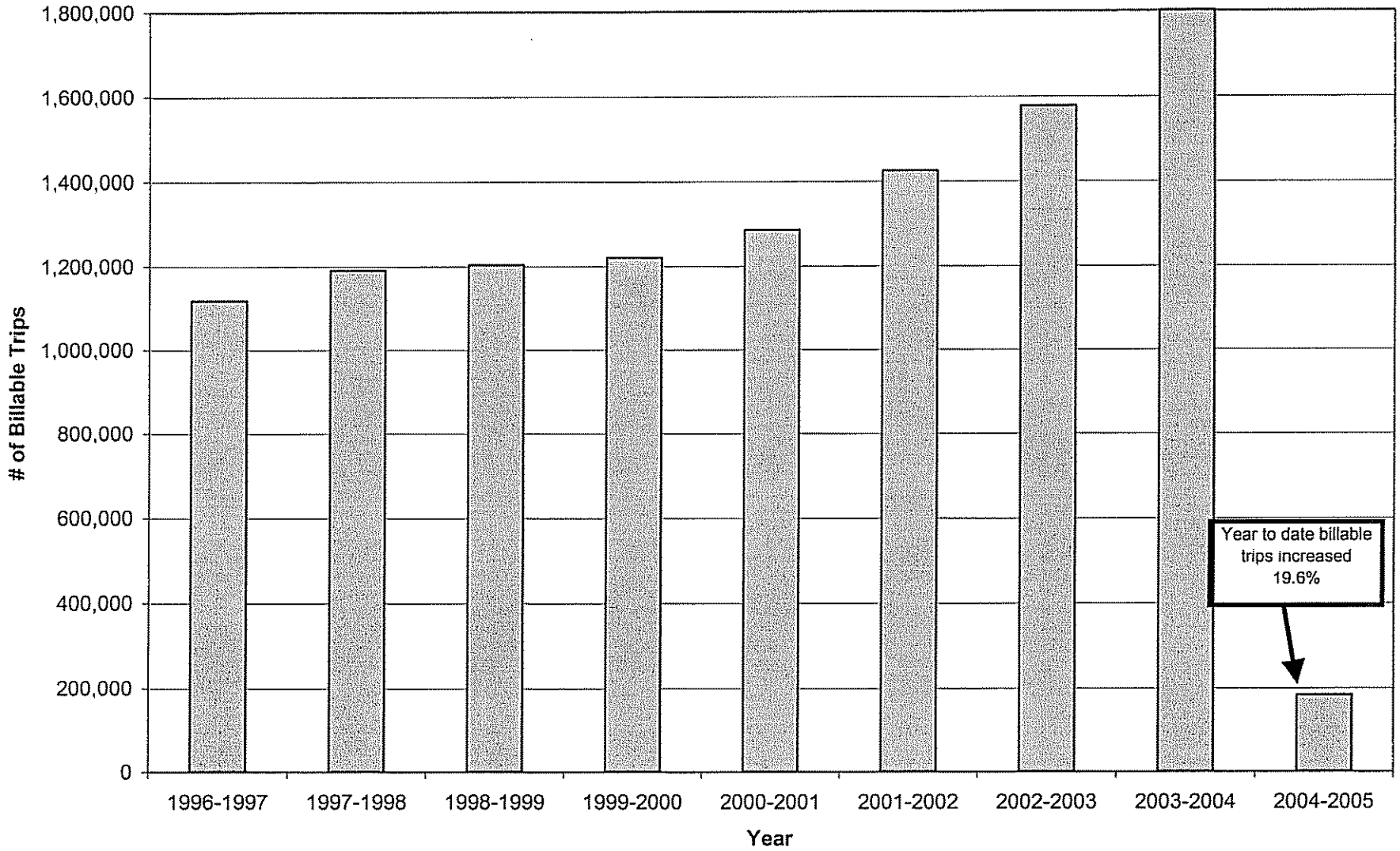
**V. ATTACHMENTS**

**Attachment A: UCSC Student Billable Trips**

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

5-10.2

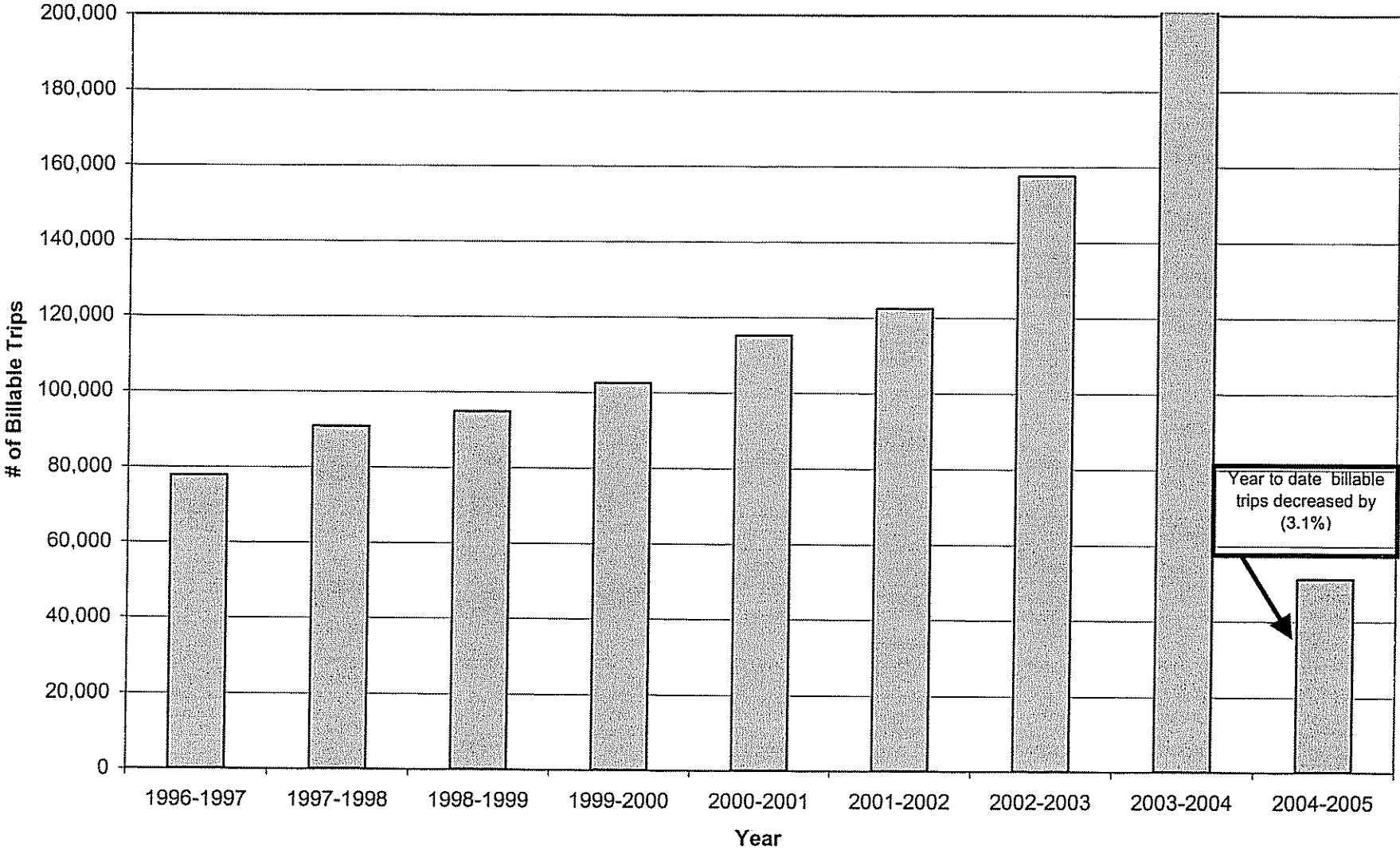
### UCSC Student Billable Trips



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Attachment A

UCSC Faculty / Staff Billable Trips



5-10.61

Attachment B

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** November 19, 2004  
**TO:** Board of Directors  
**FROM:** Mark J. Dorfman, Assistant General Manager  
**SUBJECT:** ACCEPT AND FILE VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

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

## III. DISCUSSION

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

## IV. FINANCIAL CONSIDERATIONS

There is no cost impact from this action.

## V. ATTACHMENTS

**Attachment A:** Minutes of the October 7, 2004 Regular SCCRTC Meeting

5-12.1



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

MINUTES

Thursday,  
October 7, 2004  
9:00 a.m.

Santa Cruz City Council Chambers  
809 Center Street  
Santa Cruz CA 95060

1. Roll Call

Members Present:	Jan Beautz	Dennis Norton
	Richard De La Paz	Ellen Pirie
	Scott Kennedy	Emily Reilly
	Randy Johnson	Pat Spence
	Mike Keogh	Mark Stone
	Andy Schiffrin (Alt.)	
	Edenilson Quintanilla (Alt.)	
	Rich Krumholz (Alt.)	
Staff Present	Linda Wilshusen	Pat Dellin
	Kim Shultz	Tegan Speiser
	Gini Pineda	Luis Mendez
	Karena Pushnik	Rachel Moriconi
	Grace Blakeslee	

2. Oral Communications

Debbie Bulger said there was an omission to the Measure J informational flier that was mailed by the Commission because it did not state that funding for other projects was jeopardized because debt service to cover bonds issued for the highway project would get first priority for funds. She added that it was also incorrect to say that the highway project would decrease air pollution.

Commissioner Keogh asked where the ownership would be domiciled if the rail right-of-way was purchased. Commissioner Beautz said that the Commission would act as the Rail Authority and asked that staff prepare a written report for the next Regional Transportation Commission meeting to answer questions about the Rail Authority.

Commissioner Pirie responded to Ms. Bulger and said that the postcard mailed by the "No on J" committee was misleading and that other projects would not lose funding in order to pay for cost overruns. Ms. Pirie said the only time an

5-12.91

exception to fund other projects would be made would be in the instance that bond servicing was due and the Auditor-Controller could postpone funding other projects for that year. She also noted that the Highway 1 HOV Widening Project was receiving Congestion Mitigation and Air Quality funds which only fund projects that decrease air pollution.

Commission Alternate Schiffrin said that regarding air pollution, the AMBAG study which was used to determine the effects on air quality from the widening project was inadequate and did not include induced traffic. Mr. Schiffrin said there is evidence that more traffic than currently uses the freeway will begin to use it after it is widened and that hopefully the Environmental Impact Report will clarify the potential effects on air pollution.

3. Additions or Deletions to Consent and Regular Agendas

Executive Director Linda Wilshusen noted that additional letters for Item 16 had been handed out to Commissioners.

Commissioner Spence noted that the minutes for the Paratransit Task Force had not been stamped "Draft". Ms. Spence also said that letters from the public listed under Item 16 that were comments on the Draft Business Plan for the Santa Cruz Branch Rail Line should be listed separately from other miscellaneous comments and posted on the Commission website with the Draft Business Plan.

Commissioners discussed the suggestion and how it would affect letters addressing other specific Commission projects. Commissioner Beautz asked that a future agenda include an item addressing a policy on posting public comments on the website.

Executive Director Linda Wilshusen said that in the case of an Environmental Impact Report, all comments are attached to the document.

Commissioner Keogh asked that the record show that the Oral Communications item in the minutes of the Paratransit Task meeting of September 15, 2004 said that the concerns and frustrations that lead to the formation of the Task Force had happened long before the Metro decided to move paratransit service in house.

Commissioner Beautz asked that comments to the Draft Business Plan be brought back to the Commission the next time the Plan is on the agenda.

5-12.92

## CONSENT AGENDA (Schiffrin/Quintanilla)

4. Approved Minutes of September 2, 2004 Regular SCCRTC Meeting
5. Approved Minutes of September 16, 2004 Transportation Policy Workshop Meeting

## POLICY

6. Approved Staff Recommendations Regarding Draft Proposal to Address Transportation Funding Crisis

## PROJECTS and PLANNING

7. Approved Staff Recommendations Regarding Updated Project List for the Regional Transportation Plan

## COMMISSION BUDGET and EXPENDITURES

8. Approved Staff Recommendations Regarding Out of State Travel for the Annual Transportation Research Board Conference and Meetings with Federal Legislative Staff
9. Accepted Semi-Annual Financial Statements

## ADMINISTRATION

10. Approved Staff Recommendations Regarding 2005 SCCRTC Meeting Schedule and Locations

## COMMITTEE MINUTES

11. Accepted Draft Minutes of the Paratransit Coordination Task Force Meeting of September 15, 2004
12. Accepted Announcement of Cancellation of the Bicycle Committee Meeting of September 13, 2004 due to Lack of a Quorum

## INFORMATION/OTHER

13. Accepted Monthly Meeting Schedule
14. Accepted SCCRTC Staff Comment Letters on Draft Environmental Documents and Plans Prepared by Other Agencies

**5-12.43**

- a. Letter to City of Santa Cruz Regarding Draft Environmental Impact Report (EIR) for the Coast Hotel and Conference Center
15. Accepted Letters from SCCRTC Committees and Staff to Other Agencies on Policy Issues
  - a. Letter from Executive Director to AMBAG Regarding Bicycle Committee Involvement in the Sanctuary Bay Trail
  - b. Letter from Bicycle Committee to City of Santa Cruz Regarding Mission Street Extension K-Rails
  - c. Letter from Bicycle Committee to City of Santa Cruz Regarding San Lorenzo River Bicycle and Pedestrian Bridge
  - d. Letter from Bicycle Committee to County of Santa Cruz Regarding On Street Parking in Bicycle Lanes
  - e. Letter from Bicycle Committee to City of Santa Cruz Regarding San Lorenzo River Railroad Trestle Bridge
16. Accepted Miscellaneous Written Comments from the Public on SCCRTC Projects and Transportation Issues
17. Accepted Handouts from Staff and Commissioners at Previous Regional Transportation Commission Meeting
  - a. Letter from County Counsel to the SCCRTC Regarding the Use of Public Funds to Provide Information to the Public
  - b. Handouts from Commissioner Pat Spence Regarding the Rail Line Acquisition Business Plan
18. Accepted Information Items
  - a. Invoice from Guerilla Trail Builders for Materials for Section of Rail Trail
  - b. Dan Walters Column from the *Sacramento Bee* titled "Traffic Gets Worse as Lawmakers Shift Transportation Funds"
  - c. Article from the *San Francisco Chronicle* titled "Carpool Growth Coming"

SERVING AS THE SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

No Consent Items

REGULAR AGENDA

19. Commissioner Reports - None

5-12.94

## 20. Director's Report

Executive Director Linda Wilshusen reported that Congress approved another extension to TEA-21 and that reauthorization is now delayed until at least next year.

## 21. Caltrans Report

Rich Krumholz, Caltrans District 5, said that the Highway 9 project is going full speed and that the funding is competitive for the Highway 1/17 right-of-way due to shortfalls in the State Transportation Improvement Program.

He said that information about Caltrans projects is available on their website at [www.dot.ca.gov](http://www.dot.ca.gov) and that there is a link on the Commission's website to their website.

Commissioner Reilly asked for information about a new technology consisting of underground containers that treat and recycle water for landscaping. Mr. Krumholz said he would bring information back to the Commission.

Commissioner Reilly asked for an update on installing a stop sign at the Morrissey Boulevard exit. Mr. Krumholz said that Caltrans will be doing traffic counts during peak school hours and that he will bring information back to the Commission. Commissioner Reilly offered to provide Mr. Krumholz with a copy of a letter from Alan Pagano.

Kem Akol, SCCRTC Bike Committee, said he was extremely concerned about the Morrissey Boulevard intersection and had been bringing up the issue for 5 years. He suggested altering the center divide to allow a left turn pocket so that cyclists are not forced onto the sidewalk. He formally invited a Caltrans representative to attend a Bike Committee meeting.

## 22. Introduction of California Highway Patrol Captain, Christina Manriquez

Captain Manriquez was unable to attend the meeting and will reschedule for a future date.

Commissioners took Item 25 out of order after Item 22.

## 23. Article 8 Transportation Development Act (TDA) Claim from the City of Santa Cruz for Pedestrian/Bike Crossing Project at East Cliff Drive/Hiawatha Street

Commissioner Pirie moved and Commission Alternate Fitzmaurice seconded to approve the staff recommendations that the Regional Transportation Commission approve the City

5-12.95

of Santa Cruz's FY 2004/2005 Transportation Development Act (TDA) Article 8 project allocation request in the amount of \$40,000.

A roll call vote was taken and Commissioners Beautz, De La Paz, Fitzmaurice, Johnson, Norton, Pirie, Quintanilla, Schifffrin and Stone and approved the motion (Resolution 14-05) unanimously.

24. Article 8 Transportation Development Act (TDA) Claim from the City of Scotts Valley for Pedestrian Project on Glen Canyon Road

Commissioner Stone moved and Commissioner Pirie seconded to approve the Elderly & Disabled Transportation Advisory Committee and staff recommendations that the Regional Transportation Commission approve by resolution --the City of Scotts Valley's FY 2003/04 Article 8 Transportation Development Act Allocation Claim for the construction of sidewalks on the east side of Glen Canyon Road.

A roll call vote was taken and Commissioners Beautz, De La Paz, Fitzmaurice, Johnson, Norton, Pirie, Quintanilla, Schifffrin and Stone and approved the motion (Resolution 15-05) unanimously.

25. 9:30 a.m. Public Hearing on Proposed Amendment to the 2004 Regional Transportation Improvement Program (RTIP) to Provide Funds for Santa Cruz Metro's MetroBase Project (taken out of order after Item 23)

Senior Planner Rachel Moriconi reviewed the staff report saying that the SCMTD needed \$5 million for the MetroBase project by December in order to award contracts in time to meet Air Resources Board deadlines for conversion of their fleet to Compressed Natural Gas. She outlined a plan to exchange State Transportation Improvement Program (STIP) funds for local projects with future Regional Surface Transportation Program funds which would free up the necessary STIP funds for the SCMTD to use.

Commission Alternate Schifffrin asked if the California Transportation Commission (CTC) would have to approve the exchange and if they would be reluctant to do so. He also asked if getting STIP funding for FY06-07 and 07-08 could help the SCMTD's need for funding by December.

Ms. Moriconi said that the CTC would have to approve the exchange and would need to amend the STIP. She said the trade was revenue neutral and did not anticipate any problems with CTC approval. Ms. Moriconi said that if the Metro received the guarantee of STIP funds for FY06-07 and

5-12.96

07-08, it could bond against that money and use currently available cash to begin the Metro project in time to meet the December deadline.

SCMTD General Manager Les White confirmed that the agreement with the Air Resources Board was that the Metro would show evidence of its ability to begin conversion from diesel to CNG in 2005 and completion by 2010. He said the plan outlined by staff will allow the Metro to meet its deadline and thanked Senior Planner Moriconi and Deputy Director Pat Dellin for their work in finding a way to fund the project. Mr. White said that the \$40 million Phase 1 of the MetroBase project is proceeding and that a groundbreaking is expected in January 2005.

In answer to a question from Commissioner Reilly, Mr. White reported that, as a result of the Highway 17 express bus combining with the Amtrack connector buses, ridership has increased 99.1% over the same period last year. He said subsidies had been reduced and that Caltrans was so pleased that they are willing to put additional subsidies to meet Caltrain departures.

The Public Hearing was opened.

There was no public comment. The Public Hearing was closed.

Commissioner Spence asked about the process to amend the State Transportation Improvement Program (STIP) and the Federal Transportation Improvement Program (FTIP). Senior Planner Moriconi responded that if the Commission approved the recommendation it will be submitted to the CTC which will place it on their agenda for notice and then adopt it at a following meeting. She said the FTIP would be adopted soon thereafter, but that AMBAG is in charge of the FTIP and won't act until the CTC approves the STIP.

Commissioner Spence asked how projects included in the STIP would be affected if Congress did not reauthorize TEA-21. Ms. Moriconi said that Congress would have to do something, even if it was another extension.

Commissioner Keogh asked if the MetroBase project would be eligible to have an AB3090 designation for FY06-07. Ms. Moriconi said it could but was not necessary at this time.

Commissioner Norton moved and Commissioner Reilly seconded to approve the Interagency Technical Advisory Committee (ITAC) and staff recommendations that the Regional Transportation Commission:

5-12.47

1. Hold a public hearing on the proposal to program \$7.5 million in state and federal transportation funds to the Santa Cruz Metropolitan Transit District's MetroBase Consolidated Bus Operations Facility project; and
2. Approve the resolution amending the 2004 Regional Transportation Improvement Program (RTIP) to:
  - a. Trade \$6.4 million in FY05/06-06/07 State Transportation Improvement Program (STIP) funds for FY06/07-08/09 Regional Surface Transportation Program (RSTP) funds;
  - b. Program the freed up STIP funds and \$1.1 million of new FY08/09 RSTP funds, for a total of \$7.5 million, to the MetroBase project;
  - c. Update project listings for remaining STIP projects to be consistent with the adopted STIP; and
3. Work with the California Transportation Commission (CTC) and Association of Monterey Bay Area Governments (AMBAG) to amend the State Transportation Improvement Program (STIP) and the Federal Transportation Improvement Program (FTIP) to reflect these changes as soon as possible.

Commissioner Keogh asked to include designating the project as a candidate for AB3090 reimbursement into the motion.

Ms. Moriconi said that an AB3090 reimbursement request is not usually made unless the project sponsor is using cash that it intends to use for another project in the future, which is not the case at this time.

Les White agreed that the staff recommendations were sufficient for the Metro's needs and that the option for AB3090 reimbursement could be left open.

The motion (Resolution 16-05) was approved unanimously.

## 26. Status Report on Highway 1 Projects

Senior Planner Kim Shultz said AMBAG's Regional Travel Demand Report will be available in November. Mr. Shultz also reported that Nolte Associates had outlined an approach to determine appropriate locations for future pedestrian/bicycle over-crossings and will meet in late October with various groups to gather input. He also said they planned to make presentations on project alternatives derived through the Project Study Report prepared by Caltrans.

5-12.98



## 27. Post-Election Poll for Measure J

Senior Planer Tegan Speiser gave an update on the public information program for Measure J, noting that 118,000 mailers had been sent to all addresses in Santa Cruz County and that a second mailing to registered voters was scheduled for the third week of October. She said that the public information fliers would also be distributed to libraries and community centers.

Commissioner Reilly said that the Measure J fact sheet provided to Commissioners does not answer questions that she is frequently asked, such as why the Commission is moving forward with a tax measure before the Environmental Impact Report is completed, when will the EIR be completed and how long construction will take.

Ms. Speiser said that the fact sheet was a starting point and could be revised to address additional questions.

Deputy Director Pat Dellin noted that there is also a Highway 1 fact sheet that might answer some of these questions and that there were links on the Commission's website to the Highway 1 project. She said a page could be dedicated to FAQ's on the website.

Regarding the post-election poll, Ms. Speiser said it was preferable to conduct the poll right after the election when information was fresh in the minds of the voters. She said it would also help to differentiate between those against tax increases in general and those who were opposed to how the money was to be used. She added that it would be most helpful to poll if the margin of loss was small so that the Expenditure Plan could be adjusted. She said that if the loss were significant it might be necessary to revisit the Expenditure Plan entirely and not bother with a post-election poll. She said that planning a poll would cost about \$2500 whether the poll actually took place or not.

Commissioners debated whether polling right after the election or waiting until the next election would be better and discussed what the margin of loss would be to recommend a post-election poll.

Commissioner Stone suggested waiting until the November election had passed before making a decision whether to poll or not.

Commissioner Beautz said that waiting to authorize the expenditure until after the November election would not give the pollsters enough time to set up if the poll was to be conducted the weekend following the election.

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Commissioner Pirie suggested adding language to the resolution that the poll would only take place if the measure lost by a certain margin, allowing the Commission to approve the setup in advance of the election while not committing to an unnecessary poll.

Commission Alternate Schiffirin expressed his concerns that to poll the voters after the majority had defeated the measure was electioneering and not an appropriate way to spend public funds.

Commissioners continued to discuss their positions on a post-election poll.

Commissioner Pirie said, in the event the measure failed, she would want to know whether too much funding was allocated to other projects or if not enough was allocated and if the mix of projects should be changed. Commissioners Beautz and Johnson said the poll would be more definitive than speculative because the voters polled would be more informed and had actually made a decision on the issue.

Commission Alternate Schiffirin said every viewpoint would find support due to the variety of answers reported in the poll and Commission Alternate Fitzmaurice said he had a problem spending money on something that had already been voted on.

Commissioner Pirie suggested to only poll if the measure loses but received more than 57% of the vote.

Debbie Bulger opposed a post-election poll because she said the election itself is a poll of sorts. She said if the measure lost in an election, the money to set up a poll should be spent on something usable.

Mike Tomasi said not to spend any money on roads and to put money into fixing damage in Iraq and Afghanistan.

Commissioner Pirie made a motion to approve the staff recommendations that the Regional Transportation Commission:

1. Approve planning for and conducting a post-election poll in the event Measure J does not pass on November 2;
2. Approve a resolution authorizing a budget amendment and the expenditure of \$2,500 for poll planning and up to an additional \$20,000 for conducting a post-election poll in the event Measure J does not pass on November 2; and,

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3. Authorize the Executive Director to execute an agreement with a polling consultant to conduct a post-election poll in the event Measure J does not pass on November 2; with the addition that the poll is only done if the affirmative votes are above 57%.

Commission Alternate Quintanilla seconded and the motion (Resolution 17-05) passed with Commissioners Beautz, De La Paz, Johnson, Keogh, Pirie, Quintanilla and Spence voting in favor of it and Commissioners Fitzmaurice, Norton, Reilly, Schiffirin and Stone voting "no".

28. Next Meetings/Adjournment

Commission Alternate Schiffirin moved to cancel the Transportation Policy Workshop scheduled for Thursday, October 21, 2004 at 9:00 a.m. Commissioner Reilly seconded and the motion passed unanimously.

The next regular SCCRTC meeting is scheduled for Thursday, November 4, 2004 at 9:00 a.m. at Watsonville City Council Chambers, 215 Union Street, Watsonville, CA 95060.

The meeting adjourned at 10:55 a.m.

Respectfully submitted,

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Gini Pineda, Secretary

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ATTENDEES

<u>Name</u>	<u>Representing</u>
Robert Yount	
Bill Comfort	
Les White	SCMTD
Charles Sanchez	Caltrans
Debbie Bulger	Mission Pedestrians
Thomas Hiltner	SCMTD
Cheryl Schmitt	City of Santa Cruz
Kem Akol	
Ken Kannegaard	RMC Pacific Materials
Donna Ziel	
Genevieve Bookwalter	Santa Cruz <i>Sentinel</i>
Brian Seals	Santa Cruz <i>Sentinel</i>
Sandra Coley	PVTMA

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# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** November 19, 2004  
**TO:** Board of Directors  
**FROM:** Robyn Slater, Human Resources Manager  
**SUBJECT:** PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

## I. RECOMMENDED ACTION

**Staff recommends that the Board of Directors recognize the anniversaries of those District employees named on the attached list and that the Chairperson present them with awards.**

## II. SUMMARY OF ISSUES

- None.

## III. DISCUSSION

Many employees have provided dedicated and valuable years to the Santa Cruz Metropolitan Transit District. In order to recognize these employees, anniversary awards are presented at five-year increments beginning with the tenth year. In an effort to accommodate those employees that are to be recognized, they will be invited to attend the Board meetings to receive their awards.

## IV. FINANCIAL CONSIDERATIONS

None.

## V. ATTACHMENTS

**Attachment A:** Employee Recognition List

6.1

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**EMPLOYEE RECOGNITION**

**TEN YEAR**

None

**FIFTEEN YEARS**

None

**TWENTY YEARS**

Dennis R. Baldwin, Bus Operator  
Mario R. Espinoza, Bus Operator  
Mary E. Miller, Bus Operator  
Ascencion G. Sanchez, Bus Operator

**TWENTY-FIVE YEARS**

None

**THIRTY YEARS**

None

**Paratransit Coordination Task Force**  
**Minutes - Meeting #5**  
Wednesday, October 20, 2004, 2:00 – 5:00 pm  
Santa Cruz Civic Auditorium, ABC Room

Draft

Members Present:

Scott Bugental  
Richard Camperud  
Clay Kempf  
Steve Kudlak  
Paul Marcelin-Sampson  
Dennis Papadopulo  
Emily Reilly  
Pat Spence  
Ellen Timberlake  
Adam Tomazewski  
Stuart Rosenstein

Staff Present:

Bryant Baehr, SCMTD  
Mark Dorfman, SCMTD  
Hal  
  
Peg Gallagher, SCMTD  
Les White, SCMTD  
Karena Pushnik, SCCRTC  
Tegan Speiser, SCCRTC  
Link Spooner, Community Bridges  
Sam Storey, Community Bridges

Alternates Present (\* = voting):

Kirk Ance \*  
James Monroe  
Bonnie Morr\*  
Andy Schiffrin\*  
MaryJo Walker\*

Others/Guests Present:

Path Star, Stroke Center

**1. Introductions**

Attendees introduced themselves.

**2. Oral Communications**

Karena Pushnik announced that the Guide for Specialized Transportation is very popular and the Regional Transportation Commission (RTC) will be reprinting more in the near future. In addition, Spanish language and large print versions will also be developed. A sign-up sheet was distributed for the Spanish and large print versions to assist with determining printing quantities.

Paul Marcelin-Sampson urged members of the Task Force to support Measure J and to write letters to the editors of local papers.

Dennis Papadopulo thanked Santa Cruz Metropolitan Transit District (Metro) and Community Bridges staff for providing a presentation to Pleasant Care residents and staff about the ParaCruz transition.

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### 3. Additions or Deletions to the Agenda

There were none.

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### CONSENT AGENDA

*(Reilly/Timberlake with Items 4 and 5f pulled for discussion)*

#### 4. Minutes of the September 15, 2004 Paratransit Coordination Task Force

*(This item was pulled for discussion, see first item on the regular agenda)*

#### 5. Accepted Information Items

- a. 9/24/04 memo from Margaret Gallagher Metro Counsel regarding clarification of issues raised at the September Task Force presentation
- b. 9/27 letter from Metro regarding appointed positions to Task Force
- c. Letters of appreciation for Norm Hagen, Jr. and Kanoa Dynek former Metro Advisory Committee and Consumer of Fixed Route Transit representatives, respectively
- d. ParaCruz Update from October 22 Metro packet
- e. 8/25/04 Correspondence from Human Care Alliance and 9/10/04 response from County
- f. Correspondence from Anne Zhang

*(This item was referenced in the discussion for item #7, the ADA Paratransit Transition Update)*

### REGULAR AGENDA

#### 4. Minutes from the 9/15/04 Paratransit Coordination Task Force meeting

This item was pulled from the consent agenda and approved (Reilly/Timberlake with Flynn, Quintinella and Schiffrin abstaining) with the following amendments:

- Norm Hagen was removed the list of attendees (p.4-1),
- The following sentence regarding eligibility staff was changed from “Discussing the item in the absence of the person currently filling the position (who also sits on the task force) made one person uncomfortable” to “One person thought discussing this item in the absence of the person currently filling the position (who also sits on the task force) was inappropriate” (p.4-7)
- Clarification was provided that recertification figures quoted were from September 2003. (p.4-7)
- Clarification was provided about the recertification numbers to indicate that many of the people previously on the roles were duplicates, have moved or are deceased (p.4-8). Handouts were distributed as additional information.
- The discussion about agency rides was changed to read “Agency trips are when an organization calls Metro and says they want to have a certain number of guaranteed trips for a negotiated price. Booking these rides is outside the ADA paratransit situation and there’s no regulation or limitation on what the paratransit agency can charge.” (pp. 12-13)

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## 6. Mandates and Program Requirements *(Continued from August 18 Meeting)*

### a. Community Bridges

Using a PowerPoint presentation, Link Spooner provided an overview of the legal requirements and specific transportation program information. Included was background on the Consolidated Transportation Services Agency (CTSA) designation and eligibility information for their primary rides: Elderday Adult Day Care Center, Medi-Cal/Central Coast Alliance for Health, Transportation Development Act rides (Taxi Scrip, Medical Vouchers, Out-of-County Medical Rides/Red Cross and part of Stroke Center ride costs), and Meals on Wheels/Senior Meal Site Centers. Transportation Development Act funds are used not only to provide rides, but also for administration to support the transportation programs. Link highlighted the phone transfer system that will be installed to forward calls back and forth between Community Bridges and Metro.

Michael Bradshaw asked how the CTSA is designated. Karena Pushnik noted that the CTSA statutes were included in the packet which outline how the CTSA is designated, their responsibilities and duties.

Many people wanted to know more about how the Taxi Scrip program works, how many people are on the waiting list, the process to add new people to the waiting list, whether there was a process to regularly reevaluate whether people receiving scrip really need it, whether there was regular clerical review of the eligibility list and whether there were plans to prioritize disbursement of scrip based on prioritizing needs. Link noted that there are about 40 people currently on the waiting list and that the program serves the need for same day or on-demand rides, rides outside the ADA Paratransit service area and rides earlier/later than the ADA Paratransit service hour window. There is no expiration date on the Taxi Scrip, making it difficult to budget for this program. It was clarified that people will continue to call Community Bridges for Taxi Scrip. Community Bridges plans to discuss changes to the program with the Elderly & Disabled Transportation Advisory Committee and will bring their recommendations back to the Paratransit Coordination Task Force. Issues such as higher priority for out of the ADA Paratransit Service area and lower priority for individuals eligible for other transportation programs was discussed.

Questions ensued about differences between the Medi-Cal and Medical Voucher programs and whether there were waiting lists for the programs. Barbara Flynn answered that the Medi-Cal program has no waiting list. The program requires advance authorization which takes Community Bridges about 4 days, but can accommodate immediate need rides if necessary if the person contacts them directly. There are no limits to the number of rides that can be provided for Medi-Cal eligible rides. The Medical Voucher program has no waiting list, requires that a recipient be within 200% of the federal poverty level and was developed before there was an arrangement with Medi-Cal to provide rides. Applications for this program are received at a rate of about one per week. Medical Vouchers have expiration date and last about three months. This program is limited by the amount of Transportation Development Act (TDA) funds

available. It was agreed that the Medical Voucher program also warranted reevaluation and that this transition period was an opportunity to reexamine the cost effectiveness of the program.

Clay Kempf reminded the Task Force that the MSSP Taxi Scrip program also sends out taxi scrip to clients working through the County Health Services Agency case workers who are Medi-Cal eligible and at risk for institutionalization.

Proposed changes to the programs will be coordinated with the Paratransit Coordination Task Force recommendations, as the Task Force is charged with looking at the “big picture” and long term solutions. A goal is to get people on the “right ride” to avoid duplication and make the best use of precious resources. The transition of the ADA Paratransit program is seen as an opportunity to make changes in the programs.

Andy Schiffrin noted that the RTC currently does not really evaluate the Transportation Development Act claims and related information for any of the claimants including Community Bridges and Metro, but may request more information in the future.

**b. Others and Related information**

Paul Marcelin-Sampson called attention to the MedCAP article (pp. 6-16 to 6-19) noting that there were many good legal references in the article. He highlighted language from the article that Medi-Cal pays transportation costs when a client is physically unable to ride in cars, buses or taxis and said that Medi-Cal is required to be the provider of last resort.

Paul also reviewed the list of areas where Metro exceeds the legal requirements for transit and ADA paratransit. He suggested that the Task Force might want to identify priorities of additional services that could be provided should funding be available.

**7. ADA Paratransit Implementation Update (Continued from August 18 meeting)**

Bryant Baehr announced that the following was underway for ADA Paratransit or ParaCruz: Metro is fully gearing up for the November start date, the facility will be ready including computer and phone systems, vehicles will be transferred next Friday, staff is hired and will complete training on November 1, fueling and maintenance procedures are developed, clients have been contacted 3 to 4 times, and new identification cards and lanyards with the program name/phone number are currently being distributed.

Sam Storey noted that Community Bridges is in the process of transitioning staff out of the facility, is retaining eleven drivers and has hired an experienced scheduling manager. Community Bridges staff has been instructed to communicate transition information with everyone who calls.

Stroke Center representatives asked whether the Transit District would be enforcing the requirement that the rider have the cash fare ready before the trip. Metro staff indicated that a meeting with the Stroke Center was arranged, but had

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to be cancelled due to schedule conflicts. The Metro allows prepaid coupons that can be purchased by eligible ParaCruz clients. Several people felt that Stroke Center students, due to their cognitive abilities and “newly disabled” status should have flexibility to have the Stroke Center help with payment when they arrive, rather than pay before they take the trip. If there was a need to change the policy, the Metro Board would need to take action. Peg Gallagher noted that the item could be included in the ParaCruz transition item already on the October 22, 2004 agenda.

Emily wondered whether a custom contractual agreement could be drawn up with the Stroke Center. Les White said that there could be an arrangement where the Stroke Center sends a list of their clients who use ParaCruz, Metro mails the tickets directly to the clients and the Metro invoices the Stroke Center for those rides. The Metro will have a meeting with the Stroke Center in the near future. It was clarified that the Stroke Center is considered an educational facility, rather than a medical facility, thereby making it ineligible for ride Medi-Cal reimbursement. Ernestina Saldana questioned whether a special arrangement with the Stroke Center would set a precedent that would also apply to other destinations (such as Dominican Rehabilitation Center which also serves stroke patients or Elderday). Emily requested that the item be on the October Metro agenda. Peggy Gallagher requested a letter from the Stroke Center for the Board packet with more information about the issue.

There was interest in the “pre-paid” coupons. Bryant said that currently they can only be purchased and used by eligible ParaCruz clients. The coupons are not negotiable or transferable, but are not printed with client names. Clients can purchase coupons in person or by mail. Currently has not been a big demand to facilitate people buying tickets for those unable to buy their own tickets (e.g. legal guardians, as presents, etc.). Only individual tickets are currently available, but Metro hopes to make books of tickets available in the future. Andy Schiffrin noted that, because Metro is responsible for controlling all the rides, there would seem to be no down side to selling tickets to a wider range of entities which would ensure more revenue and would increase efficiency. It may make sense to reconsider this aspect of the program.

People expressed hope that, as members of a compassionate community, solutions could be found.

The chair went through the Metro and Community Bridges’ responses to the Task Force transition suggestions. It was clarified that: Metro has bilingual reservation staff, Karena Pushnik will contact Anne Zhang (Letter requesting ADA Paratransit service for oversized wheelchairs, Item #5, pp. 5-13) to let her know that Metro staff will contact her and see if they have vans that could accommodate her, Title 24 will be investigated, training also provided for Yellow Cab and the new private taxi operator, all drivers are First Aid/CPR trained, Metro will now begin to request emergency contact information for clients, Community Bridges and Metro will now track people living outside the service area, Metro can provide data about the number of people newly outside the service area due to route changes, Metro and other entities can pursue a Specialized Transportation forum or feature on Community TV’s senior programs, another entity such as the Elderly & Disabled Transportation Advisory Committee can pursue an all-purpose

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phone guide for residential care facilities (condensed version of the Guide for Specialized Transportation), Metro will disseminate refrigerator magnets with ParaCruz and Lift Line phone numbers, Metro hopes to have solution ideas for service provider contractual arrangements for people living outside the service area, and people can call Community Bridges now for rides provided after November 1.

The list, started at previous Task Force meetings, of unresolved issues and rides not apparently covered by existing specialized transportation services was continued this meeting (Attachment 1).

Emily Reilly, Scott Bugental and Paul Marcelin Sampson thanked Metro and Community Bridges for all their great work on the transition, the incorporation of Task Force suggestions and comprehensive outreach efforts.

The next meeting will feature an update on the Stroke Center rides, prepaid coupons, large wheelchair issues, and numbers of people and contractual options for providing rides to people outside the ADA ParaCruz service area.

#### **8. Demographics and Definitions (*Continued from August 18 meeting*)**

Paul Marcelin-Sampson and Pat Spence presented demographic information from the Census and Department of Finances outlining past trends, current ParaCruz use and future projections to develop future ridership projections for ParaCruz. Steve Paulson, Metro staff, was acknowledged as inspiration. Paul asked Task Force members to focus on the senior population as a percentage of the whole population. Pat Spence suggested that if Measure J passes, the senior/disabled transportation funds may not be needed until the later years of the 30-year sales tax measure. Paul Marcelin-Sampson projects that the pressures on ParaCruz won't be unbearable until 2030.

Task Force members noted that: the actual numbers are more important than the percentages, since funds are needed on a cost per ride and advance planning will be necessary to have systems in place to meet the needs, trend have been proven wrong (in 1950, the senior population was 50% of the total population, as compared with the current rate of 10%) and that an annual growth rate in the senior population of 2.5% is substantial.

#### **9. Review Task Force Goals and Work Plan**

Andy Schiffrin noted that the Task Force developed a set of Goals/Objectives and a Work Plan early in the process and that, given the major changes in the provision of ADA Paratransit service and the time taken to address transition issues, it might be a good idea time for reevaluate of the Work Plan. He asked the group to consider the following questions:

- Where do we go from here?
- What can be done to focus on long term solutions?
- How should the task force proceed?

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- What recommendations can be developed for the short term by the task force?

He proposed that the next two meetings focus on the remaining goals of funding effectiveness/efficiency and customer service/satisfaction. Task Force members asked that previously identified issues be included to build on earlier discussions and avoid “covering ground that was already covered.” Staff reports for the next two meetings will reference prior discussions and the group will work on identifying short and long term recommendations. The Task Force can decide whether it is necessary to schedule meetings beyond December 2004 at the November meeting.

**10. Confirm Next Meeting:**

The next meeting was confirmed for November 17, 2004 from 2:00 – 5:00p.m at the ABC Room of the Civic Auditorium.

**11. Adjourn**

The meeting adjourned at 5:00pm.

Respectfully submitted by,

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Karena Pushnik  
Sr. Transportation Planner

Attachment 1: “Pick Up” List of issues and uncovered ride types

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# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** November 19, 2004  
**TO:** Board of Directors  
**FROM:** Elisabeth Ross, Finance Manager  
**SUBJECT:** ACCEPTANCE OF FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR FOR YEAR ENDING JUNE 30, 2004

## I. RECOMMENDED ACTION

**Staff recommends that the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ending June 30, 2004.**

## II. SUMMARY OF ISSUES

- The financial statements and report of the independent certified public accountants (Attachment A) present the District's financial position at June 30, 2004, with a comparison to the position at June 30, 2003. The auditors have found that the District's financial statements present fairly the financial position of the District.
- The auditors found the District to be in compliance with the financial reporting requirements for grants and other financial assistance.
- In the schedule of findings and questioned costs, the auditors had no new findings.
- Note 5 in the financial statements shows the District's total available net assets and the amounts designated for various funds.
- Five recommendations are identified in Attachment C which are intended to improve the District's internal control structure.

## III. DISCUSSION

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

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

10.1

The District's total net assets are \$46,545,650 at June 30, 2004 (page 8), up \$1,915,027 from the prior year. The statements of revenues and expenses (page 9) indicate a net loss in the amount of \$3,407,182 for the year ending June 30, 2004. While operating revenue (fares) and Federal operating assistance increased, sales tax revenue and interest income decreased from the prior year.

The statements of operating expenses (page 24) indicate that the District's total operating expenses increased by \$509,111 or 1.5% from the prior year. The largest changes in operating expense are a \$369,979 increase in workers compensation expense (21%), a \$408,423 decrease in professional and technical services (-55%), and a \$291,365 increase in vision, medical and dental plans (10%).

The balance sheets (pages 7-8) provide an overall summary of the District's position. To determine the amount of available net assets for cash flow and funding capital projects for the next five years, staff has worked with the auditors to develop the schedule in Note 5 (Page 18). At June 30, 2004, this schedule shows total available net assets of \$17,682,117, comprised of a cash flow reserve of \$2,600,000, a workers compensation reserve of \$1,320,000, an insurance reserve of \$770,000, an alternative fuel conversion fund of \$462,000, a bus stop improvement reserve of \$400,000 and \$17,266,476 for the District's share of approved capital projects. This leaves a deficit balance of \$5,136,181 in available net assets which means the five year capital improvement program is not fully funded.

In the schedule of findings and questioned costs (pages 32-33), the auditors had no new findings.

Attachment B is a standard letter that the auditors are required to prepare addressing certain topics. The letter defines their responsibilities, significant accounting policies, and significant audit adjustments. In the letter they also reported that they had no disagreements with management or difficulties performing the audit.

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

I would like to recognize Marilyn Fenn, Assistant Finance Manager, for her efforts in coordinating this year's audit with the team from Brown Armstrong.

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

There is no fiscal impact from the Board's acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA) payments from the Santa Cruz County Regional Transportation Commission, the final audit must be submitted to the Commission.

**V. ATTACHMENTS**

- Attachment A:** Financial Statements and Reports of Independent Certified Public Accountants for the years ending June 30, 2004 and 2003
- Attachment B:** Letter from Brown Armstrong
- Attachment C:** Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls and/or Financial Reporting



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

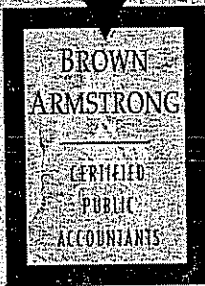
**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2004 AND 2003**

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
JUNE 30, 2004 AND 2003

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**INDEPENDENT AUDITOR'S REPORT**

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

Eric H. Xin, MBA, CPA  
Lynn R. Krausse, CPA, MST  
Bradley M. Hankins, CPA  
Melinda A. McDaniels, CPA  
Thomas M. Young, CPA  
Amanda E. Wilson, CPA  
Sharon Jones, CPA, MST  
Diana Branthoover, CPA  
Rosalva Flores, CPA  
Debbie A. Rapp, CPA  
Julie A. Auvil, CPA  
Connie M. Perez, CPA

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of June 30, 2004 and 2003, as listed in the table of contents. These basic financial statements are the responsibility of the Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Santa Cruz Metropolitan Transit District, as of June 30, 2004 and 2003, and the results of its operations and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2004 on our consideration of the Santa Cruz Metropolitan Transit District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION



Bakersfield, California  
August 19, 2004

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2004 AND 2003**

## **Introduction**

This report provides a narrative and analytical overview of the financial activities of the Santa Cruz Metropolitan Transit District (the District) with selected comparative information for the years ended June 30, 2004 and 2003. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

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

## **The Financial Statements**

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

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

The Statement of Revenue, Expenses and Changes in Fund Net Assets reports the *operating* revenues and expenses, *non-operating* revenues and expenses and *capital grant* revenues. The current year increase or decrease in net assets is combined with the prior year ending balance of net assets. The Supplemental Revenue, Expense & Performance Report, contained in this section of the financial statements, is based on FTA reporting requirements.

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

The Statement of Operating Expenses, located in the Supplementary Information section of the financial statements, reports expenditures in greater detail. The Schedule of Expenditures of Federal Awards reports the major federally-funded capital expenditures for the year.

## **Financial Highlights**

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

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2004 AND 2003**

**Condensed Statement of Net Assets:**

	2004	2003	Increase/(Decrease)	
			Amount	%
Total Assets	<u>\$ 65,497,349</u>	<u>\$ 62,204,912</u>	<u>\$ 3,292,437</u>	<u>5%</u>
Total Liabilities	<u>\$ 18,951,699</u>	<u>\$ 17,574,289</u>	<u>\$ 1,377,410</u>	<u>8%</u>
Total Net Assets	<u>\$ 46,545,650</u>	<u>\$ 44,630,623</u>	<u>\$ 1,915,027</u>	<u>4%</u>

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

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

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

	2004	2003	Increase/(Decrease)	
			Amount	%
Operating Revenues	\$ 6,986,917	\$ 5,898,305	\$ 1,088,612	18%
Operating Expenses	<u>(34,183,039)</u>	<u>(33,673,928)</u>	<u>(509,111)</u>	<u>2%</u>
Operating Loss	(27,196,122)	(27,775,623)	579,501	-2%
Nonoperating Revenues	23,788,940	22,395,493	1,393,447	6%
Capital Contributions	<u>5,322,209</u>	<u>12,761,993</u>	<u>(7,439,784)</u>	<u>-58%</u>
Increase in Net Assets	<u>\$ 1,915,027</u>	<u>\$ 7,381,863</u>	<u>\$ (5,466,836)</u>	<u>-74%</u>

Operating revenue increased primarily due to the fare increase adopted by the Board of Directors effective July 1, 2003. Non-operating revenues increased 6% due to the decision by management to maximize FTA Section 5307 operating assistance.

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

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

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2004 AND 2003**

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

	<u>2004</u>	<u>2003</u>	<u>% Change</u>
<b>Revenues</b>			
Passenger Fares	\$ 6,986,917	\$ 5,898,305	18.5%
Sales Tax	15,135,227	15,263,828	-0.8%
State Operating Assistance	27,820	113,856	-75.6%
Non-Operating Revenues	570,559	684,516	-16.6%
TDA <sup>(1)</sup>	5,337,724	5,134,522	4.0%
Federal Operating Assistance <sup>(2)</sup>	<u>2,910,159</u>	<u>1,460,244</u>	<u>99.3%</u>
<b>Total Operating Revenue</b>	<b>\$ 30,968,406</b>	<b>\$ 28,555,271</b>	<b>8.5%</b>
<b>Expenses</b>			
Route Operation	\$ 18,061,677	\$ 17,147,461	5.3%
Vehicle Maintenance	4,910,489	4,736,070	3.7%
Facilities Maintenance	1,393,257	1,299,890	7.2%
General Administration	<u>5,775,409</u>	<u>6,152,145</u>	<u>-6.1%</u>
<b>Total Operating Expense (excluding depreciation)</b>	<b>\$ 30,140,832</b>	<b>\$ 29,335,566</b>	<b>2.7%</b>
<b>Performance Indicators</b>			
Total Passengers	5,823,607	6,136,352	-5.1%
Revenue Hours	233,495	240,788	-3.0%
Revenue Miles	3,403,012	3,388,399	0.4%
Farebox Recovery Ratio <sup>(3)</sup>	23.2%	20.1%	15.3%
Cost/Passenger	\$ 5.18	\$ 4.78	8.3%
Cost/Hour	\$ 125.64	\$ 121.85	3.1%
Cost/Mile	\$ 8.86	\$ 8.66	2.3%
Full Time Equivalent Employees	291	290	0.3%
Active Fleet (Excluding Paratransit)	114	111	2.7%

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

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

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

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2004 AND 2003**

**Condensed Statement of Cash Flows:**

	<u>2004</u>	<u>2003</u>	<u>Change</u>
Net Cash Used in Operating Activities	\$ (22,420,609)	\$ (23,340,749)	\$ 920,140
Net Cash Provided by Non-Capital Financing Activities	23,440,477	22,177,595	1,262,882
Net Cash Used in Capital and Related Financing Activities	300,130	(751,254)	1,051,384
Net Cash Provided by Non-Transportation Activities	<u>428,070</u>	<u>544,669</u>	<u>(116,599)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,748,068	(1,369,739)	3,117,807
Cash and Cash Equivalents, Beginning of Year	<u>26,892,564</u>	<u>28,262,303</u>	<u>(1,369,739)</u>
Cash and Cash Equivalents, End of Year	<u>\$ 28,640,632</u>	<u>\$ 26,892,564</u>	<u>\$ 1,748,068</u>

Overall, the total cash and investments held by the District at the end of the year increased by \$1,748,068 which recoups the \$1,369,739 decrease at June 30, 2003. The increase allowed the District to repay the reserve fund for the one-time loan to balance the FY2002-2003 budget. Strategies implemented to achieve this result included increasing fares revenue, converting capital grant funds to operating funds, reducing operating costs and postponing STA funded acquisitions.

**Contacting the District's Financial Management**

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



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF NET ASSETS  
JUNE 30, 2004 AND 2003**

	2004	2003
<u>ASSETS</u>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 19,910,032	\$ 18,866,603
Sales Tax and Other Receivables	3,583,586	3,499,002
Inventory	824,256	814,045
Prepays	171,470	77,049
Total Current Assets	24,489,344	23,256,699
<b>RESTRICTED ASSETS</b>		
Cash and Cash Equivalents	8,730,600	8,025,961
<b>PROPERTY AND EQUIPMENT</b>		
Building and Improvements	10,414,360	10,419,320
Transportation Vehicles	36,299,525	32,275,993
Operations Equipment	2,942,838	2,685,368
Other Equipment	1,279,607	1,279,607
Other Vehicles	855,238	892,920
Office Equipment	1,093,534	1,294,699
	52,885,102	48,847,907
Less Accumulated Depreciation	(25,335,025)	(21,773,040)
	27,550,077	27,074,867
Construction in Progress	963,826	83,883
Land	3,763,502	3,763,502
Total Property and Equipment	32,277,405	30,922,252
<b>TOTAL ASSETS</b>	<b>\$ 65,497,349</b>	<b>\$ 62,204,912</b>

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

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**STATEMENTS OF NET ASSETS (Continued)**  
**JUNE 30, 2004 AND 2003**

	2004	2003
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 916,864	\$ 879,522
Accrued Payroll and Employee Benefits	2,990,913	2,682,972
Workers' Compensation Liabilities	1,412,964	2,606,201
Other Accrued Liabilities	473,218	472,207
Security Deposit	17,364	15,714
Deferred Revenue	-	21,872
	5,811,323	6,678,488
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Deferred Revenue - Settlement Agreement	6,846,372	6,758,106
Deferred Revenue - STA Grant	1,884,229	1,267,855
	4,409,775	2,869,840
<b>LONG-TERM LIABILITIES</b>		
Workers' Compensation Liabilities	4,409,775	2,869,840
	18,951,699	17,574,289
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	32,277,405	30,922,252
Unrestricted Net Assets	14,268,245	13,708,371
	46,545,650	44,630,623
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 65,497,349	\$ 62,204,912

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

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003**

	<u>2004</u>	<u>2003</u>
<b>OPERATING REVENUES</b>		
Passenger Fare	\$ 4,477,117	\$ 3,623,650
Special Transit Fare	<u>2,509,800</u>	<u>2,274,655</u>
Total Operating Revenues	<u>6,986,917</u>	<u>5,898,305</u>
<b>OPERATING EXPENSES</b>		
Wages, Salaries and Employee Benefits	22,396,961	21,026,370
Purchased Transportation Services	2,394,965	2,565,373
Material and Supplies	2,247,959	2,020,621
Other Expenses	3,100,947	3,723,202
Depreciation	<u>4,042,207</u>	<u>4,338,362</u>
Total Operating Expenses	<u>34,183,039</u>	<u>33,673,928</u>
Net Operating Loss	<u>(27,196,122)</u>	<u>(27,775,623)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Sales and Use Tax	15,135,227	15,263,828
Transportation Development Act Assistance	5,337,724	5,134,522
Section 9/5307 Operating Assistance	2,804,435	1,229,934
Section 18/5307 Operating Assistance	65,704	46,701
Other Federal Assistance	40,020	183,609
Other State Assistance	27,820	113,856
Interest Income	274,065	400,059
Rental Income	154,005	144,610
Other Revenue	142,489	139,847
Loss on Sale of Property, Equipment, and Inventory	<u>(192,549)</u>	<u>(261,473)</u>
Total Non-Operating Revenues (Expenses)	<u>23,788,940</u>	<u>22,395,493</u>
Net Loss Before Capital Contributions	<u>(3,407,182)</u>	<u>(5,380,130)</u>
<b>CAPITAL CONTRIBUTIONS</b>		
Grants Restricted for Capital Expenditures	<u>5,322,209</u>	<u>12,761,993</u>
<b>NET ASSETS</b>		
Increase in Net Assets	1,915,027	7,381,863
Total Net Assets, Beginning of Year	<u>44,630,623</u>	<u>37,248,760</u>
Total Net Assets, End of Year	<u>\$ 46,545,650</u>	<u>\$ 44,630,623</u>

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

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003**

	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts From Customers	\$ 6,938,675	\$ 5,872,743
Payments to Employees	(21,742,322)	(20,959,654)
Payments to Suppliers	(7,616,962)	(8,253,838)
	(22,420,609)	(23,340,749)
<b>Net Cash (Used in) Operating Activities</b>		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Operating Grants Received, Including Sales and Use Tax	23,494,390	22,029,773
Other Nonoperating	(53,913)	147,822
	23,440,477	22,177,595
<b>Net Cash Provided by Noncapital Financing Activities</b>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds From Sale of Property and Equipment	24,261	25,110
Capital Grants Received	5,890,039	14,001,424
Capital Expenditures	(5,614,170)	(14,777,788)
	300,130	(751,254)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment and Rental Income Received	428,070	544,669
	428,070	544,669
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,748,068	(1,369,739)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	26,892,564	28,262,303
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 28,640,632	\$ 26,892,564
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH (USED IN) OPERATING ACTIVITIES</b>		
Operating Loss	\$ (27,196,122)	\$ (27,775,623)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:		
(Gain) Loss on Sale of Fixed Assets and Inventory	192,549	261,473
Depreciation	4,042,207	4,338,362
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(48,242)	(25,562)
(Increase) Decrease in Inventory	(10,211)	48,554
(Increase) Decrease in Prepaid Expenses	(94,421)	(39,547)
Increase (Decrease) in Accounts Payable	37,342	173,143
Increase (Decrease) in Other Liabilities	656,289	(321,549)
	656,289	(321,549)
<b>Net Cash Used in Operating Activities</b>	\$ (22,420,609)	\$ (23,340,749)

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

10.912

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004 AND 2003**

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

**A. Description of Organization**

The Santa Cruz Metropolitan Transit District (the District) was formed February 9, 1969, following a favorable election in conformity with Section 9800 *et. seq.* of the Public Utilities Code. The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola and the unincorporated areas of Santa Cruz County. The District is governed by a Board of eleven directors, and one Ex-Officio director representing the University of California, Santa Cruz. At June 30, 2004, the directors were as follows:

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

**B. Reporting Entity**

The District and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of GASB Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District. For the years ending June 30, 2004 and 2003, this activity was minimal.

**Scope of Public Service:**

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

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

**Accountability:**

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

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

**C. Basis of Accounting and Presentation**

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

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

The District adopted GASB Statement No. 38, *Certain Financial Statement Note Disclosures* for the year ended June 30, 2003, and applied the standard on a retroactive basis. GASB 38 modifies, establishes, and rescinds certain financial statement disclosure requirements.

**Contributed Capital/Reserved Retained Earnings:**

The District receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant have been incurred. Capital grant funds earned, less amortization equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District changed its method of accounting for capital grants from capital contributions to reserved nonoperating revenues. In accordance with GASB No. 33, capital grants are required to be included in the determination of net income resulting in an increase in net revenue of \$5,322,209 and \$12,761,993 for the fiscal years 2004 and 2003, respectively.

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

**Retained Earnings:**

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

**Proprietary Accounting and Financial Reporting:**

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

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

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

**Net Assets:**

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

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

**D. Cash and Cash Equivalents**

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

**E. Inventory**

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

**F. Restricted Assets**

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

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

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents		
Federal Transit Administration Grant	\$ 6,846,372	\$ 6,758,106
State Transit Assistance Grant	<u>1,884,228</u>	<u>1,267,855</u>
Total Restricted Assets	<u>\$ 8,730,600</u>	<u>\$ 8,025,961</u>

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

**G. Property and Equipment**

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

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

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

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

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

**H. Sales and Use Tax**

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

**I. Operating Assistance Grants**

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

**J. Self-Insurance**

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

**K. Employee Benefits**

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

**L. Payroll**

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

10.916



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

**M. Pension Costs**

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

**N. Use of Estimates**

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

**O. Reclassifications**

Certain reclassifications have been made to the prior year financial statements to comply with the retroactive application of GASB Statement No. 34.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

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

	<u>2004</u>	<u>2003</u>
Cash on hand	\$ 37,765	\$ 45,521
Demand deposits	675,249	328,154
Deposits in Santa Cruz County Pooled Investment Fund	<u>27,927,618</u>	<u>26,518,889</u>
	<u>\$ 28,640,632</u>	<u>\$ 26,892,564</u>

**Cash on Hand and Cash in Banks**

Cash is maintained in a financial institution, which provides deposit protection on the bank balance from the Federal Deposit Insurance Corporation. Additionally, the California Government Code requires all financial institutions to maintain an investment pool equal to 110% of all government deposits held by the institution as collateral for such deposits.

Cash is categorized below to give an indication of the level of risk assumed by the District. Category 1 includes cash balances that are insured in the District's name. Category 2 includes cash balances for which the collateral securities are held by the financial institution in the District's name. Category 3 includes uninsured cash balance for which the collateral securities are held by the financial institution but not in the District's name.

Cash at June 30, 2004 consists of the following:

	<u>SCMTD</u>	<u>Bank Balance</u>	<u>Bank Balance Categories</u>		
			<u>1</u>	<u>2</u>	<u>3</u>
Demand Deposits	\$ 675,249	<u>\$ 620,275</u>	<u>\$ 100,000</u>	<u>\$ 520,275</u>	<u>\$ -</u>
Cash on Hand	<u>37,765</u>				
	<u>\$ 713,014</u>				

10.917

**NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)**

Cash on Hand and Cash in Banks (Continued)

Cash at June 30, 2003 consists of the following:

	SCMTD	Bank Balance	Bank Balance Categories		
			1	2	3
Demand Deposits	\$ 328,154	\$ 503,684	\$ 100,000	\$ 403,684	\$ -
Cash on Hand	45,521				
	<u>\$ 373,675</u>				

Investments

At June 30, 2004 and 2003, the District had \$27,927,618 and \$26,518,889, respectively, invested in the Santa Cruz County Pooled Investment Fund. Pooled cash held in the County Investment Fund is considered uncategorized. In accordance with GASB guidelines, the District has marked all investments to their market value.

**NOTE 3 - RECEIVABLES**

Receivables at June 30, are as follows:

	2004	2003
Federal grants	\$ 302,260	\$ 96,764
State grants	205,353	358,360
Local grants	27,449	68,298
Sales tax revenue	2,451,500	2,504,500
Other	597,024	471,080
	<u>\$ 3,583,586</u>	<u>\$ 3,499,002</u>

10.918

#### NOTE 4 - CHANGES IN CAPITAL ASSETS

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

##### June 30, 2004

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

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

##### June 30, 2003

	Balance July 1, 2002	Additions and Transfers	Retirements and Transfers	Balance June 30, 2003
<b>Non Depreciated Assets</b>				
Land	\$ 3,763,502	\$ -	\$ -	\$ 3,763,502
Construction-in-progress	175,648	83,883	(175,648)	83,883
<b>Total Non Depreciated Assets</b>	<b>3,939,150</b>	<b>83,883</b>	<b>(175,648)</b>	<b>3,847,385</b>
<b>Depreciated Assets</b>				
Building and Improvements	10,083,303	338,433	(2,416)	10,419,320
Revenue Vehicles	20,193,225	13,634,322	(1,551,554)	32,275,993
Operations Equipment	2,035,645	667,194	(17,471)	2,685,368
Other Equipment	1,243,396	36,211	-	1,279,607
Other Vehicles	793,543	104,836	(5,459)	892,920
Office Equipment	1,300,970	67,530	(73,801)	1,294,699
<b>Total Depreciated Assets</b>	<b>35,650,082</b>	<b>14,848,526</b>	<b>(1,650,701)</b>	<b>48,847,907</b>
<b>Less Accumulated Depreciation</b>	<b>(18,952,815)</b>	<b>(4,338,362)</b>	<b>1,518,137</b>	<b>(21,773,040)</b>
<b>Depreciated Assets Net of Accumulated</b>	<b>16,697,267</b>	<b>10,510,164</b>	<b>(132,564)</b>	<b>27,074,867</b>
<b>Total</b>	<b>\$ 20,636,417</b>	<b>\$ 10,594,047</b>	<b>\$ (308,212)</b>	<b>\$ 30,922,252</b>

Depreciation expense at June 30, 2003 was \$4,338,362.

10.9.19

**NOTE 5 - AVAILABLE NET ASSETS**

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

	<u>2004</u>	<u>2003</u>
Current assets	\$ 24,489,344	\$ 23,256,699
Current liabilities	<u>(5,811,323)</u>	<u>(6,678,488)</u>
Working capital	18,678,021	16,578,211
Less:		
Inventory	(824,256)	(814,045)
Prepaid expenses	<u>(171,470)</u>	<u>(77,049)</u>
Total available net assets	<u>17,682,295</u>	<u>15,687,117</u>
Net assets designated for the following:		
Cash flow	(2,600,000)	(2,600,000)
Workers' compensation reserve	(1,320,000)	(1,320,000)
Insurance reserve	(770,000)	(770,000)
Alternative fuel conversion fund	(462,000)	(462,000)
Bus stop improvements reserve	(400,000)	(400,000)
Net assets required to fund transportation improvement programs for the fiscal years 2004-2008	<u>(17,266,476)</u>	<u>(13,350,000)</u>
Available undesignated net assets (deficits)	<u>\$ (5,136,181)</u>	<u>\$ (3,214,883)</u>

**NOTE 6 - CAPITAL GRANTS**

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

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

	<u>2004</u>	<u>2003</u>
Federal grants	\$ 1,376,779	\$ 8,927,343
State grants	3,925,658	3,002,988
Local grants	<u>19,772</u>	<u>831,662</u>
Total Capital Assistance	<u>\$ 5,322,209</u>	<u>\$ 12,761,993</u>

**NOTE 7 - COMMITMENTS**

The District leases a number of its facilities under operation leases extending through 2008. For the years ended June 30, 2004 and 2003, rental expense relating to the leases was \$569,436 and \$567,970, respectively. The District also leases to others retail space in their transit facilities under noncancelable agreements. Minimum lease payments and receipts for existing operating leases are as follows:

<u>Year Ending June 30</u>	<u>Lease Commitments</u>	<u>Rental Income</u>	<u>Net</u>
2005	\$ 575,706	\$ 129,286	\$ 446,420
2006	221,670	49,472	172,198
2007	18,628	18,779	(151)
2008	19,372	16,555	2,817
2009	-	4,221	(4,221)
	<u>\$ 835,376</u>	<u>\$ 218,313</u>	<u>\$ 617,063</u>

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

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

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

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

	<u>2003</u>	<u>2002</u>
Total assets	\$ 10,703,599	\$ 11,385,304
Total liabilities	<u>9,531,874</u>	<u>8,102,421</u>
Fund Balance	<u>\$ 1,171,725</u>	<u>\$ 3,282,883</u>
Total revenues	\$ 4,401,469	\$ 3,574,558
Total expenditures and cumulative effect of accounting change	<u>6,512,626</u>	<u>3,005,535</u>
Net Increase (Decrease) in Fund Balance	<u>\$ (2,111,157)</u>	<u>\$ 569,023</u>

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

**NOTE 9 - WATSONVILLE FLEET MAINTENANCE FACILITY**

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

**NOTE 9 - WATSONVILLE FLEET MAINTENANCE FACILITY (Continued)**

In addition, due to design and construction deficiencies by the design and building contractors involved in the original project, the District initiated litigation against the contractors and came to a settlement agreement with said contractors on May 30, 1995. In accordance with this agreement, the contractors remitted \$4,776,858 (including \$171,538 in costs) to the District during fiscal year 1996, representing damages less attorney fees. The use of these proceeds, and the interest earned thereon, is restricted by FTA Section 3/5309. Accordingly, the net restricted amount of \$6,846,372 and \$6,758,106 is reflected on the statements of net assets as deferred revenue at June 30, 2004 and 2003, respectively.

The District is currently engaged in the planning and design of a new fleet maintenance facility with RNL Design. The District has entered into negotiations, with the assistance of the City of Santa Cruz Redevelopment Agency, for the purchase of the adjoining property at 120 Golf Club Drive.

The District is also contracting with RNL Design to design both fueling and operations facilities on a common site. The property adjoining the current operations facility, at 1120 River Street, was purchased on July 20, 2004. The City of Santa Cruz Redevelopment Agency is assisting with relocation services. Demolition is expected to begin before the end of 2004.

**NOTE 10 - CONTINGENCIES**

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

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

**NOTE 11 - DEFINED BENEFIT PENSION PLAN**

Plan Description

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

Funding Policy

There are 293 active plan members in the Fund as of June 30, 2004, which are required to contribute a percent of their annual covered salary. In lieu of salary increases and for employees who agreed to salary reductions in certain prior years, the District agreed to pay a portion of the employee contribution, based on negotiated formulas. The District is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2004 was 1.089%. 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.

10.222

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

Annual Pension Cost

For fiscal year ended June 30, 2004, the District's annual pension cost of \$1,024,064 was equal to the District's required and actual contributions. This includes the District's contribution to the employee contribution requirement. The required contribution for fiscal year ended June 30, 2004 was determined as part of the June 30, 2001 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administration expenses); (b) projected salary increases that vary by duration of service ranging from 3.75% to 14.20% for miscellaneous members, and (c) 3.75% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.5%. The actuarial value of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three year period. The Plan's excess assets are being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2004 was 15 years.

Three-Year Trend Information for the Fund

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2002	\$ 847,843	100%	\$ -
6/30/2003	\$ 845,923	100%	\$ -
6/30/2004	\$ 1,024,064	100%	\$ -

Required Supplementary Information

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

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/2000	\$37,219,840	\$53,308,298	\$(16,088,458)	143.2%	\$11,113,415	(144.766)%
6/30/2001	\$44,805,153	\$56,109,004	\$(11,303,851)	125.2%	\$12,209,377	(92.600)%
6/30/2002	\$50,823,042	\$54,728,235	\$(3,905,193)	107.70%	\$13,697,134	(28.500)%

**NOTE 12 - POST-RETIREMENT BENEFITS**

The District provides post-retirement benefits to its employees who have completed at least ten years of full-time service with the District, have reached the age of 50 and have retired under the provisions of CalPERS while an employee of the District. The District pays a portion of the premiums for medical insurance for retirees and eligible dependents. The District also provides dental, vision and life insurance plan coverage of retirees and eligible dependents until the retiree attains the age of 65. Bus operators who retired and reached the age of 65 prior to June 30, 1994, will continue to receive dental and vision coverage beyond age 65. Life insurance is not provided to management retirees. The costs of providing these benefits are recognized when paid. The District has recognized approximately \$790,526 and \$706,924 of expense for these benefits for the years ending June 30, 2004 and 2003, respectively.

**NOTE 13 - DEFERRED COMPENSATION PLAN**

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

At June 30, 2004, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying balance sheet as required under Statement No. 27 of the Governmental Accounting Standards Board, *Accounting Standards for Pensions by State and Local Governmental Employers*.

**NOTE 14 - RISK MANAGEMENT**

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

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

Unpaid claims, beginning of fiscal year	\$ 5,476,041
Incurred claims (including IBNR's)	1,539,935
Claim payments	<u>(1,193,237)</u>
Unpaid claims, end of fiscal year	<u>\$ 5,822,739</u>

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

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

**Section 6634**

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

**Section 6637**

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



**NOTE 15 - TRANSPORTATION DEVELOPMENT ACT/CALIFORNIA ADMINISTRATIVE CODE**  
(Continued)

Sections 99267 and 99268.1

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

**NOTE 16 - COMPLEMENTARY PARATRANSIT SERVICE**

The Board of Directors of the District has elected to discontinue outsourcing the delivery of complementary paratransit service. Federal law mandates the delivery of complementary services to eligible, certified riders who ride within three-quarters of a mile of fixed-route service. The District begins delivering this service around November 1, 2004. The long-term financial impact of this change is unknown at this time.

**SUPPLEMENTARY INFORMATION**

10.926

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF OPERATING EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003**

	<u>2004</u>	<u>2003</u>
Labor		
Operators' salaries and wages	\$ 5,857,789	\$ 5,704,261
Other salaries and wages	5,461,410	5,210,492
Overtime	1,530,073	1,381,383
Fringe Benefits		
Absence with pay	2,629,351	2,622,853
Pension plans	1,024,064	845,923
Vision, medical, and dental plans	3,220,814	2,929,449
Workers' compensation insurance	2,171,623	1,801,644
Disability insurance	366,895	429,813
Other fringe benefits	134,942	100,552
Services		
Accounting	56,594	77,877
Administrative and banking	211,929	207,606
Professional and technical services	332,279	740,702
Security	314,770	299,589
Outside repairs	362,262	434,962
Other services	158,995	164,107
Materials and Supplies Consumed		
Fuels and lubricants	1,306,688	1,121,221
Tires and tubes	158,150	136,455
Vehicle parts	495,571	400,291
Other materials and supplies	287,550	362,654
Utilities	298,166	300,212
Casualty and Liability Costs	638,994	769,663
Taxes and Licenses	38,239	37,695
Purchased Transportation Services		
Paratransit	2,394,965	2,565,373
Miscellaneous Expenses	106,755	104,829
Equipment and Facility Lease	581,964	585,960
Depreciation		
Property acquired with operator funds	679,682	762,182
Property acquired by federal, state, or TDA funds	<u>3,362,525</u>	<u>3,576,180</u>
Total Operating Expenses	<u>\$ 34,183,039</u>	<u>\$ 33,673,928</u>

**OTHER SCHEDULES AND REPORTS**

10.428

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2004**

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA No.</u>	<u>Grantor's Number</u>	<u>Federal Expenditures</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<b>Direct Programs:</b>			
<b>Federal Transit Administration (FTA)</b>			
<b>Cluster Defined by the Department of Transportation</b>			
<b>Section 3/5309 Consolidation</b>			
Preliminary Engineering	20.500*	CA-03-0413	\$ 341,981
Final Engineering	20.500*	CA-03-0413	386,463
Paratransit Vans	20.500*	CA-03-0505	567,631
Fixed Route Buses	20.500*	CA-03-0505	<u>6,759</u>
			<u>1,302,834</u>
<b>Section 9/5307</b>			
Land	20.507*	CA-90-X873	33,175
Talking Bus Equipment	20.507*	CA-90-X902	30,539
Rebuilt Engines	20.507*	CA-90-Y024	44,405
Operating Assistance	20.507*	CA-90-Y224	<u>2,804,435</u>
			<u>2,912,554</u>
<b>Section 18/5311</b>			
Operating Assistance	20.509	649068	<u>65,704</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 4,281,092</u></u>

\* Major federal financial assistance program.

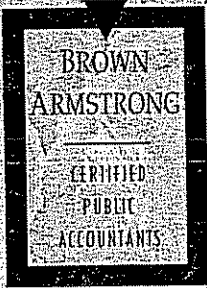
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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2004**

**NOTE 1 - GENERAL**

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

**NOTE 2 - BASIS OF ACCOUNTING**

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



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

Eric H. Xin, MBA, CPA  
Lynn R. Krausse, CPA, MST  
Bradley M. Hankins, CPA  
Melinda A. McDaniels, CPA  
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Connie M. Perez, CPA

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

We have audited the basic financial statements of Santa Cruz Metropolitan Transit District as of and for the year ended June 30, 2004, and have issued our report thereon dated August 19, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Santa Cruz Metropolitan Transit District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Santa Cruz Metropolitan Transit District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of Santa Cruz Metropolitan Transit District in a separate letter dated August 19, 2004.

10.931

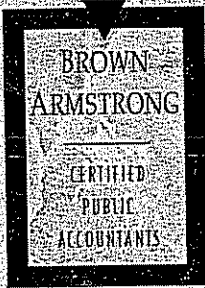
This report is intended for the information of management, the Board of Directors, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION

A handwritten signature in black ink, appearing to be 'G. J. Paulden', written in a cursive style.

Bakersfield, California  
August 19, 2004





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PAULDEN McCOWN STARBUCK & KEETER  
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Santa Cruz Metropolitan Transit District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2004. Santa Cruz Metropolitan Transit District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on Santa Cruz Metropolitan Transit District's compliance based on our audit.

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

In our opinion, the Santa Cruz Metropolitan Transit District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2004.

10.433

Internal Control Over Compliance

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

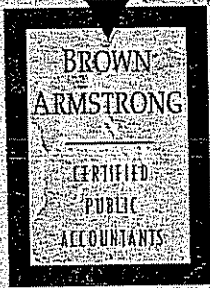
Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively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

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION



Bakersfield, California  
August 19, 2004



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REPORT ON COMPLIANCE WITH THE  
TRANSPORTATION DEVELOPMENT ACT

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

Eric H. Xin, MBA, CPA  
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Julie A. Auvil, CPA  
Connie M. Perez, CPA

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of and for the year ended June 30, 2004, and have issued our report thereon dated August 19, 2004.

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

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the management of the District. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of the Transportation Development Act, including Public Utilities Code Section 99245 as enacted and amended by statute through June 30, 2004, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission as required by Section 6667 of the California Code of Regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION

Bakersfield, California  
August 19, 2004

10. a35

**FINDINGS AND QUESTIONED COSTS SECTION**

10.936

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2004**

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

**Financial Statements**

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness identified?

Yes        No

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

Yes        None reported

Noncompliance material to financial statements noted?

Yes        No

**Federal Awards**

**Internal control over major federal programs:**

Material weakness identified?

Yes        No

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

Yes        None reported

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

Unqualified

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

Yes        No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Clusters

20.500  
20.507

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

Dollar threshold used to distinguish Type A & B programs:

\$300,000

Auditee qualified as low risk auditee?

   Yes            No

10.237

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

None.

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

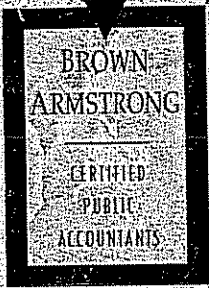
None.

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

None.

**V. A Summary of Prior Audit (all June 30, 2003) Findings and Current Year Status Follows**

None.



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

We have audited the financial statements of the Santa Cruz Metropolitan Transit District for the year ended June 30, 2004, and have issued our report thereon dated August 19, 2004. Professional standards require that we provide you with the following information related to the conduct of our audit.

**Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter, our responsibility, as described by professional standards, is to provide reasonable, not absolute, assurance that the basic financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the Santa Cruz Metropolitan Transit District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

**Significant Accounting Policies**

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Santa Cruz Metropolitan Transit District are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the existing policies were not changed during 2004. We noted no transactions entered into by the Santa Cruz Metropolitan Transit District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

**Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. There were no sensitive estimates, except for the accrued claims and judgments payables, affecting the financial statements.

10.61

**Significant Audit Adjustments**

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the District that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the District's financial reporting process.

**Disagreements with Management**

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

**Consultations with Other Independent Accountants**

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

**Issues Discussed Prior to Retention of Independent Auditors**

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

**Difficulties Encountered in Performing the Audit**

We are pleased to announce we encountered no difficulties in dealing with management in performing our audit.

\*\*\*\*\*

This information is intended solely for the use of the management of the District and the Board of Directors and should not be used for any other purpose.

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION

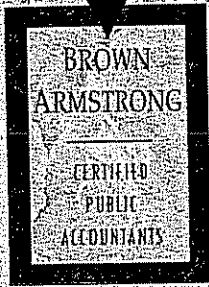


By: Steven R. Starbuck

Bakersfield, California  
August 19, 2004

10. b2





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

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- Connie M. Perez, CPA

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

We have audited the financial statements of Santa Cruz Metropolitan Transit District (SCMTD) for the year ended June 30, 2004 and have issued our report thereon dated August 19, 2004. In planning and performing our audit of the financial statements of SCMTD, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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

Current Year Findings and Recommendations

Finding 1

The District should perform a ticket-inventory count semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported. Tickets are kept in a locked cabinet at Metro Center, however the possibility of misappropriation is present.

Recommendation

The District should implement control over spoiled tickets and improve ticket-counting procedures to reduce variances in the reconciliation to a tolerable level. The count and reconciliation should be performed at least semi-annually to improve the process.

Management Response

The cabinet containing tickets has been moved to a locked office to control potential unauthorized access. Sales report(s) reconciliations are performed monthly to verify the number of tickets sold as reported by the Customer Service department. A summary of spoiled-tickets is now being prepared which will reduce an unknown variable in the semi-annual ticket-inventory counts; however all reports need to be received in a timely manner to facilitate continued improvement of the process.

10.C1

### Finding 2

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

### Recommendation

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

### Management Response

The count room has two cameras that record the activity of cash handlers. The tape is on view in the dispatch office. As well, cash handlers are not allowed to handle cash unless there is another person present in the room. When the new Operations building is constructed in about 2006 a temperature-controlled facility will make it feasible for staff and contract labor to wear an appropriate uniform that reduces the risk of misappropriation.

### Finding 3

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

### Recommendation

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

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

### Management Response

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

The Finance department now has access to the Monthly Revenue Reports and reviews the variances monthly.

### Finding 4

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

### Recommendation

Although the current difference noted was immaterial, a reconciliation should be performed and reviewed monthly by management and any differences should be investigated and corrected.

### Management Response

The Daily Balance Sheets will be summarized and agreed to the Monthly Summary to assure the accuracy of the Summary report that is used to record revenue.

10.02

### **Finding 5**

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

### **Recommendation**

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

### **Management Response**

The recommended policy will be implemented by November 30, 2004.

### **Finding 6**

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

### **Recommendation**

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

### **Management Response**

The recommended policy will be implemented by December 31, 2004.

## **Prior Year Findings and Recommendations**

### **Finding 1**

The District should perform a ticket-inventory count semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported. The tickets and passes are kept in a locked cabinet at Metro Center but without an accurate count and reconciliation the possibility of misappropriation is present.

### **Status**

Partially implemented. See current year Finding 1.

### **Finding 2**

While testing cash receipts, we noted that District does not have a policy on the type of clothing employees are allowed to wear in the count room. Employees were allowed to wear shirts and pants with pockets, and low cut shoes. The wearing of inappropriate clothing in the count room could lead to the possible misappropriation of the District's assets.

### **Status**

Not implemented. See current year Finding 2.

### **Finding 3**

The District should restrict access to the revenue reports to those individuals that do not participate in the counting of the fare box revenues and preparation of daily deposits. The District should have an individual, separate from cash counting and preparation of deposits, reconcile the deposit amounts to the daily revenue reports and investigate any material overages or shortages

### **Status**

Partially implemented. See current year Finding 3.

10.03

**Finding 4**

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

**Status**

Partially implemented. See current year Finding 4.

**Finding 5**

While testing the District's cash receipts we noted that at times the Cash Receipts Journal had mathematical errors. Inaccurate reports could lead to the possible over/under reporting of revenue. Management should adopt policies/procedures to prepare the Cash Receipts Journal electronically.

**Status**

Implemented.

\*\*\*\*\*

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION



By: Steven R. Starbuck

Bakersfield, California  
August 19, 2004

10.04

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** November 19, 2004  
**TO:** Board of Directors  
**FROM:** Leslie R. White, General Manager  
**SUBJECT:** CONSIDERATION OF STATUS OF FEDERAL LEGISLATION AND THE IMPACT ON METRO CAPITAL PROJECTS.

## I. RECOMMENDED ACTION

**That the Board of Directors review the status of Federal Legislation and assess the financial impact on METRO Capital Projects.**

## II. SUMMARY OF ISSUES

- The Transportation Equity Act for the 21<sup>st</sup> Century (TEA21) expired on September 30, 2003.
- TEA 21 provided the authorization for the expenditure of federal funds on all modes of surface transportation including public transit.
- Subsequent to September 30, 2003 federal funding has continued for transportation functions due to a series of short-term extensions, the latest of which extended the program through May 31, 2005.
- The U.S. House of Representatives and the U.S. Senate passed Reauthorization Bills in the 108<sup>th</sup> Congress that would have provided five to six year extensions for federal surface transportation funds as well as making certain modifications to the program structure.
- As the House and Senate Bills contained different funding levels and different program modifications it was necessary for both houses of the Congress to appoint representatives to a Senate/House Conference Committee.
- The Transportation Conference Committee held numerous meetings in an attempt to reconcile the two versions of Reauthorization Bills at a funding level that would not leave the final version susceptible to a veto by President Bush.
- Both of the Reauthorization Bills contained provisions for the creation of a new tier in the formula program for small communities that have a high intensity of transit service and ridership.
- The proposed High Intensity Transit Tier (HITT) would have provided \$6,098,494 to METRO in the House version or \$16,339,168 to METRO in the Senate version.
- METRO earmarked all of the potential funding from the proposed HITT for the MetroBase Project.

11.1

- While both Houses of Congress passed Bills containing a HITT provision, the absence of an agreed upon final Bill has placed a significant amount of potential funding for MetroBase in jeopardy.
- Currently the 108<sup>th</sup> Congress is scheduled to reconvene on November 15, 2004 for a short session. It is not anticipated that the Congress will consider the Transportation Authorization Bills during the November 2004 Session.
- When the 109<sup>th</sup> Congress convenes in 2005 it will be necessary to have Members of Congress introduce new Bills in both Houses in order to begin a Transportation Authorization process that will result in the passage of a new multi-year Bill prior to the expiration of the May extension.

### III. DISCUSSION

The ability of the United States Congress to provide transportation funding is created by the passage of a multi-year Authorization Bill. The most recent multi-year Authorization Bill for transportation funding was the Transportation Equity Act for the 21<sup>st</sup> Century (TEA 21). The TEA 21 expired on September 30, 2003. In order to maintain funding for the basic transportation programs Congress has passed a number of short-term extensions in the form of Continuing Resolutions.

Both Houses of Congress passed Reauthorization Bills this year. However the House and Senate Bills had different program changes and funded programs at different levels. Therefore in order to reconcile the differences in the two Bills a Transportation Conference Committee was appointed. The Conference Committee met numerous times in an attempt to develop a Conference Report that would be acceptable to both Houses. A complicating factor in the process was the indication by President Bush that he would veto any Reauthorization Bill that was funded at a level higher than his budget proposal. Both the Senate and House Bills funded transportation at levels higher than the President recommended. As a result of the differing positions the Conference Committee was not able to reach an agreement on a Conference Report to submit to the 108<sup>th</sup> Congress for consideration. Consequently the current transportation authorization was extended through May 2005. Unfortunately the extension of the current program does not provide for any new programs. In January 2005 the Members of the 109<sup>th</sup> Congress will have to reintroduce transportation authorizing legislation.

METRO, the American Public Transportation Association, and many small transit systems advocated for the development of a High Intensity Transit Tier (HITT) within the formula program that would recognize, and provide supplemental funding to, smaller communities that have high transit service levels and high transit ridership. In a Study released by the Federal Transit Administration in September 2000 Santa Cruz METRO was identified as one of the top four (4) systems in the nation operating in communities of fewer than 200,000 in population.

11.2

As a result of the Federal Transit Administration Study, and the advocacy of transit systems that have similar operating characteristics as Santa Cruz, both Bills that were passed contain language establishing the HITT program and funding it at the level that we requested. However for the HITT provision to be implemented the new Reauthorization Bill must be enacted into law.

METRO has earmarked all of the funds that would be received, were the HITT provision enacted into law, to the MetroBase Project. With the recent action regarding using federal Surface Transportation Program (STP) funding for MetroBase, the necessity to advocate for the 109<sup>th</sup> Congress to move forward to enact a multi-year Reauthorization Bill becomes even more critical. METRO staff will continue to provide information to Members of Congress on the Reauthorization issue and its effect in Santa Cruz.

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

The absence of enactment of a multi-year Federal Transportation Reauthorization Bill has placed approximately \$13,500,000 in federal funds earmarked for the MetroBase Project in jeopardy.

#### **V. ATTACHMENTS**

**NONE**

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

Resolution No. \_\_\_\_\_  
On the Motion of Director: \_\_\_\_\_  
Duly Seconded by Director: \_\_\_\_\_  
The Following Resolution is adopted:

**A RESOLUTION TO POSTHUMOUSLY  
REDEDICATE THE SCOTTS VALLEY PARK AND RIDE CENTER AS  
THE BART CAVALLARO TRANSIT CENTER  
IN RECOGNITION OF HIS SERVICE  
ON THE BOARD OF DIRECTORS  
OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**WHEREAS**, the Santa Cruz Metropolitan Transit District was formed to provide public transportation to all of the citizens of Santa Cruz County, and

**WHEREAS**, the provision of public transportation service requires a dedicated policy board, and

**WHEREAS**, the City of Scotts Valley, requiring a representative with expertise, commitment, and dedication appointed Bart Cavallaro to serve in the position of Director, and

**WHEREAS**, Bart Cavallaro served as a member of the Board of Directors of the Santa Cruz Metropolitan Transit District for the time period of 1981 to 2000 including serving as Chair in 1984, 1991, and 1992, and

**WHEREAS**, Bart Cavallaro provided the Santa Cruz Metropolitan Transit District with dedicated service, guidance, and leadership during his terms of office, and

**WHEREAS**, Bart Cavallaro served the Santa Cruz Metropolitan Transit District with distinction, and

**WHEREAS**, the development of the Park and Ride Center in Scotts Valley was a direct result of the considerable effort, support, and leadership by Bart Cavallaro, and

**WHEREAS**, the Scotts Valley Park and Ride Center now provides quality access to transit service for hundreds of people each day as a result of the vision of Bart Cavallaro, and

**WHEREAS**, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service, tireless support, and unwavering leadership provided by Bart Cavallaro and,

**WHEREAS**, Bart Cavallaro passed away on August 31, 2004.

12.1



**NOW, THEREFORE, BE IT RESOLVED**, that in recognition of the service, commitment, and vision exhibited by Bart Cavallaro the Board of Directors of the Santa Cruz Metropolitan Transit District does hereby posthumously rename and rededicate the Scotts Valley Park and Ride Center to the Bart Cavallaro Transit Center and further directs that all signage, literature, and other identifying materials be revised to reflect this designation. By passage of this Resolution it is directed that a date certain be established where the Board of Directors can formally and publicly rededicate the Scotts Valley Park and Ride Center to the Bart Cavallaro Transit Center and that the family of Bart Cavallaro be invited to witness such rededication.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be presented to the family of Bart Cavallaro and that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 19th day of November by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**APPROVED** \_\_\_\_\_

Emily Reilly  
Chair

**ATTEST** \_\_\_\_\_

LESLIE R. WHITE  
General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
MARGARET GALLAGHER  
District Counsel

12.2

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

Resolution No. \_\_\_\_\_

On the Motion of Director: \_\_\_\_\_

Duly Seconded by Director: \_\_\_\_\_

The Following Resolution is adopted:

**A RESOLUTION OF  
APPRECIATION AND RECOGNITION FOR THE SERVICES OF  
LINDA WILSHUSEN AS THE EXECUTIVE DIRECTOR  
OF THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION  
COMMISSION**

**WHEREAS**, the Santa Cruz Metropolitan Transit District was formed to provide public transportation to all of the citizens of Santa Cruz County, and

**WHEREAS**, the provision of reliable, effective, public transportation service requires comprehensive planning and financing, and

**WHEREAS**, the Santa Cruz Metropolitan Transit District, has significantly benefited from the financial support and balanced planning that has been provided by the Santa Cruz County Regional Transportation Commission under the leadership of Linda Wilshusen, and

**WHEREAS**, Linda Wilshusen served as the Executive of the Santa Cruz Regional Transportation Commission for the time period of 1985 to 2004, and

**WHEREAS**, Linda Wilshusen provided the Santa Cruz County Regional Transportation Commission with dedicated service and strong leadership during the time of her employment, and

**WHEREAS**, Linda Wilshusen served the Santa Cruz County Regional Transportation Commission with distinction and represented Santa Cruz effectively in State and Federal organizations, and

**WHEREAS**, the service provided to the citizens of Santa Cruz County by Linda Wilshusen resulted in reliable, quality transportation services being available in the most difficult of times, and

**WHEREAS**, during the time that Linda Wilshusen served in the position of Executive Director the Santa Cruz County Regional Transportation Commission developed new regional transportation plans, implemented new funding programming procedures under SB 45, completed a Major Transportation Investment Study, responded to the challenges of the Loma Prieta Earthquake, responded to adverse economic conditions, enhanced the alternative transportation options for the citizens of Santa Cruz County, worked to secure funding for operational and safety improvements for the major and local road systems, distributed over \$300 million in funds to support the transportation system, and

13.1

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

**NOW, THEREFORE, BE IT RESOLVED**, that upon her resignation as the Executive Director of the Santa Cruz County Regional Transportation Commission the Board of Directors of the of the Santa Cruz Metropolitan Transit District does hereby commend Linda Wilshusen for her efforts in improving the transportation system in Santa Cruz County and expresses sincere appreciation on behalf of itself, METRO staff and all of the citizens of Santa Cruz County.

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

**PASSED AND ADOPTED** this 19th day of November 2004 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**APPROVED** \_\_\_\_\_  
EMILY REILLY  
Chair

**ATTEST** \_\_\_\_\_  
LESLIE R. WHITE  
General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
MARGARET GALLAGHER  
District Counsel

13.2

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** November 12, 2005  
**TO:** Board of Directors  
**FROM:** Mark J. Dorfman, Assistant General Manager  
**SUBJECT:** CONSIDERATION OF REQUEST FROM THE CITY OF SANTA CRUZ FOR VARIOUS EVENTS IN 2005

## I. RECOMMENDED ACTION

**Staff is requesting that the Board authorize staff to work with the City of Santa Cruz on the request to provide Shuttle Service to various events in 2005 as long as the provision of these services complies with existing Board Policy.**

## II. SUMMARY OF ISSUES

- On October 20, 2004, the City of Santa Cruz Parks and Recreation Department mailed a letter to the Board requesting shuttle service to various events that are planned for 2005.
- The current Board Policy requires that any special shuttles cover their operating cost entirely, with no METRO subsidy.
- In addition, one of the events will require the use of the County Building Parking Lot, which would require separate arrangements between the City and the County.

## III. DISCUSSION

The City of Santa Cruz Parks and Recreation Department has requested shuttle service for the following events they have scheduled in 2005:

- Jazz on the Wharf - March 6, 2005
- Japanese Cultural Fair – June 18, 2005
- Woodies on the Wharf – June 25, 2005
- Art on the Wharf – July 16-17, 2005
- Aloha Races & Polynesian Festival – August 21, 2005

The existing Board Policy as it relates to the provision of Shuttle Service is that it can only be provided if there is no cost to Santa Cruz METRO. Sponsoring governmental agencies are responsible for 100% of the costs of the shuttle service.

14.1

Staff is requesting authorization to work with the City of Santa Cruz on these activities as long as they comply with the existing policy. One of the activities mentioned in the letter requires the use of the County Building Parking Lot, and staff will be asking the City of Santa Cruz to coordinate this directly with the County.

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

Since there are no funds from Santa Cruz METRO involved with this service, there is no impact on the operating budget.

#### **V. ATTACHMENTS**

**Attachment A      October 20, 2004 Letter from City of Santa Cruz Parks & Recreation Department**



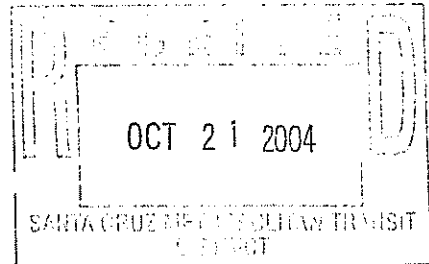
Attachment **A**

P A R K S & R E C R E A T I O N D E P A R T M E N T

323 Church Street, Santa Cruz, California 95060  
831-420-5270 • Fax 831-420-5271 • www.santacruzparksandrec.com

October 20, 2004

Santa Cruz Metro  
Board of Directors  
370 Encinal Street  
Santa Cruz, CA 95060



Dear Board of Directors:

The City of Santa Cruz Parks and Recreation Department is planning a series of events in 2005 for which shuttle service is requested. The purpose of the shuttle is to promote alternative transportation, alleviate traffic congestion and reduce parking needs.

The events are:

- Jazz on the Wharf, Sunday, March 6, 2005, 11:00 a.m. – 5:30 p.m.
- Japanese Cultural Fair, Saturday, June 18, 2005, 11:00 a.m. – 6:00 p.m.
- Woodies on the Wharf, Saturday, June 25, 2005, 10:00 a.m. – 4:00 p.m.
- Art on the Wharf, Saturday and Sunday, July 16-17, 2005, 9:30 a.m. – 5:30 p.m.
- Aloha Races & Polynesian Festival, Sunday, August 21, 2005, 9:00 a.m. – 5:00 p.m.

All of the above listed events take place on the Santa Cruz Wharf, with the exception of the Japanese Cultural Fair which takes place at Mission Plaza. The time listed above are the times of the actual events – we may wish to arrange shuttle services to include set up times (typically 2 hours before each event) and load out times (2 hours post event.) For the wharf events, we are interested in a shuttle route that includes the County Building, a stop downtown, a stop at the new Depot Park transportation center and on the Santa Cruz Wharf. For the Japanese Cultural Fair, a route to and from the County Building parking would suffice.

We are looking forward to arranging shuttle service for these community-wide admission-free events as soon as possible, so that we may begin promoting the events' shuttle services early on.

Please feel free to contact me with questions, 420-5277.

Thanks for your consideration.

Sincerely,

Lisa McGinnis  
Special Events Supervisor

14.91