



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA
REGULAR MEETING
DECEMBER 9, 2016 – 8:30 AM
METRO ADMINISTRATIVE OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

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

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BOARD ROSTER

Director Ed Bottorff	City of Capitola
Director Dene Bustichi	City of Scotts Valley
Director Karina Cervantez	City of Watsonville
Director Cynthia Chase	City of Santa Cruz
Director Jimmy Dutra, Vice Chair	City of Watsonville
Director Zach Friend	County of Santa Cruz
Director Norm Hagen	County of Santa Cruz
Director Don Lane	City of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Mike Rotkin, Chair	County of Santa Cruz
Ex-Officio Director Donna Blitzer	UC Santa Cruz
Alex Clifford	METRO CEO/General Manager
Leslyn K. Syren	METRO District Counsel

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

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

AMERICANS WITH DISABILITIES ACT

The Board of Directors meets in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, or to access the

agenda and the agenda packet (including a Spanish language copy of the agenda packet), should contact the Executive Assistant, at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting Santa Cruz METRO regarding special requirements to participate in the Board meeting. For information regarding this agenda or interpretation services, please call Santa Cruz METRO at 831-426-6080.

SECTION I: OPEN SESSION

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

1 CALL TO ORDER

2 ROLL CALL

3 ANNOUNCEMENTS

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

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

4 ART CONTEST RESULTS

[Chair Mike Rotkin](#)

5 BOARD OF DIRECTORS COMMENTS

6 COMMUNICATIONS TO THE BOARD OF DIRECTORS

This time is set aside for Directors and members of the general public to address any item not on the Agenda which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to Santa Cruz METRO will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report. Any Director may place matters brought up under Communications to the Board of Directors on a future agenda. In accordance with District Resolution 610-2-1, speakers appearing at a Board meeting shall be limited to three minutes in his or her presentation. Any person addressing the Board may submit written statements, petitions or other documents to complement his or her presentation. When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

7 WRITTEN COMMUNICATIONS FROM MAC (if applicable)

8 LABOR ORGANIZATION COMMUNICATIONS

9 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

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

10-01 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF NOVEMBER 2016

Angela Aitken, Finance Manager

10-02 ACCEPT AND FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF SEPTEMBER 30, 2016

Angela Aitken, Finance Manager

10-03 ACCEPT AND FILE: REVISED MINUTES OF THE SANTA CRUZ METRO PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE MEETING OF SEPTEMBER 21, 2016

Alex Clifford, CEO/General Manager

10-04 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF NOVEMBER 18, 2016

Alex Clifford, CEO/General Manager

10-05 ACCEPT AND FILE: MINUTES OF THE METRO ADVISORY COMMITTEE (MAC) MEETING OF AUGUST 17, 2016

Alex Clifford, CEO/General Manager

10-06 APPROVE: CONSIDERATION OF OWNED AND LEASED PROPERTY INVENTORIES TO DETERMINE IF THERE ARE ANY PROPERTY IN EXCESS OF SANTA CRUZ METRO'S FORESEEABLE NEEDS

Angela Aitken, Finance Manager

10-07 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 4TH AMENDMENT EXTENDING THE CONTRACT WITH FOLGER GRAPHICS, INC. FOR PRINTING OF HEADWAYS – BUS RIDERS' GUIDE, INCREASING THE CONTRACT TOTAL BY \$32,000

Ciro Aguirre, COO

10-08 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 1ST AMENDMENT EXTENDING THE CONTRACT WITH FLYERS ENERGY, LLC FOR OFF-SITE FUELING SERVICES, INCREASING THE CONTRACT TOTAL BY \$460,000

Al Pierce, Maintenance Manager

10-09 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO PEDX FOR COURIER SERVICES

Ciro Aguirre, COO

10-10 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 7TH AMENDMENT EXTENDING THE CONTRACT FOR TWO MONTHS WITH HILL INTERNATIONAL, INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES, INCREASING THE CONTRACT TOTAL BY \$125,000

Alex Clifford, CEO/General Manager

10-11 APPROVE: CONSIDERATION OF A 5-YEAR LEASE AGREEMENT WITH ALI GHARAHGOZLOO AND JESSICA HSU, DBA JESSICA'S GROCERY

Angela Aitken, Finance Manager

10-12 APPROVE: A SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

Angela Aitken, DBE Liaison Officer/Finance Manager

REGULAR AGENDA

11 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR H.D. BROWN, ARLAN COLWELL, ANTONIO CASTILLO, EFREN ESCAMILLA, PEGGY FLECHTNER, LEONEL HERRERA, HUNG C. LEE AND TODD PINSKY

Chair Mike Rotkin

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

MAC Chair Veronica Elsea

13 ACCEPT: UPDATE ON THE DEVELOPMENT OF BUS STOP POLICIES AND PROCEDURES

Barrow Emerson, Planning and Development Manager

14 ACCEPT: ORAL COA UPDATE

Barrow Emerson, Planning and Development Manager

15 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO HANSON BRIDGETT LLP FOR GENERAL COUNSEL AND LEGAL SERVICES NOT TO EXCEED \$1,750,000

Chair Mike Rotkin

16 ACCEPT: CY17 STATE AND FEDERAL LEGISLATIVE AGENDA

Alex Clifford, CEO/General Manager

17 CONSIDERATION OF AUTHORIZING THE TEMPORARY APPOINTMENT OF LESLYN SYREN AS SPECIAL COUNSEL

Alex Clifford, CEO/General Manager

18 CEO ORAL REPORT

Alex Clifford, CEO/General Manager

19 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Leslyn K. Syren, General Counsel

20 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, JANUARY 27, 2017 AT 8:30AM, METRO ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ, CA
Chair Mike Rotkin

21 RECESS TO CLOSED SESSION

SECTION II: CLOSED SESSION

22 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9 (b) – one case

SECTION III: RECONVENE TO OPEN SESSION

23 REPORT OF CLOSED SESSION ITEMS
Leslyn K. Syren, General Counsel

24 ADJOURNMENT
Chair Mike Rotkin

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

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DATE: December 9, 2016
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
**SUBJECT: ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL
DETAIL FOR THE MONTH OF NOVEMBER 2016**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the preliminary approved Check Journal Detail for the month of November 2016.

II. SUMMARY

- This staff report provides the Board with a preliminary approved Check Journal Detail for the month of November 2016.
- The Finance Department is submitting the check journal for Board acceptance and filing.

III. DISCUSSION/BACKGROUND

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

All invoices submitted for the month of November 2016 have been processed, checks issued and signed by the Finance Manager.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None. The check journal is a presentation of invoices paid in November 2016 for purposes of Board review, agency disclosure, accountability and transparency.

V. ALTERNATIVES CONSIDERED

N/A

VI. ATTACHMENTS

Attachment A: Check Journal Detail for the Month of November 2016

Prepared By: Holly Riley, Senior Accounting Technician

VII. APPROVALS:

Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



Attachment A

DATE 12/01/16 14:10

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

PAGE 1

DATE: 11/01/16 THRU 11/30/16

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57513M11/01/16		63,887.50 003302		RK & ASSOCIATES INC DBA ESCON		74763	ADA RAMP MB OPS	63,887.50	MANUAL
57514 11/07/16		185.00 002941		ADA RAMP MB OPS		74747	CHG COMBO ON SAFE CS	185.00	
57515 11/07/16		28.04 003151		AA SAFE & SECURITY CO		74744	INVENTORY ORDER	28.04	
57516 11/07/16		545.99 E662		ABC BUS INC		74727	TRAVEL REIMBURSEMENT	545.99	
57517 11/07/16		27.99 002689		ALVEY, ERRON		74792	SPOOL W/LINE	27.99	
57518 11/07/16		56.53 002363		B & B SMALL ENGINE CORP		74793	BATTERIES	56.53	
57519 11/07/16		530.00 003248		BATTERIES PLUS #314		74753	10/1-1/1 FIRE ALARM	530.00	
57520 11/07/16		230.09 580		BAY ALARM COMPANY		74730	SECURITY BAGS	230.09	
57521 11/07/16		346.22 914		BLOCK AND COMPANY, INC.		74841	OFFICE SUPPLIES	319.73	
				CALTRONICS BUSINESS SYSTEMS		74842	OFFICE SUPPLIES	26.49	
57522 11/07/16		439.09 002627		CDW GOVERNMENT, INC.		74840	CABLE CALL CENTER	439.09	
57523 11/07/16		171.28 002898		CEB CONTINUING EDUCATION OF		74785	CA MECH LIENS 4TH ED	171.28	
57524 11/07/16		3,039.68 001346		CITY OF SANTA CRUZ-FINANCE		74765	STORM WATER USER FEE	3,039.68	
57525 11/07/16		1,149.56 130		CITY OF WATSONVILLE UTILITIES		74749	10/19/16 WASTE WTC	802.72	
						74750	9/19-10/17 WATER WTC	41.48	
57526 11/07/16		23,916.20 001124		CLEAN ENERGY		74751	9/19-10/17 WATER WTC	305.36	
						74777	LNQ 10/3/16	8,858.02	
						74826	OCT 16 MAINTENANCE	14,842.00	
57527 11/07/16		292.11 002063		COSTCO		74729	BOD MEETING SUPPLIES	54.14	
57528 11/07/16		368.96 002814		CREATIVE BUS SALES, INC.		74774	OFFICE SUPPLIES	237.97	
57529 11/07/16		220.00 003120		CSMFO MEMBERSHIP		74768	INVENTORY ORDER	368.96	
						74816	2017 MEMBERSHIP DK	110.00	
57530 11/07/16		6,991.21 003116		CUMMINS PACIFIC LLP		74824	2017 MEMBERSHIP AA	110.00	
						74721	INVENTORY ORDER	2,697.14	
						74829	RPR VEH #2811	92.49	
57531 11/07/16		1,769.04 003274		EAST BAY TIRE CO.		74830	RPR VEH #2806	2,734.96	
						74736	TIRES	53.81	
						74737	TIRES	986.58	
						74738	TIRES	728.65	
57532 11/07/16		77.40 E980		EUSSE-GIL, ANDREA		74834	TRAVEL REIMBURSEMENT	77.40	
57533 11/07/16		3,254.25 432		EXPRESS SERVICES INC.		74731	TEMP W/E 10/16/16	1,185.00	
						74823	TEMP W/E 10/23/16	1,147.50	
						74839	TEMP W/E 10/16/16	780.00	
57534 11/07/16		1,618.49 002962		FIS		74844	TEMP W/E 10/23/16	141.75	
57535 11/07/16		8,757.52 002952		FLYERS ENERGY LLC		74845	SEPT 16 MERCHANT FEE	1,618.49	
						74739	PROPANE	23.32	
						74740	CREDIT	-23.32	
						74741	PROPANE	23.32	
						74742	10/1-10/15 FUEL	6,621.90	
57536 11/07/16		37.60 003077		FREEDMAN SEATING COMPANY		74779	10/1-10/15 FUEL	2,112.30	
57537 11/07/16		273.04 001302		GARDA CL WEST, INC.		74831	INVENTORY ORDER	37.60	
						74811	NOV 16 SERVICES	273.04	

Attachment A

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

PAGE 2

DATE: 11/01/16 THRU 11/30/16

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57538	11/07/16	280.00 632	GOVERNMENT FINANCE OFFICERS	74809	12/1-11/30/17MEMEBER	280.00			
57539	11/07/16	954.36 282	GRAINGER	74789	BATTERIES	167.31			
				74791	INVENTORY ORDER	29.23			
				74794	WASTE BASKETS	91.79			
				74796	WORK BOOTS	131.82			
				74797	WORK BOOTS	131.82			
57540	11/07/16	2,222.00 001144	HARTFORD FLOOD INSURANCE CO	74805	BUS STOP CLEAR FILM	402.39			
57541	11/07/16	110.81 E021	HILLNER, THOMAS	74838	12/13-12/12/17 1200A	2,222.00			
57542	11/07/16	32.33 166	HOSE SHOP, THE INC	74764	TRAVEL REIMBURSEMENT	110.81			
57543	11/07/16	2,345.74 003264	KAADY CHEMICAL CORP	74790	INVENTORY ORDER	32.33			
57544	11/07/16	103.13 1117	KELLEY'S SERVICE INC.	74770	INVENTORY ORDER	2,345.74			
				74769	INVENTORY ORDER	18.44			
				74776	INVENTORY ORDER	55.80			
				74799	INVENTORY ORDER	24.84			
				74800	CREDIT	-147.85			
				74801	INVENTORY ORDER	147.85			
				74802	INVENTORY ORDER	14.05			
				74803	INVENTORY ORDER	40.00			
				74804	CREDIT	-50.00			
57545	11/07/16	1,881.47 001233	KIMBALL MIDWEST	74767	NON INVENTORY ORDER	1,881.47			
57546	11/07/16	854.74 039	KINKO'S INC.	74772	SUPPORT PUB TRANSIT	854.74			
57547	11/07/16	936.00 003271	KJRB INC	74743	TOWING VEH #2223	432.00			
				74833	TOWING BUS #1206	504.00			
57548	11/07/16	74.65 003059	MAILFINANCE INC	74775	PROP TAX POSTAL METE	74.65			
57549	11/07/16	104.98 001342	MCW ASSOCIATES, INC.	74825	JUL 16 SERVICE	104.98			
57550	11/07/16	12,573.70 003218	NVB EQUIPMENT, INC.	74766	76 VEH FIRE SUPPRESS	12,573.70			
57551	11/07/16	14,843.35 009	PACIFIC GAS & ELECTRIC	74818	9/23-10/23 VERNON	5,987.43			
				74819	9/24-10/24 GOLF	6,725.80			
				74820	9/23-10/23 1200B RIV	2,076.21			
				74821	9/24-10/24 1200B RIV	53.91			
57552	11/07/16	968.56 043	PALACE ART & OFFICE SUPPLY	74725	OFFICE SUPPLIES	184.88			
				74726	OFFICE SUPPLIES	518.07			
				74773	OFFICE SUPPLIES	166.96			
				74787	OFFICE SUPPLIES	127.67			
				74795	OFFICE SUPPLIES	93.82			
				74810	OFFICE SUPPLIES	17.12			
				74822	CREDIT	-139.96			
57553	11/07/16	1,281.54 003307	PEOPLE READY INC	74718	TEMP W/E 10/7/16	179.14			
				74719	TEMP W/E 10/7/16	220.48			
				74720	TEMP W/E 10/14/16	881.92			
57554	11/07/16	65.00 481	PIED PIPER EXTERMINATORS, INC.	74808	OCT 16 PEST GOLF	65.00			
57555	11/07/16	107.66 882	PRINT SHOP SANTA CRUZ	74778	BUSINESS CARDS	107.66			
57556	11/07/16	3.71 107A	PROBUILD COMPANY LLC	74832	STAPLES	3.71			
57557	11/07/16	500.00 003255	RIGO TORKOS DBA TORKOS MEDIA	74732	PSA ADVERTISEMENT	500.00			
57558	11/07/16	146.91 536	RIVERSIDE LIGHTING & ELECTRIC	74827	LIGHTS REVENUE ROOM	91.70			
				74828	C/S ROOM WIRING	55.21			

Attachment A

DATE: 11/01/16 THRU 11/30/16

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57559	11/07/16	32.68 045	ROYAL WHOLESALE ELECTRIC	74748	RPR RESTROOM FAN	32.68			
57560	11/07/16	2,448.12 001379	SAFETY-KLEEN INC	74733	HAZARDOUS WASTE	2,448.12			
57561	11/07/16	75.36 135	SANTA CRUZ AUTO PARTS, INC.	74780	INVENTORY ORDER	3.64			
				74781	INVENTORY ORDER	68.08			
57562	11/07/16	105.00 002700	SANTA CRUZ COUNTY ENVIROMENTAL	74798	PAC STAT SITE MITIGA	105.00			
57563	11/07/16	369.67 079	SANTA CRUZ MUNICIPAL UTILITIES	74843	9/13-10/11 PARACRUZ	369.67			
57564	11/07/16	187.45 122	SCMTD PETTY CASH - OPS	74836	REPLENISHMENT	187.45			
57565	11/07/16	195.15 E967	SILVA, SUZANNE	74728	TRAVEL REIMBURSEMENT	195.15			
57566	11/07/16	484.31 104	STATE STEEL COMPANY	74724	STEEL FOR BIKE RACKS	484.31			
57567	11/07/16	59.99 582	TOYOTA OF SANTA CRUZ	74752	RPR VEH #804	59.99			
57568	11/07/16	2,660.31 003285	TRANSIT HOLDINGS INC	74784	INVENTORY ORDER	719.48			
				74745	INVENTORY ORDER	67.72			
				74759	INVENTORY ORDER	1,184.25			
				74760	INVENTORY ORDER	45.23			
				74761	INVENTORY ORDER	643.63			
57569	11/07/16	368.50 003152	UNIFIRST CORPORATION	74762	CUSTODIAL SUPPLIES	39.42			
				74755	MATS	6.48			
				74756	LAUNDRY SERVICE	203.31			
				74782	CUSTODIAL SUPPLIES	65.01			
				74783	LAUNDRY SERVICE	1.39			
				74786	MATS TOWELS	6.99			
				74806	MATS OPS	6.48			
				74807	CUSTODIAL SUPPLIES	39.42			
57570	11/07/16	26.31 007	UNITED PARCEL SERVICE	74723	FREIGHT	26.31			
57571	11/07/16	1,130.28 002829	VALLEY POWER SYSTEMS, INC.	74757	INVENTORY ORDER	1,024.97			
57572	11/07/16	9,764.88 001043	VISION SERVICE PLAN	74817	RPR VEH #2216	105.31			
57573	11/07/16	743.64 001165	VU, THANH DR. MD	74818	NOV 16 VISION	9,764.88			
				74734	DMV EXAM	75.00			
				74735	DMV EXAM	75.00			
				74746	DMV EXAM	75.00			
				74812	NEW HIRE DMV EXAM	92.16			
				74813	NEW HIRE DMV EXAM	92.16			
				74814	NEW HIRE DMV EXAM	92.16			
				74815	NEW HIRE DMV EXAM	92.16			
				74835	DMV EXAM	75.00			
				74837	DMV EXAM	75.00			
57574	11/07/16	347.78 001506	WESTERN STATES OIL CO.	74771	INVENTORY ORDER	347.78			
57575	11/08/16	86.00 T298	CORSICK, DIANE	74846	19@ \$4/EA 5@ \$2/EA	86.00			MANUAL
57576	11/14/16	86.46 003151	ABC BUS INC	74911	INVENTORY ORDER	86.46			
57577	11/14/16	30.60 002861	AMERICAN MESSAGING SVCS, LLC	74877	NOV 16 PAGER SVC	30.60			
57578	11/14/16	4,134.12 001D	AT&T	74881	9/19-10/18 OPS ELEVA	131.35			
				74883	9/19-10/18 CALNET 3	3,553.95			
				74890	9/19-10/18 CEMENT PL	165.95			
				74891	9/19-10/18 SKY-OCEAN	282.87			

Attachment A

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

DATE: 11/01/16 THRU 11/30/16

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57579	11/14/16	003105	961.08	AT&T MOBILITY		74871	9/24-10/23 WIFI BUS	961.08	
57580	11/14/16	003168	4,535.40	BIOMAAS INC		74847	OUTFALL 1200A RIVER	4,535.40	
57581	11/14/16	001356	2,342.66	BRENCO OPERATING-TEXAS, LP		74912	RPR VEH #2232	2,342.66	
57582	11/14/16	694	15,649.00	CALIFORNIA TRANSIT ASSOC.		74886	2017 MEMBERSHIP	15,649.00	
57583	11/14/16	001324	5,250.00	CAPITALEDGE ADVOCACY, INC.		74873	NOV 16 LEGISLATE SVC	5,250.00	
57584	11/14/16	003244	20.00	CAPPO MONTEREY BAY		74879	11/29 CHAPTER MEETIN	20.00	
57585	11/14/16	001124	45,869.27	CLEAN ENERGY		74916	LNG 10/13/16	9,523.90	
						74917	LNG 10/11/16	10,673.66	
						74918	LNG 10/7/16	4,716.73	
						74919	LNG 10/6/16	10,904.70	
						74920	LNG 10/17/16	10,050.28	
57586	11/14/16	003120	80.00	CSMFO MEMBERSHIP		74905	12/8 CHAPTER MEETING	40.00	
57587	11/14/16	002949	2,764.99	DEANE INDUSTRIAL MACHINING		74906	12/8 CHAPTER MEETING	40.00	
						74903	CYLINDER HEAD REPAIR	953.46	
						74904	RPR EXHAUST MANIFOLD	675.00	
						74907	RPR CYLINDER HEAD	1,136.53	
57588	11/14/16	480	5,655.55	DIESEL MARINE ELECTRIC, INC.		74867	INVENTORY ORDER	1,300.11	
						74868	INVENTORY ORDER	4,355.44	
57589	11/14/16	001329	1,671.17	DOC AUTO LLC		74949	RPR VEH #1113 PC	1,554.30	
57590	11/14/16	003274	5,601.26	EAST BAY TIRE CO.		74950	RPR VEH #712	116.87	
						74897	TIRES	53.81	
						74898	TIRES	509.46	
						74899	TIRES	986.58	
						74900	TIRES	2,054.26	
						74901	TIRES	1,997.15	
57591	11/14/16	432	870.00	EXPRESS SERVICES INC.		74882	TEMP W/E 10/23/16	870.00	
57592	11/14/16	490	125.00	FAST RESPONSE ON-SITE		74948	RESPIRATOR TRAINING	125.00	
57593	11/14/16	001172	298.08	FERGUSON ENTERPRISES INC. #795		74923	URINAL SMC RESTROOM	298.08	
57594	11/14/16	002295	40,159.36	FIRST ALARM		74853	SEPT 16 SECURITY SMC	38,559.36	
						74854	SEPT 16 SECURITY OPS	800.00	
						74855	OCT 16 SECURITY OPS	800.00	
57595	11/14/16	282	507.15	GRAINGER		74924	CREDIT	-131.82	
						74925	CREDIT	-43.20	
						74926	LAMPS	75.11	
						74927	INVENTORY ORDER	26.15	
						74928	LEVER DOOR HOLDER	123.77	
						74929	LARGE GLOVES	4.97	
						74951	BATTERY	44.90	
						74952	CUSTODIAL SUPPLIES	240.72	
						74953	CONVEX MIRROR	71.21	
						74956	FLUORESCENT LAMP	95.34	
57596	11/14/16	546	15,648.00	GRANITEROCK COMPANY		74957	PENN SUPPRESS DUBOIS	5,216.00	
						74958	PENN SUPPRESS DUBOIS	5,216.00	
						74959	PENN SUPPRESS DUBOIS	5,216.00	
57597	11/14/16	003178	67,421.64	HILL INTERNATIONAL INC		74859	SEP16 MB PROJ MGMT	67,421.64	
57598	11/14/16	166	628.34	HOSE SHOP, THE INC		74922	NON INVENTORY ORDER	595.06	

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57599	11/14/16	260.87 003264		KAADY CHEMICAL CORP		74930	NON INVENTORY ORDER	33.28	
57600	11/14/16	624.21 1117		KELLEY'S SERVICE INC.		74893	ODOR CONTROL	260.87	
						74872	CREDIT	-16.31	
						74931	INVENTORY ORDER	98.22	
						74932	INVENTORY ORDER	40.00	
						74933	INVENTORY ORDER	158.66	
						74944	INVENTORY ORDER	100.51	
						74954	INVENTORY ORDER	203.13	
						74955	INVENTORY ORDER	40.00	
57601	11/14/16	1,088.37 039		KINKO'S INC.		74913	FALL TRANSIT TIPS	1,088.37	
57602	11/14/16	84.59 002240		KLEEN-RITE PRESSURE WASHERS	7	74849	SWITCH/PRESSURE WASH	84.59	
57603	11/14/16	157.10 003059		MAILFINANCE INC		74894	10/28-11/27 LEASE AD	157.10	
57604	11/14/16	330.00 003293		MAKAI SOLUTIONS		74876	RPR BAY #8	330.00	
57605	11/14/16	165.13 001178		N/S CORPORATION		74848	RPR BUS WASHER	165.13	
57606	11/14/16	109.98 002721		NEXTEL COMMUNICATIONS/SPRINT		74892	9/26-10/25 TVM WIREL	109.98	
57607	11/14/16	78.84 002323		NORTHERN SAFETY CO., INC.		74908	INVENTORY ORDER	78.84	
57608	11/14/16	1,577.29 003115		OFFICE TEAM		74866	TEMP W/E 10/21/16	747.12	
						74888	TEMP W/E 10/28/16	830.17	
57609	11/14/16	2,867.38 009		PACIFIC GAS & ELECTRIC		74850	10/4-11/1 SVT TVM	58.55	
57610	11/14/16	1,004.16 043		PALACE ART & OFFICE SUPPLY		74864	9/28-10/26 PACIFIC	2,808.83	
						74874	OFFICE SUPPLIES	114.19	
						74875	OFFICE SUPPLIES	408.31	
						74895	OFFICE SUPPLIES	294.94	
						74896	OFFICE SUPPLIES	75.47	
						74934	OFFICE SUPPLIES	73.61	
						74943	OFFICE SUPPLIES	37.64	
57611	11/14/16	1,488.24 003307		PEOPLE READY INC		74909	TEMP W/E 10/21/16	220.48	
57612	11/14/16	75.50 481		PIED PIPER EXTERMINATORS, INC.		74910	TEMP W/E 10/21/16	1,267.76	
57613	11/14/16	37,302.50 002939		PREFERRED BENEFIT		74936	OCT 16 PEST WTC	75.50	
57614	11/14/16	517.25 107A		PROBUILD COMPANY LLC		74862	NOV 16 DENTAL	37,302.50	
						74878	INVENTORY ORDER	19.57	
						74939	RPR KIOSK METRO CTR	69.40	
						74940	MATERIAL FOR BENCHES	407.77	
						74941	RPR BUS WASHER	15.63	
						74942	GENERATOR MAINT	4.88	
57615	11/14/16	590.08 215		RICOH USA, INC. TX		74887	10/26-11/25 RENEW IM	590.08	
57616	11/14/16	30,907.83 904		RNL/INTERPLAN, INC. A CA CORP		74858	PROF SVC THRU 9/30	30,907.83	
57617	11/14/16	87.82 018		SALINAS VALLEY FORD SALES INC		74921	INVENTORY ORDER	87.82	
57618	11/14/16	173.45 135		SANTA CRUZ AUTO PARTS, INC.		74935	INVENTORY ORDER	31.96	
						74945	INVENTORY ORDER	23.28	
						74946	GLASS BEADS	93.50	
						74947	TOOL REPLACEMENT	24.71	
57619	11/14/16	145.00 768		SCMTD C/S CHANGE FUND		74880	REPLENISHMENT	145.00	
57620	11/14/16	195.60 002459		SCOTT'S VALLEY WATER DISTRICT		74851	8/5-10/6 FIRE SVT	45.70	
						74852	8/6-10/6 WATER SVT	149.90	
57621	11/14/16	849.66 E967		SILVA, SUZANNE		74884	TRAVEL REIMBURSEMENT	849.66	

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57622	11/14/16	80.63 E239		SLATER, ROBYN		74885	TRAVEL REIMBURSEMENT	80.63	
57623	11/14/16	5,846.93 003292		SLINGSHOT CONNECTIONS LLP		74860	TEMP W/E 10/30/16	1,293.60	
						74861	TEMP W/E 10/23/16	1,212.75	
						74863	TEMP W/E 10/30/16	1,846.69	
57624	11/14/16	8,985.49 057		U.S. BANK		74865	TEMP W/E 10/23/16	1,493.89	
						74857	****-****-****-0811	2,597.36	
						74902	****-****-****-5056	6,388.13	
57625	11/14/16	59.88 003152		UNIFIRST CORPORATION		74914	MATS TOWELS	6.99	
						74915	MATS TOWELS	6.99	
						74937	CUSTODIAL SUPPLIES	39.42	
						74938	MATS	6.48	
57626	11/14/16	19.54 007		UNITED PARCEL SERVICE		74870	FREIGHT	19.54	
57627	11/14/16	212.06 003294		VARIDESK LLC		74889	DUAL MONITOR ARM	212.06	
57628	11/14/16	75.00 001165		VU, THANH DR. MD	7	74869	DMV EXAM	75.00	
57629	11/14/16	478.61 788		SCWTD PETTY CASH - FINANCE		74960	REPLENISHMENT	478.61	MANUAL
57630	11/16/16	1,830.22 002196		STOKES SIGNS	7	75126	ART CONTEST ADS	1,830.22	MANUAL
				ART CONTEST ADS					
57631	11/18/16	7.82 002941		AA SAFE & SECURITY CO		74993	KEYS SMC	7.82	
57632	11/18/16	2,371.86 003151		ABC BUS INC		74984	INVENTORY ORDER	815.23	
						75096	INVENTORY ORDER	1,132.67	
						75097	INVENTORY ORDER	179.27	
						75130	INVENTORY ORDER	125.06	
						75131	INVENTORY ORDER	119.63	
57633	11/18/16	95.38 382		AIRTEC SERVICE INC.		75050	RPR CEILING LEAK	95.38	
57634	11/18/16	750.00 001016		ALLARD'S SEPTIC SERVICE	7	75083	OCT16 GREASE TRAP WT	375.00	
						75084	OCT16 GREASE TRAP SM	375.00	
57635	11/18/16	73.12 002828		ALLIED ELECTRONICS		75005	RPR ELEVATOR	73.12	
57636	11/18/16	113.31 192		ALWAYS UNDER PRESSURE		74977	LANDA PARTS	113.31	
57637	11/18/16	225.00 247		AUTOMATIC DOOR SYSTEMS, INC.		75093	RPR KIOSK DOOR SMC	225.00	
57638	11/18/16	465.05 002689		B & B SMALL ENGINE CORP		75017	RPR SWEEPER WTC	-19.95	
						75018	RPR SWEEPER WTC	292.47	
						75019	INVENTORY ORDER	192.53	
57639	11/18/16	113.06 002363		BATTERIES PLUS #314		75016	BATTERIES	113.06	
57640	11/18/16	173.15 001356		BRENCO OPERATING-TEXAS, LP		75129	RPR VEH #2232	173.15	
57641	11/18/16	6,381.85 001844		BRINKS INCORPORATED		75078	OCT 16 SERVICES	3,601.73	
						75079	OCT 16 SERVICES	2,780.12	
57642	11/18/16	789,003.21 502		CA PUBLIC EMPLOYEES'		75161	DEC 16 MEDICAL	789,003.21	
57643	11/18/16	942.97 914		CALTRONICS BUSINESS SYSTEMS	0	74966	OFFICE SUPPLIES	942.97	
57644	11/18/16	101.62 M022		CAPELLA, KATHLEEN		75168	DEC 16 RETIREE SUPP	101.62	
57645	11/18/16	2,175.00 001159		CATTO'S GRAPHICS, INC.		75145	BLANK VINYL SHEETS	2,175.00	
57646	11/18/16	47,430.35 001124		CLEAN ENERGY		74983	LNG 9/8/16	8,668.84	
						75141	LNG 10/31/16	10,692.19	
						75142	LNG 10/25/16	10,692.19	
						75143	LNG 10/21/16	7,744.24	
						75144	LNG 10/19/16	9,632.89	

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57647	11/18/16	003102	216.00	CLEVER DEVICES LTD		75128	INVENTORY ORDER	216.00	
57648	11/18/16	003102	2,134.11	COAST PAPER & SUPPLY INC.		74976	CUSTODIAL SUPPLIES	123.02	
						75021	INVENTORY ORDER	2,011.09	
57649	11/18/16	003034	2,890.00	COASTAL LANDSCAPING INC. DBA		74989	NOV 16 LANDSCAPING	2,890.00	
57650	11/18/16	002063	113.94	COSTCO		75088	VETERANS DAY EVENT	113.94	
57651	11/18/16	002814	230.96	CREATIVE BUS SALES, INC.		75123	INVENTORY ORDER	230.96	
57652	11/18/16	003116	1,386.68	CUMMINS PACIFIC LLP		74980	INVENTORY ORDER	260.04	
						74985	INVENTORY ORDER	51.70	
						74986	INVENTORY ORDER	249.52	
						74987	RPR VEH #2804	825.42	
57653	11/18/16	M039	50.91	DAVILA, ANA MARIA	0	75162	DEC 16 RETIREE SUPP	50.91	
57654	11/18/16	002946	437.50	DAY WIRELESS SYSTEMS		74997	RPR RADIO VEH #2603	437.50	
57655	11/18/16	002567	224.00	DEPARTMENT OF JUSTICE		75047	FINGERPRINTING	224.00	
57656	11/18/16	003274	7,266.72	EAST BAY TIRE CO.		75103	TIRES	2,959.73	
						75104	TIRES	986.58	
						75108	TIRES	82.69	
						75109	TIRES	965.64	
						75138	TIRES	546.49	
						75139	TIRES	739.01	
						75140	TIRES	986.58	
57657	11/18/16	003153	4,200.09	ENVIRONMENTAL LOGISTICS INC		75042	NON HAZARDOUS WASTE	4,200.09	
57658	11/18/16	00298	51.00	ERGOMETRICS& APPLIED PERSONNEL		74970	PARATRANSIT OP TEST	51.00	
57659	11/18/16	E672	108.31	ESTRADA, URIEL		75147	OVERTIME MEAL	12.48	
						75148	OVERTIME MEAL	15.00	
						75149	OVERTIME MEAL	15.00	
						75150	OVERTIME MEAL	7.78	
						75151	OVERTIME MEAL	13.05	
						75152	OVERTIME MEAL	15.00	
						75153	OVERTIME MEAL	15.00	
						75154	OVERTIME MEAL	15.00	
57660	11/18/16	432	1,225.31	EXPRESS SERVICES INC.		74962	TEMP W/E 10/30/16	25.31	
57661	11/18/16	002295	39,490.76	FIRST ALARM		75106	TEMP W/E 10/30/16	1,200.00	
						74961	OCT 16 SECURITY ALL	39,400.76	
57662	11/18/16	002952	8,919.77	FLYERS ENERGY LLC		74963	OCT 16 DISPATCH PC	90.00	
						75067	PROPANE	27.59	
						75074	10/16-10/31 FUEL	2,073.97	
						75099	10/16-10/31 FUEL PC	6,818.21	
57663	11/18/16	117	169.26	GILLIG LLC		75122	INVENTORY ORDER	169.26	
57664	11/18/16	001921	278.85	GLOBAL EQUIPMENT COMPANY		75003	CEILING TILES	278.85	
57665	11/18/16	003313	77.44	GLOBAL FIRE CONTROL INC		75146	FIRE DAMPER MODULE	77.44	
57666	11/18/16	M041	101.62	GOUVEIA, ROBERT	0	75163	DEC 16 RETIREE SUPP	101.62	
57667	11/18/16	001039	432.20	GRAFFITI REMOVAL, INC.		75098	INVENTORY ORDER	432.20	
57668	11/18/16	282	2,051.97	GRAINGER		74968	NON INVENTORY ORDER	105.93	
						74992	INVENTORY ORDER	372.64	
						75010	HALIDE LAMP	211.69	
						75022	CUSTODIAL SUPPLIES	22.27	

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57669	11/18/16	001097	528.16	GREENWASTE RECOVERY, INC.		75026	INVENTORY ORDER	18.92	
						75027	INVENTORY ORDER	466.81	
						75028	PAINT SUPPLIES	57.22	
						75029	FLASHLIGHT	10.22	
						75030	NON INVENTORY ORDER	79.77	
						75032	STOCK ORDER	180.26	
						75033	INVENTORY ORDER	186.27	
						75036	HELICAL COIL KIT	70.80	
						75037	CARTRIDGE FILTER	5.81	
						75038	FLUORESCENT LAMP	150.40	
						75039	BATTERY, PHONE	10.62	
						75040	WIRE TAGS	22.84	
						75053	PAINT SUPPLIES	54.79	
						75092	ARCH PUNCH	24.71	
						74964	OCT 16 WASTE PARACRU	247.95	
						74973	OCT 16 WASTE SVTC	259.94	
						74974	OCT 16 WASTE MT HERM	20.27	
57670	11/18/16	001745	13,774.35	HARTFORD LIFE AND ACCIDENT INS		75159	NOV 16 LIFE AD&D	3,254.90	
						75160	NOV 16 LTD	10,519.45	
57671	11/18/16	001166	851.22	HOSE SHOP, THE INC		74981	NON INVENTORY	66.31	
						75119	NON INVENTORY ORDER	540.65	
						75120	NON INVENTORY ORDER	17.07	
						75121	NON INVENTORY ORDER	227.19	
57672	11/18/16	003284	312.20	KEISH ENVIRONMENTAL PC CORP		75046	OCT16 CONSULT OUTFAL	312.20	
57673	11/18/16	003284	734.98	KELLEY'S SERVICE INC.		75000	INVENTORY ORDER	86.71	
						75024	INVENTORY ORDER	143.58	
						75068	INVENTORY ORDER	200.23	
						75070	INVENTORY ORDER	80.00	
						75071	INVENTORY ORDER	111.49	
						75072	INVENTORY ORDER	100.05	
						75076	INVENTORY ORDER	12.92	
57674	11/18/16	001233	235.86	KIMBALL MIDWEST		74988	NON INVENTORY ORDER	235.86	
57675	11/18/16	001852	264.00	LAW OFFICES OF MARIE F. SANG	7	74969	CL# 2010226708	264.00	
57676	11/18/16	003293	4,304.50	MAKAI SOLUTIONS		74972	RPR BAY 7	2,242.63	
						75048	STOCK ORDER	2,061.87	
57677	11/18/16	003249	440.00	MAXIMUM OIL SERVICE LLC		75041	NON HAZARDOUS WASTE	440.00	
57678	11/18/16	001342	1,200.00	MCW ASSOCIATES, INC.		74965	OCT 16 SERVICES	120.00	
57679	11/18/16	003273	1,943.59	MGP XI REIT LLC		75115	DEC 16 RENT	1,943.59	
57680	11/18/16	001178	165.13	N/S CORPORATION		75004	INVENTORY ORDER	165.13	
57681	11/18/16	003061	400.00	NEOFUNDS BY NEOPOST DBA		75089	*****-****-1598	400.00	
57682	11/18/16	004004	102.95	NORTH BAY FORD LINC-MERCURY		74995	RPR VEH #1401	25.89	
						74996	RPR VEH #2405 PC	77.06	
57683	11/18/16	009009	6,800.09	PACIFIC GAS & ELECTRIC		75006	10/5-11/25VT WTC PNR	3,337.05	
57684	11/18/16	004043	716.51	PALACE ART & OFFICE SUPPLY		75007	9/28-10/26 1200A RIV	3,463.04	
						75002	OFFICE SUPPLIES	74.79	
						75023	OFFICE SUPPLIES	9.47	

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57685	11/18/16	771.68 003307	PEOPLE READY INC			75031	OFFICE SUPPLIES	93.74	
57686	11/18/16	50.91 M109	PEREZ, CHERYL			75034	OFFICE SUPPLIES	114.80	
57687	11/18/16	65.00 481	PIED PIPER EXTERMINATORS, INC.			75052	OFFICE SUPPLIES	164.61	
57688	11/18/16	195.75 882	PRINT SHOP SANTA CRUZ			75055	OFFICE SUPPLIES	17.35	
57689	11/18/16	771.96 107A	PROBUILD COMPANY LLC			75056	OFFICE SUPPLIES	241.75	
						75100	TEMP W/E 10/28/16	330.72	
						75101	TEMP W/E 10/28/16	440.96	
57686	11/18/16	50.91 M109	PEREZ, CHERYL			75164	DEC 16 RETIREE SUPP	50.91	
57687	11/18/16	65.00 481	PIED PIPER EXTERMINATORS, INC.			75051	NOV 16 PEST GOLF	65.00	
57688	11/18/16	195.75 882	PRINT SHOP SANTA CRUZ			74998	FAREBOX DECAL	195.75	
57689	11/18/16	771.96 107A	PROBUILD COMPANY LLC			75013	RPR STEEL PLATES OPS	18.64	
						75014	RPR PRESSURE WASHER	2.83	
						75015	SHELVING OPS CLOSET	156.26	
						75049	BIKE RACK RPR WTC	35.16	
						75057	BIKE RACK RPR WTC	46.62	
						75058	BIKE RACK RPR WTC	46.41	
						75059	RPR DOOR MMF	30.20	
						75060	RPR WALL PARTS DEPT	82.08	
						75061	BIKE RACK RPR WTC	120.92	
						75062	BIKE RACK RPR WTC	103.74	
						75063	RPR DOOR SMC	22.50	
						75064	MAINT FUELING STATIO	11.72	
						75065	PAINT PREP WTC	68.49	
						75066	LANDSCAPING SMC	26.39	
						75158	DOT DRUG TESTS	300.60	
57690	11/18/16	300.60 003020	QUEST DIAGNOSTIC INC.			75086	TRAVEL REIMBURSEMENT	536.11	
57691	11/18/16	536.11 E991	RASMUSSEN, PETE			75020	SALT FOR BUS WASHER	100.05	
57692	11/18/16	100.05 019	RAYNE OF SANTA CRUZ, INC.			74975	PRESSURE TEST ELEVAT	1,022.40	
57693	11/18/16	1,467.34 001153	REPUBLIC ELEVATOR COMPANY INC			75054	NOV16 ELEVATOR MAINT	444.94	
57694	11/18/16	57,579.50 003302	RK & ASSOCIATES INC DBA ESCON			75094	DEC 16 RETIREE SUPP	57,579.50	
57695	11/18/16	101.62 M085	ROSSI, DENISE			75165	DEC 16 RETIREE SUPP	101.62	
57696	11/18/16	50.91 M030	ROWE, RUBY			75166	DEC 16 RETIREE SUPP	50.91	
57697	11/18/16	718.73 018	SALINAS VALLEY FORD SALES INC			74999	INVENTORY ORDER	246.42	
57698	11/18/16	280.16 135	SANTA CRUZ AUTO PARTS, INC.			75075	INVENTORY ORDER	472.31	
57699	11/18/16	16,034.94 977	SANTA CRUZ TRANSPORTATION, LLC			75025	INVENTORY ORDER	113.26	
57700	11/18/16	168.71 570	SCMTD PETTY CASH - CUST SVC			75069	INVENTORY ORDER	95.65	
57701	11/18/16	4,433.89 003292	SLINGSHOT CONNECTIONS LLP			75077	INVENTORY ORDER	39.77	
57702	11/18/16	1,920.00 002067	SOILCONTROL LAB			75124	INVENTORY ORDER	31.48	
57703	11/18/16	14,469.87 001075	SOQUEL III ASSOCIATES			75035	OCT 16 SERVICES	16,034.94	
						75105	REPLENISHMENT	168.71	
						74967	TEMP W/E 9/18/16	1,293.60	
						75008	TEMP W/E 11/6/16	1,293.60	
						75107	TEMP W/E 11/6/16	1,846.69	
						75090	STORM WATER REPORT	960.00	
						75091	STORM WATER REPORT	960.00	
						75114	DEC 16 RENT	14,469.87	

Attachment A

DATE 12/01/16 14:10

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

PAGE 10

DATE: 11/01/16 THRU 11/30/16

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57704	11/18/16	583.14 001976	583.14	SPORTWORKS NORTHWEST, INC.		74978	INVENTORY ORDER	583.14	
57705	11/18/16	8,750.00 002871	8,750.00	STATE ELECTRIC GENERATOR		75085	GENERATOR LOAD TEST	8,750.00	
57706	11/18/16	7,200.00 001347	7,200.00	TECHNICAL SERVICES ASSOC., INC		74971	10/1-9/30/16 MAINTEN	7,200.00	
57707	11/18/16	179.91 001040	179.91	TERRYBERRY CO., LLC		75087	ANNIVERSARY AWARD RS	179.91	
57708	11/18/16	424.13 003242	424.13	THE JANEK CORPORATION		75102	RPR GFI ELECTRONICS	424.13	
57709	11/18/16	8,861.31 003285	8,861.31	TRANSIT HOLDINGS INC		74994	INVENTORY ORDER	134.39	
						75116	INVENTORY ORDER	2,796.54	
						75117	INVENTORY ORDER	902.84	
						75118	INVENTORY ORDER	617.79	
						75132	INVENTORY ORDER	3,996.55	
						75133	INVENTORY ORDER	110.81	
						75134	RPR VEH #1211	54.71	
						75135	INVENTORY ORDER	173.42	
						75136	INVENTORY ORDER	74.26	
57710	11/18/16	418.02 003152	418.02	UNIFIRST CORPORATION		74990	MATS	6.48	
						74991	CUSTODIAL SUPPLIES	39.42	
						75009	LAUNDRY SERVICE	6.99	
						75011	LAUNDRY SERVICE	203.31	
						75012	CUSTODIAL SUPPLIES	65.01	
						75044	CUSTODIAL SUPPLIES	39.42	
						75045	MATS OPS	6.48	
						75073	CUSTODIAL SUPPLIES	6.99	
						75080	LAUNDRY SERVICE	14.64	
						75081	LAUNDRY SERVICE	14.64	
						75082	LAUNDRY SERVICE	14.64	
						75125	FREIGHT	60.09	
57711	11/18/16	60.09 007	60.09	UNITED PARCEL SERVICE		75043	TMS 191952	2,000.00	
57712	11/18/16	2,000.00 002873	2,000.00	USPS-HASLER		74979	CREDIT	-563.52	
57713	11/18/16	2,299.73 002829	2,299.73	VALLEY POWER SYSTEMS, INC.		75110	INVENTORY ORDER	3,095.69	
						75111	INVENTORY ORDER	74.17	
						75112	CREDIT	-407.81	
						75127	INVENTORY ORDER	101.20	
57714	11/18/16	331.29 434	331.29	VERIZON WIRELESS	0	75095	10/2-11/1 PUSH2TALK	331.29	
57715	11/18/16	426.48 001165	426.48	VU, THANH DR. MD	7	74982	DMV EXAM	75.00	
						75137	DMV EXAM	75.00	
						75155	DMV EXAM	92.16	
						75156	DMV EXAM	92.16	
						75157	DMV EXAM	92.16	
57716	11/18/16	326.37 002291	326.37	WINCHESTER AUTO		75001	INVENTORY ORDER	326.37	
57717	11/18/16	50.91 M088	50.91	YAGI, RANDY	0	75167	DEC 16 RETIREE SUPP	50.91	
TOTAL		1,582,370.00	1,582,370.00	ACCOUNTS PAYABLE			TOTAL CHECKS	205	1,582,370.00



DATE: December 9, 2016
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
**SUBJECT: ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL
REPORT AS OF SEPTEMBER 30, 2016**

I. RECOMMENDED ACTION

**That the Board of Directors accept and file the Year to Date Monthly
Financial Report as of September 30, 2016.**

II. SUMMARY OF ISSUES

- An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.
- This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of September 30, 2016."
- Staff recommends that the Board of Directors accept and file the attached report.

III. DISCUSSION/BACKGROUND

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of September 30, 2016. The fiscal year has elapsed 25%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of September 30, 2016

Slide 2

FY17 Operating Revenue and Expenses For the Month Ending September 30, 2016

- **Operating Revenues** for the month are favorable by \$9K
- **Operating Expenses** –
 - Labor Regular - unfavorable by \$114K
 - Labor OT - unfavorable by \$130K
 - Fringe Benefits – favorable by \$116K

- Non-Personnel - favorable by \$94K
- **Total Operating Expenses** – unfavorable by \$34K
- **Total Budget to Actual Variance** for the month is unfavorable by \$25K

Slide 3

FY17 Operating Revenue and Expenses Year to Date as of September 30, 2016

- **Operating Revenues** Year to Date are favorable by \$33K
- **Operating Expenses** –
 - Labor Regular - unfavorable by \$93K
 - Labor OT - unfavorable by \$423K
 - Fringe Benefits - favorable by \$142K
 - Non-Personnel - favorable by \$219K
- **Total Operating Expenses** – unfavorable by \$155K

Total Budget to Actual Variance Year to Date is unfavorable by \$122K

Slide 4

FY17 Operating Revenue by Major Funding Source - Year to Date as of September 30, 2016

- **Passenger Fares:** actual is \$2,035K while budget is \$2,158K
- **Sales Tax Revenue:** actual is \$5,113K while budget is \$4,998K
- **TDA:** actual and budget are both \$1,675K
- **Other Revenue:** actual is \$116K while budget is \$148K
- **Fuel Tax Credit:** actual is \$159K while the budget is \$0
- **STIC Op Assistance:** actual is \$2,084K while the budget is \$2,125K
- **Federal Op Assistance:** actual is \$4,202K while the budget is \$4,247K

Slide 5

Favorable/ (Unfavorable) Revenue Variance to Budget Year to Date as of September 30, 2016

- **Passenger Fares** variance to budget is unfavorable by **\$123K** primarily due to:
 - Decreased Highway 17 Ridership as a result of increased fares (in the fall of 2015); lower fuel prices; reduced on-time performance due to increased congestion, as well as the service reduction implemented September 8th, 2016.

- Passenger Fares – Bulk Purchase and the decrease in bulk purchases of discounted passes from Cabrillo College. Additionally systemwide ridership decreased 0.7% year-over-year, due to the service reduction implemented after September 8th, 2016.
- Special Transit Fares and the anticipated budgeted increase from the contract with Cabrillo College. The FY17 Special Transit Fares Budget currently includes \$944K for Cabrillo oriented services (12-month commitment from Cabrillo College). The funding commitment, however, was subsequently aligned with the school year, hence will cover 10-month period of the 2016 – 17 school year (Fall and Winter semester). The first payment was received in September 2016.
- **Sales Tax Revenue** variance to budget is favorable by **\$116K** due to higher than anticipated sales.
- **Other Revenue** variance to budget is unfavorable by **\$32K** primarily due to
 - Seasonal fluctuations in the Advertising Income, while the budget has been straight-lined.
 - Other Operating Assistance – AMBAG Funding and the Bus of Shoulder Study grant budgeted, but not awarded.
- **Fuel Tax Credit** variance to budget is favorable by \$159K as the total budget for Fuel Tax Credit is entered at the end of the fiscal year. Fuel Tax Credit is transferred to Reserves at year-end.
- **STIC Op Assistance** variance to budget is unfavorable by \$42K due to lower allocations. Updated budget projections were available after the FY17 Final budget was finalized and were not captured in the final budget document.
- **Federal Op Assistance** variance to budget is unfavorable by \$44K due to lower allocations.

Slide 6

FY17 Operating Expenses by Major Expense Category Year to Date as of September 30, 2016

- **Labor - Regular:** actual is \$4,147K while budget is \$4,054K
- **Labor - OT:** actual is \$831K while budget is \$408K
- **Fringe Benefits:** actual is \$5,027K while budget is \$5,169K
- **Services:** actual is \$626K while budget is \$779K
- **Mobile Materials & Supplies:** actual is \$702K while budget is \$703K
- **Other Expenses:** actual is \$503K while budget is \$568K

Slide 7

FY17 Operating Expenses by Major Expense Category Year to Date as of September 30, 2016

- **Labor – Regular** variance to budget is unfavorable by **\$93K** due to
 - 26 vacant funded positions, of which 11 are on hold
 - Extended unpaid leaves of absence
 - Incentive and Termination Payout payments for employees that retired in July, August, and September 2016
- **Labor – OT** variance to budget is unfavorable by **\$423K** due to vacant positions in various departments.
- **Fringe Benefits** variance to budget is favorable by **\$142K** primarily due to the 26 vacant funded positions and extended unpaid leaves of absence.
- **Services** variance to budget is favorable **\$153K** due to Prof & Tech Fees and Repair – Rev Vehicle under budget.
- **Mobile Materials & Supplies** variance to budget is favorable by **\$1K**.
- **Other Expenses** are favorable by **\$65K** primarily due to lower Settlement Costs and Miscellaneous expenses.

Slide 8

FY17 Capital Budget Spending Year to Date as of September 30, 2016

- **Total Capital Projects** spending year to date is **\$370K**; FY17 budget is **\$5.2M**
 - Construction Related Projects account for 99.9% of the spending

Slide 9

FY17 Capital Budget – Excludes MetroBase Project – JKS Ops Bldg. - Spending Year to Date as of September 30, 2016

- **Total Capital Projects** spending year to date is **\$15K**; FY17 budget without JKS Ops Bldg. is **\$2.3M**. Spending %'s are as follows:
 - Construction Related Projects (excluding-JKS Ops Bldg) are 98%
 - IT Projects are 2%

Slide 10

(Cover Sheet) – Metrobase Phase II Operations Building Life of Project – Budget Adopted September 23, 2016

Spending as of November 28, 2016

Slide 11

MetroBase Phase II – Life of Project - Spending as of November 28, 2016

- **Total Project Budget** is **\$27.3M**; spending is at **\$25.7M**; remaining is **\$1.5M**; project is **94%** spent

Slide 12

(Cover Sheet) – Additional Information

Slide 13

Additional Information for the Month of **September 2016**

- **Unemployment Rate % in Santa Cruz County** is 5.3%
- **\$ Gasoline per Gallon for the San Francisco-Oakland-San Jose** area is \$2.80
- **Monthly Ridership – Without UCSC** (Highway 17 and Fixed Route) has increased in September to approximately 250K riders

IV. FINANCIAL CONSIDERATIONS/IMPACT

Total Budget to Actual Variance for the month and year to date is unfavorable, by \$25K and \$122K, respectively, primarily due to the incentive and termination payouts for employees that retired in the first three months of the fiscal year. The budget impact of the payouts will be mitigated by budget savings from the vacant funded positions over the next few months.

V. ALTERNATIVES CONSIDERED

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

VI. ATTACHMENTS

Attachment A: Year to Date Monthly Financial Report as of September 30, 2016 Presentation

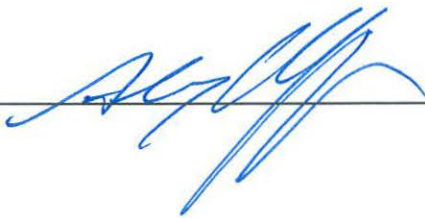
Prepared By: Kristina Mihaylova, Sr. Financial Analyst

VII. APPROVALS:

Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager





Year to Date Monthly Financial Report as of September 30, 2016

Santa Cruz METRO Board of Directors

December 9, 2016

Angela Aitken, Finance Manager

FY17 Operating Revenue and Expenses

For the Month Ending September 30, 2016

25% of Fiscal Year Elapsed

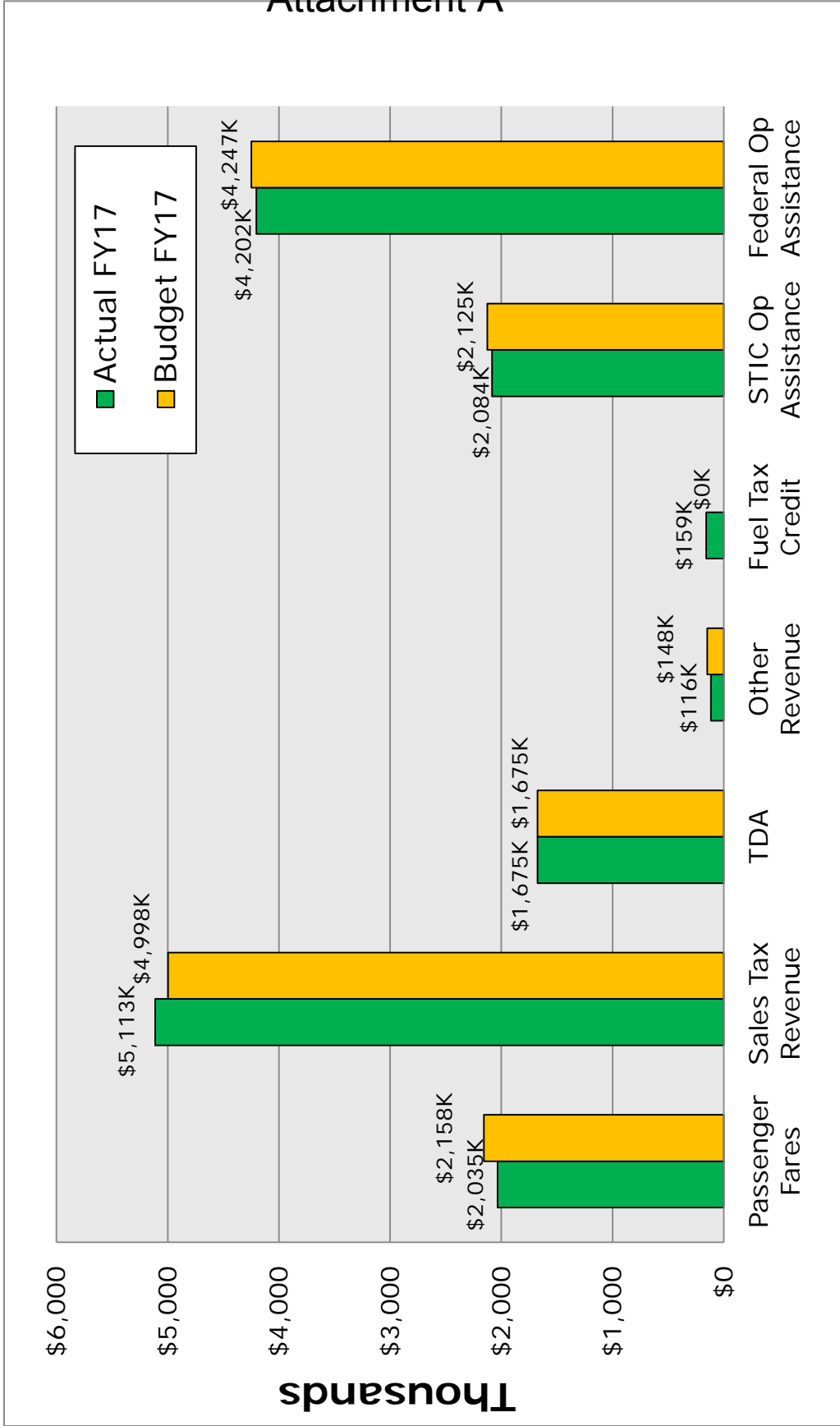
\$ In Thousands	Actual	Budget	Budget to Actual
Operating Revenue:	\$10,955	\$10,946	\$9
Operating Expenses:			
Labor - Regular	\$1,465	\$1,351	(\$114)
Labor - Overtime	\$266	\$136	(\$130)
Fringe Benefits	\$1,607	\$1,723	\$116
Non-Personnel Expenses	\$616	\$710	\$94
Total Operating Expenses:	\$3,954	\$3,920	(\$34)
Operating Budget Favorable/ (Unfavorable):			(\$25)

FY17 Operating Revenue and Expenses Year to Date as of September 30, 2016

25% of Fiscal Year Elapsed

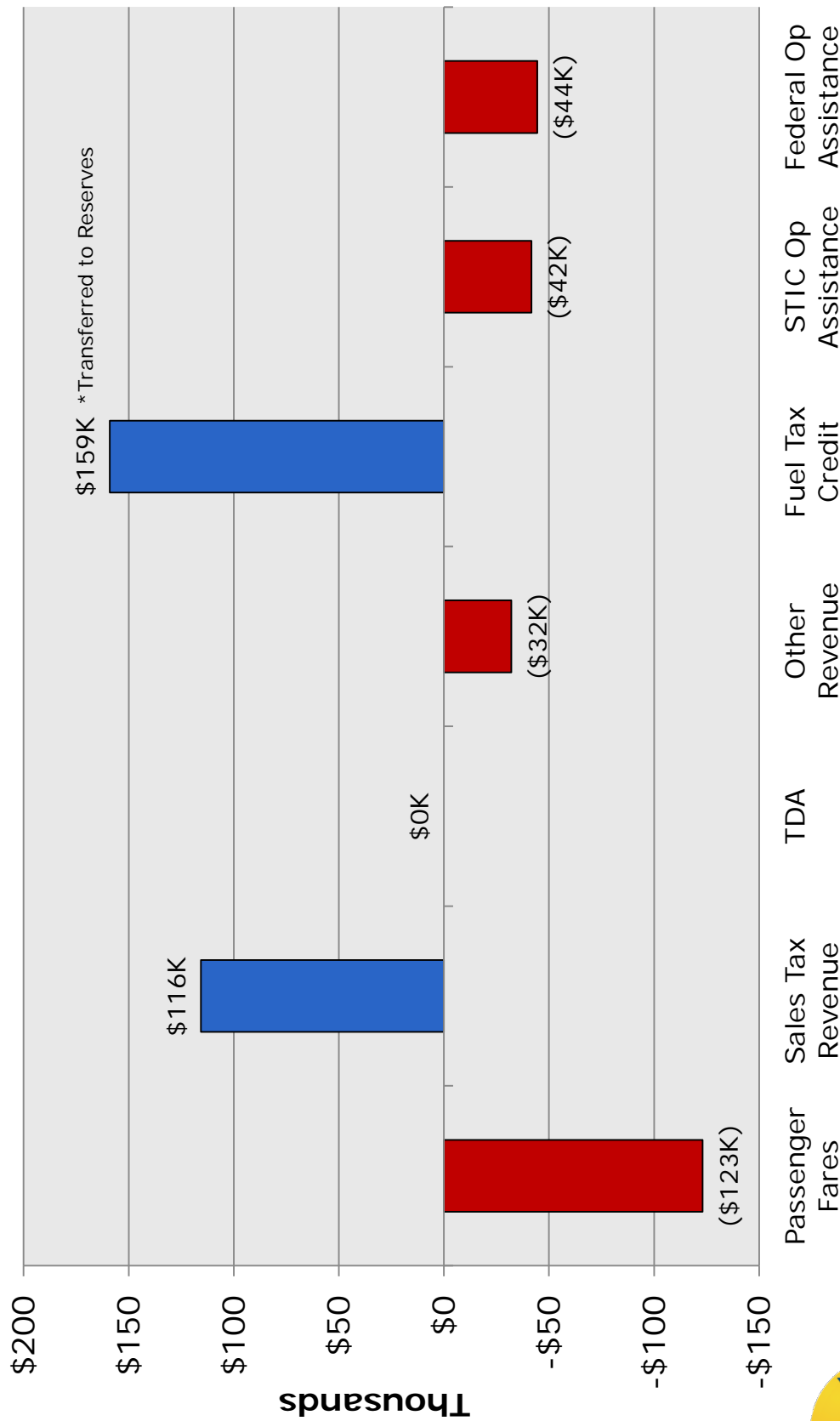
\$ In Thousands	Actual	Budget	Budget to Actual
Operating Revenue:	\$15,385	\$15,352	\$33
Operating Expenses:			
Labor - Regular	\$4,147	\$4,054	(\$93)
Labor - Overtime	\$831	\$408	(\$423)
Fringe Benefits	\$5,027	\$5,169	\$142
Non-Personnel Expenses	\$1,830	\$2,049	\$219
Total Operating Expenses:	\$11,835	\$11,680	(\$155)
Operating Budget Favorable/ (Unfavorable):			(\$122)

FY17 Operating Revenue by Major Funding Source Year to Date as of September 30, 2016 25% of Fiscal Year Elapsed

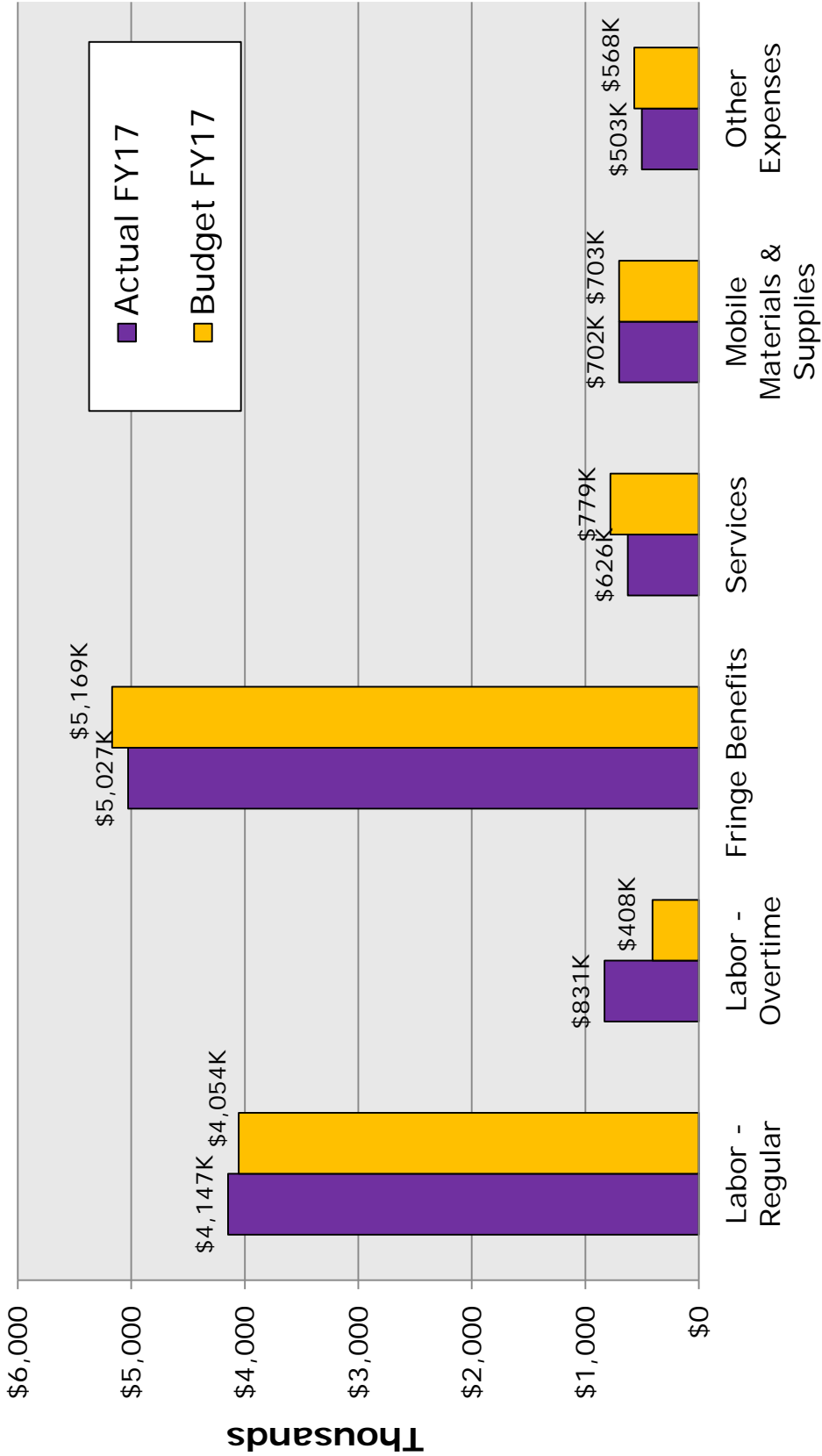


Favorable/(Unfavorable) Revenue Variance to Budget Year to Date as of September 30, 2016

25% of Fiscal Year Elapsed

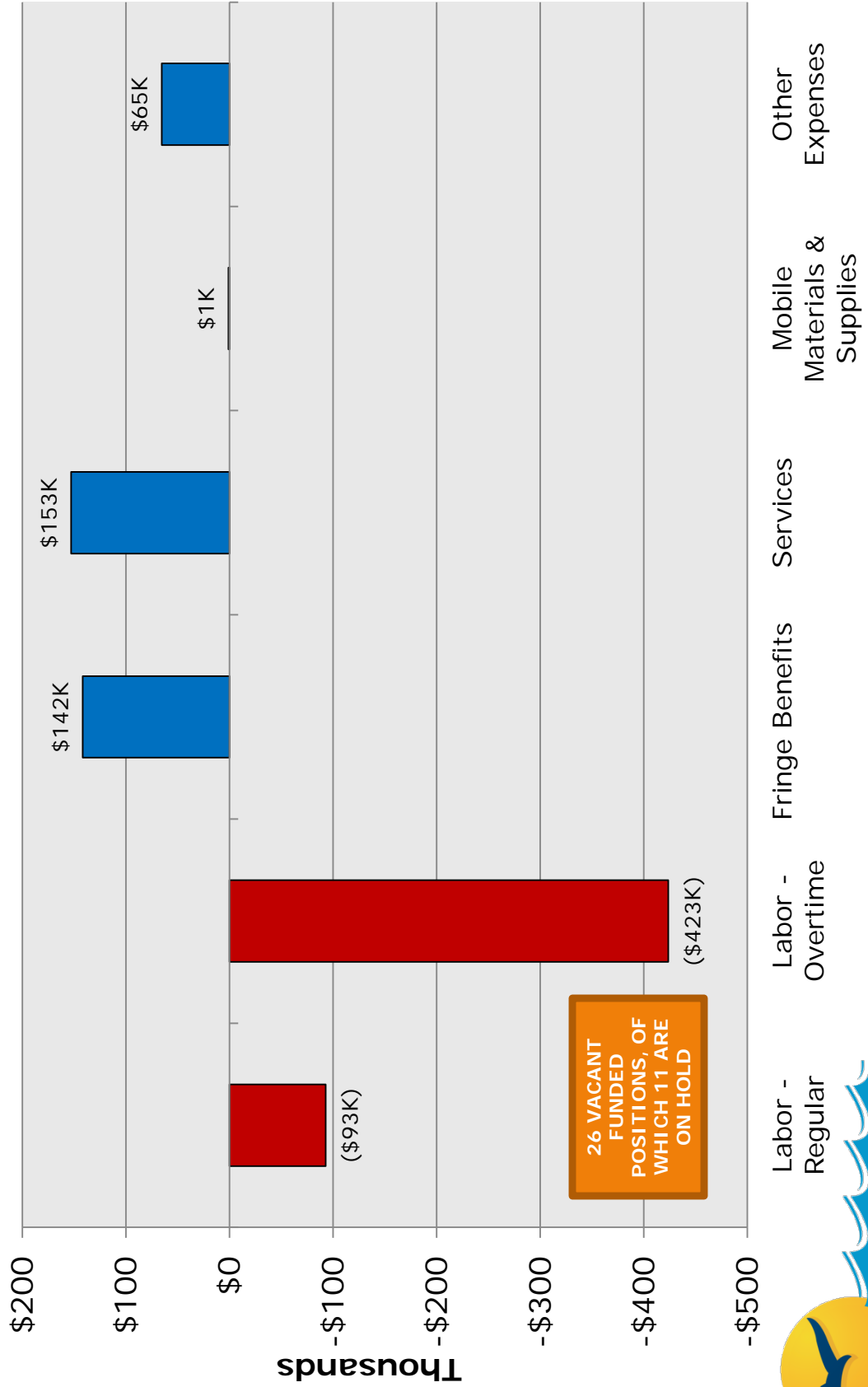


FY17 Operating Expenses by Major Expense Category
Year to Date as of September 30, 2016
25% of Fiscal Year Elapsed



Favorable/(Unfavorable) Expense Variance to Budget Year to Date as of September 30, 2016

25% of Fiscal Year Elapsed

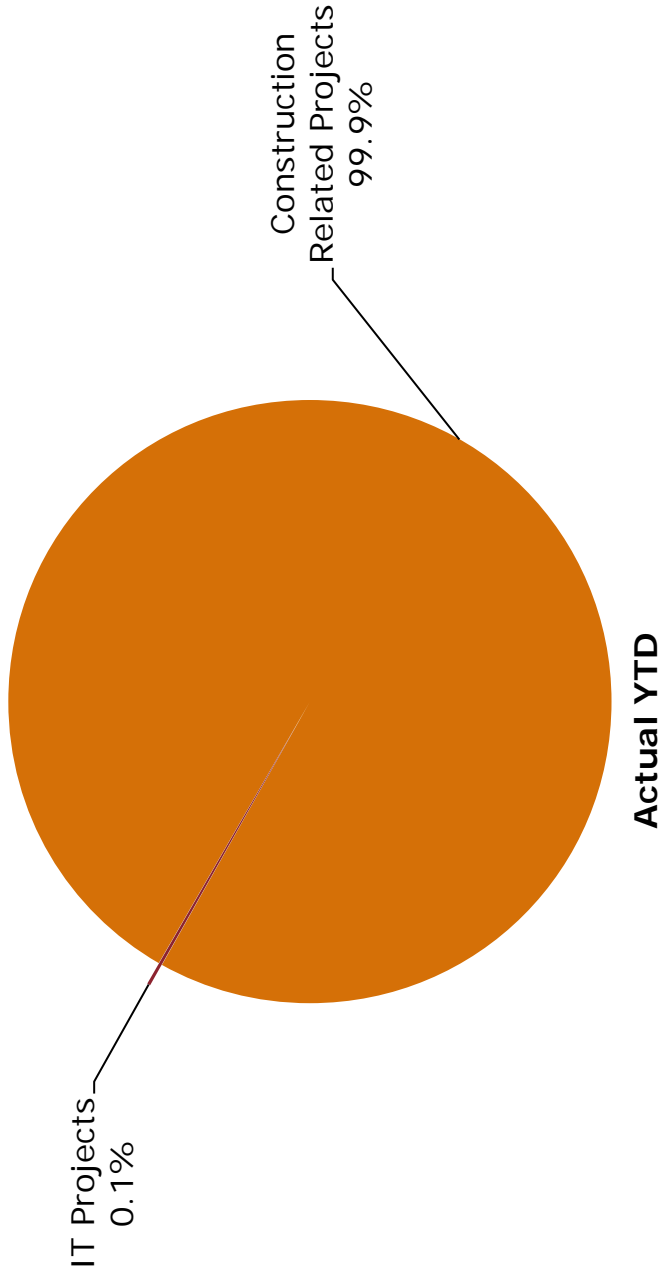


FY17 Capital Budget

Spending Year to Date as of September 30, 2016

25% of Fiscal Year Elapsed

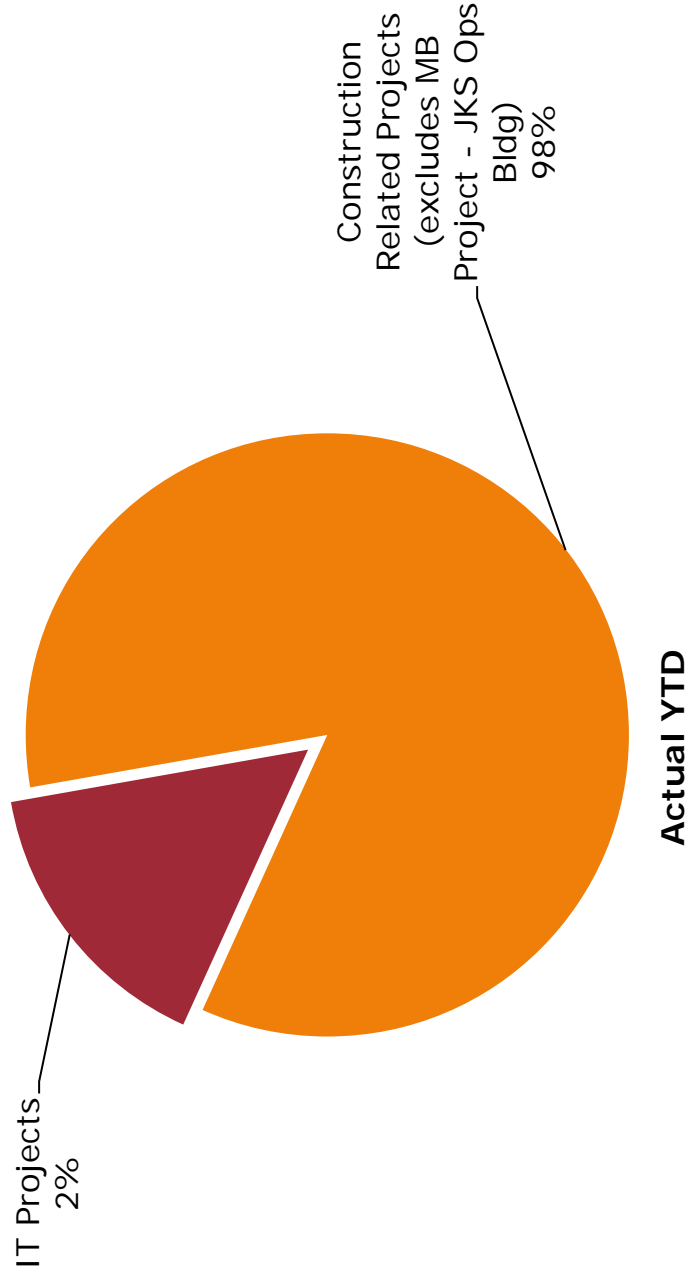
	Actual YTD	Total FY17 Budget	% Spent YTD
Total Capital Projects:	\$369,981	\$5,210,832	7%



FY17 Capital Budget - Excludes MetroBase Project - JKS Ops Bldg.
Spending Year to Date as of September 30, 2016

25% of Fiscal Year Elapsed

	Actual YTD	Total FY17 Budget	% Spent YTD
Total Capital Projects:	\$15,387	\$2,340,832	0.7%



**MetroBase Phase II
Operations Building
Life of Project
Budget Adopted September 23, 2016
Spending as of November 28, 2016**

10-02A.10



MetroBase Phase II - Life of Project Spending as of November 28, 2016

Attachment A

\$ In Thousands	Budget	Actual	Remaining	% Spent
LCN – Prime Construction Contract	\$13,572	\$13,513	\$59	100%
Construction Contract Contingency	\$2,272	\$2,141	\$131	94%
In-House Project Management	\$643	\$643	\$0	100%
Consultant Costs (Hill Int'l., TRC and RNL)	\$6,902	\$6,559	\$342	95%
Non-Construction Contingencies	\$0	\$0	\$0	0%
Contracted Professional Services – prior to 9/26/14	\$150	\$150	\$0	100%
Additional Cost and Services (VSWs, Security, Dubois, etc.)	\$3,802	\$2,739	\$996	72%
Total:	\$27,340	\$25,744	\$1,529	94%

10-02A.11

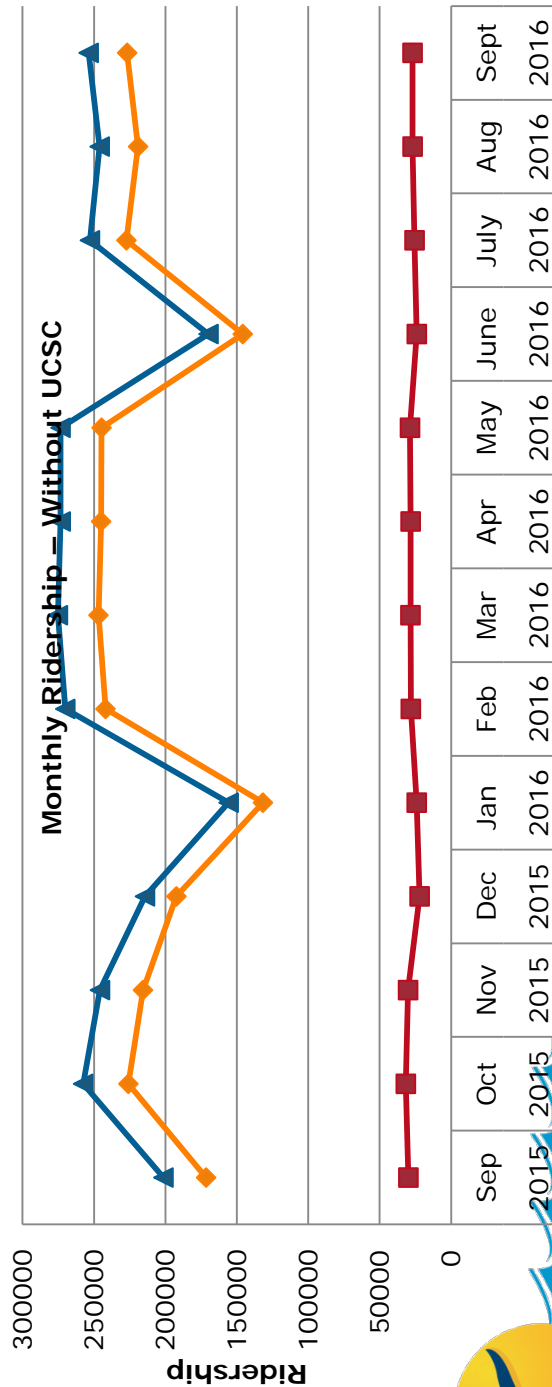
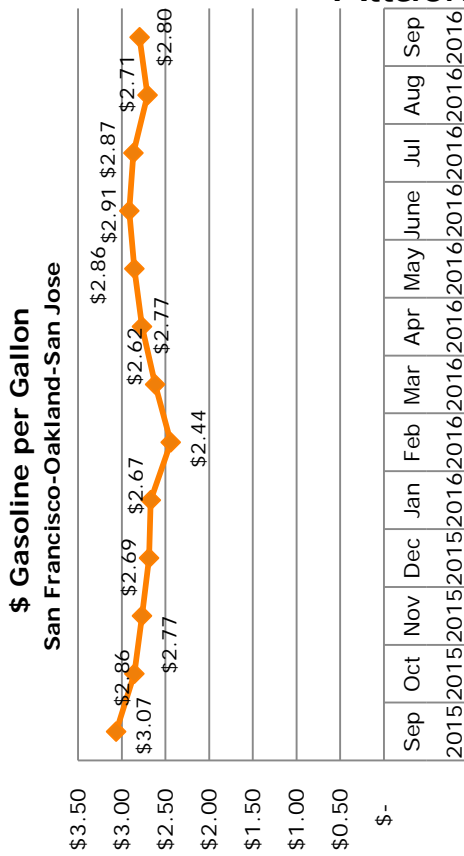
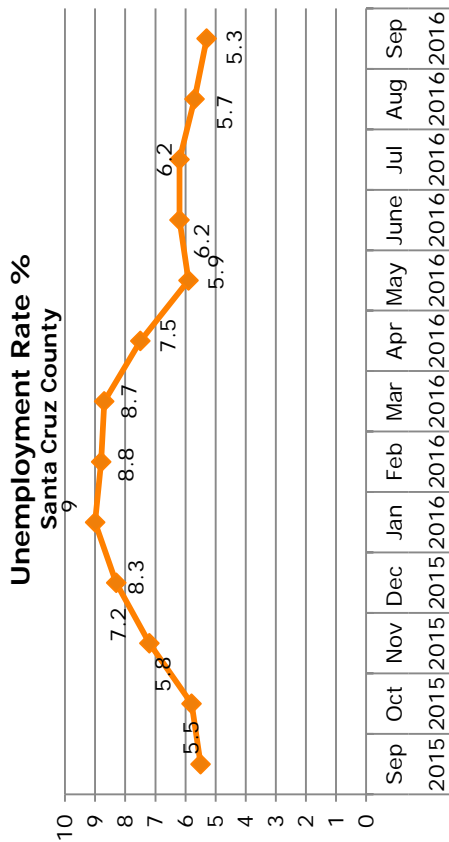


Additional Information

10-02A.12



Additional Information



Questions





DATE: December 9, 2016
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
**SUBJECT: ACCEPT AND FILE REVISED MINUTES OF THE SANTA CRUZ METRO
PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE
MEETING OF SEPTEMBER 21, 2016**

I. RECOMMENDED ACTION

That the Board of Directors Accept and File the Revised Minutes for the Santa Cruz Metropolitan Transit District (METRO) Personnel/Human Resources Standing Committee Meeting of September 21, 2016

II. SUMMARY

- Staff is providing revised minutes from the Santa Cruz Metropolitan Transit District (METRO) Personnel/Human Resources Standing Committee Meeting of September 21, 2016 to correct those approved at the October 28, 2016 Board meeting.

III. DISCUSSION/BACKGROUND

- The Board requested that staff include, in the Board Packet, minutes for previous METRO Standing Committee meetings. Staff is enclosing the minutes from these meetings as a mechanism of complying with this request.
- This revision clarifies the motion in Item 7 and corrects one line item on the handout.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None

V. ALTERNATIVES CONSIDERED

None

VI. ATTACHMENTS

Attachment A: Revised minutes for the Personnel/Human Resources Standing Committee Meeting of September 21, 2016

Prepared by: Gina Pye, Executive Assistant

VII. APPROVALS:

Alex Clifford, CEO/General Manager





**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE
REVISED MEETING MINUTES
SEPTEMBER 21, 2016 – 11:00 AM
METRO ADMIN OFFICES
110 VERNON STREET, SANTA CRUZ, CA 95060**

The Personnel/Human Resources Standing Committee convened a meeting as referenced above. The Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz Metro's Administrative offices at 110 Vernon Street, Santa Cruz, California.

This document has been created with accessibility in mind. With the exception of certain 3rd party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to accessibility@scmtd.com

COMMITTEE ROSTER

Director Dene Bustichi	City of Scotts Valley
Director Jimmy Dutra, Vice Chair	City of Watsonville
Director Donald Norm Hagen	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Mike Rotkin, Chair	County of Santa Cruz
Alex Clifford	METRO CEO/General Manager
Leslyn K. Syren	METRO District Counsel

MEETING TIME: 11:00AM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

- 1 CALL TO ORDER**
Meeting was called to order at 11:10AM by Chair Rotkin.
- 2 ROLL CALL:** The following Directors were **present**, representing quorum:

Director Dene Bustichi	City of Scotts Valley
Director Jimmy Dutra, Vice Chair	City of Watsonville
Director Donald Norm Hagen	County of Santa Cruz
Director Mike Rotkin, Chair	County of Santa Cruz

Director John Leopold was absent.

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

Lorraine Bayer, SEIU	Holly Riley, Undeclared
Patti Davidoski, SEIU	Robyn Slater, METRO
Joan Jeffries, SEIU	

REVISED

12/3/2016

10-03A.1

3 SELECT COMMITTEE CHAIR AND VICE CHAIR

Board Chair Rotkin asked for volunteers to serve as Committee Chair and Committee Vice Chair. Hearing none, Director Bustichi nominated Director Dutra as Committee Chair and Director Hagen as Committee Vice Chair. Carried unanimously by all members present.

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

None.

5 COMMUNICATIONS TO THE PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE

Eduardo Montesino, representing bus operators and paratransit personnel, asked if the Committee would be conducting interviews before going to the Board as time is critical with both the General Counsel and Human Resources Manager position.

Board Chair Rotkin responded that Standing Committees were discussed at last year's Board offsite and it seemed important to have a structure and process in place for management reviews, etc. This Committee is being established for the long haul. They will not be stepping into items which are "already in the works" unless requested by METRO staff. This Committee cannot make final decisions, only recommendations to the METRO Board.

6 DEVELOPMENT OF BYLAWS FOR PERSONNEL/HUMAN RESOURCES COMMITTEE

District Counsel Syren referred to the Capital Project Standing Committee meeting held on September 20th, 2016 where the development of Bylaws was discussed and it was determined that the Standing Committees would abide by the existing METRO Board Bylaws. The Standing Committees will be subject to the Brown Act; i.e., notices, minutes taken and updates provided to the regular METRO Board meetings. It is her recommendation that this Committee do the same.

Board Chair Rotkin said he's thought of other responsibilities the Committee may undertake/include such as compensation studies, processes, etc. He would like to see a 'charge' developed for the Committee that would include items the Committee would like to see staff bring forward.

CEO Clifford said he would email the original Board report dated 8/26/16 to the Committee members which included a list of Committee responsibilities to refresh everyone's memory of the Committee's 'charge'. He since has been reminded that the Committee can also address items as requested by the Board.

District Counsel Syren provided the Committee members with a explanation of the differences between Ad Hoc and Standing committees. Board Chair Rotkin requested that this Committee send a recommendation to the Board in October in the form of a more detailed staff report regarding the creation of committees which would include the addition/modification CEO Clifford mentioned above.

CEO Clifford added that, as METRO moves forward with Standing Committees, a subject matter may arise that you determine is best always addressed in Committee prior to going to the full Board. This is helpful to METRO staff to keep on track and as a time saving mechanism.

7 REVIEW OF CLASS & COMPENSATION STUDY SCOPE OF WORK

Robyn Slater, Human Resources Manager, provided commentary to the materials provided in the agenda packet.

Board Chair Rotkin asked Ms. Slater for an explanation of the step structure.

Ms. Slater recommended METRO move away from the step structure to the industry standards, a “pay for performance” standard/process. Within certain parameters, an increase would come under the purview of the CEO/General Manager.

CEO Clifford noted this demonstrates the need to bring this to the Personnel/Human Resources Standing Committee; we need to determine METRO's philosophy to guide us through the process which affects an employee's pay.

Committee Chair Dutra asked if there are any positions which we are not filling, which are being held back.

Ms. Slater answered yes; we are making adjustments on an emergency basis. This will be a long process; she estimates six months to one year after the individual is hired.

Board Chair Rotkin asked if the SEIU agreements contain the opportunity for comparable studies.

Ms. Slater responded that all of the Union contracts contain an opportunity for an individual to request a reclass.

CEO Clifford reminded the assembly that today's objective is to agree on a Scope of Work for the consultant search.

Public comment:

Joan Jeffries, SEIU member, said the second sentence under Project Objective of the Management Classification and Compensation Study document was misleading. It reads, “Classification and wage surveys have been conducted as required by contractual language for unionized positions.” SEIU members are concerned that the study will be conducted for management before union members. In the MOUs union members are allowed to request one group reclass per year. There are 18+ distinct groups/career ladders. Each year, we rotate among the different unions. All of this is to say, because nothing has been done in a comprehensive way, it's a time consuming process whenever HR receives a request. If METRO would consider completing both studies at the same time, it would boost the morale of all METRO employees.

Director Bustichi asked Ms. Jeffries if they would be willing to do a study for an entire group every “X” number of years rather than one per year; to replace the current bargaining agreement which allows one wage compensation study per year.

Ms. Jeffries responded that if a comprehensive study is done, there wouldn't be the need for language to allow for the one-offs. There are individual positions which don't fall within a group and can be requested as an individual reclass. Can we bring these outliers into a group for some sort of promotion?

Mr. Montesino, said Fixed Route does not have this latitude; this is only allowed when we negotiate. During negotiations, we reclassify every three years; but, no compensation study was done. As a small agency, everyone does multiple jobs; we are a driver/customer service agent. The SEIU positions are outdated. There is a need; but it's an agency-wide need.

CEO Clifford noted that the Board approved this to proceed in late 2014. The current contract has two sections: 1) Wage studies which can conduct three or they can chose a

group annually in December; and, 2) A section which deals with reclassifications in which they can choose three and one of the groups. These options are exercised on a regular basis and this results occasionally in a reclass and/or wage change in addition to the wage change on an annual basis. Numerous positions over the last 10 years have been reviewed; many with recommendations for pay increases. We are in the final stages of re-classing a group within the Finance Department; this will include wage and reclass recommendations which will be brought to the Board in October.

CEO Clifford distributed a document entitled, Classification Study, Reclassification of Comp Study (Salary Survey) June 2011 – December 2015, which outlines 10 years of reclass history. This has never been done for management. As annual wage and reclass adjustments are made, it creates compression and the delta that should occur between positions is eroded. CEO Clifford understands SEIU's concerns; their negotiations will come up soon.

Director Bustichi asked if it would be easier or harder if all bargaining units were to agree that everything be stricken and a compensation study completed every four years or so for every METRO employee.

CEO Clifford responded that it is a complex situation. The MOU language affects an annual individual approach.

District Counsel Syren added in most agencies, once a comprehensive class and comp study is completed; a moratorium is put upon the employees to be able to use what is in the contract for a set period of time. So there is some flexibility between maintaining what is in the contract and what Director Bustichi is suggesting.

Board Chair Rotkin wants to make it clear that it is their intention to identify their commitment to METRO and its employees: conduct the management study; to be followed immediately by a complete compensation study for the remainder of the employees as necessary. He has a sense that UTU is relatively well paid while SEIU is behind the market.

Committee Chair Dutra asked if SEIU is underpaid; has reclass kept salaries to standards and updating job descriptions? Is there something on the horizon we can do with SEIU? And, why do we continually update the job classifications?

CEO Clifford responded that these are the type of discussions we will have throughout the agency. A policy needs to be determined in both management and SEIU categories. Yes, as the union exercises the two MOU clauses, reclass has kept salaries to standards. We may begin the SEIU study before management is complete due to the timing of the expiration of their contract. CEO Clifford will advocate for a total compensation approach which SEIU has not allowed to date. This restricts us to past practice. When reclasses are conducted, which results in a new job description, we try to capture the correct job duties.

District Counsel Syren suggested that an option be added to the RFP the ability to study the SEIU positions. We would not have to utilize this option, but it may help in the procurement process. If a company is located which is a good fit, you would be able to transition into the second study.

MOTION: APPROVE THE CLASS & COMPENSATION STUDY SCOPE OF WORK AND PROVIDE A RECOMMENDATION TO THE METRO BOARD WITH 2 CAVEATS: THE PACKAGE IS TOTAL COMPENSATION AND SEIU AGREES THAT THE STUDY WILL BE USED AS A BASIS FOR FUTURE NEGOTIATIONS.

**MOTION: DIRECTOR BUSTICHI SECOND: COMMITTEE VICE CHAIR HAGEN
MOTION CARRIED UNANIMOUSLY WITH DIRECTOR LEOPOLD ABSENT.**

Board Chair Rotkin cautioned the Committee cannot impose this upon the SEIU without consulting them. Director Bustichi clarified this is simply a recommendation to the Board to allow staff to move forward with the process in obtaining costs, timeframes, etc. and allow time for staff to discuss this with SEIU such that when and if the Board approves, we can move forward.

CEO Clifford clarified that the SEIU option would not be exercised until a later date and until the Board makes the decision to do so.

Ms. Jeffries said the MOU contains individual reclass options but is limited to those positions which do not fall within an existing ladder. The option for a wage study is near impossible if you have not had a recent reclass; it requires a recent job description. Reclass is the goal.

Board Chair Rotkin said the Board recognizes that positions need to be updated. Management has had no chance for reclass or rewriting of job descriptions. Moving ahead with a management compensation study does not mean they do not support the SEIU. He recognizes that our bus drivers/employees do a very different job than elsewhere. SEIU is behind the market.

Mr. Montesino noted there is no mention of budget or cost for the study.

Board Chair Rotkin said costs will be received with the RFP responses.

Committee Chair Dutra asked how many bids were anticipated.

CEO Clifford said we anticipate at least two; probably more.

Director Bustichi suggested the RFP be in a format that would have two prices to trigger the next phase; this permits the ability to stop the process if it's not working out.

Committee Vice Chair Hagen departed at 12:05PM.

8 ANNOUNCEMENT OF NEXT MEETING:

Committee Chair Dutra announced the next meeting date will be determined.

9 ADJOURNMENT

Committee Chair Dutra adjourned the meeting at 12:11PM.

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

CORRECTED Attachment

Classification Study, Reclassification, or Comp Study (Salary Survey)						
Type of Request	Original Position Title	New Position Title	Old pay	Recommended Pay	Step 6 % Change	Remarks
June 2015 (BOD - 06/24/16)						
Classification and Comp Study	Reservationist	Customer Service Representative (CSR)	\$13.58 - \$20.07	\$18.38 - \$23.38	14.16%	Reservationist moved from UTU to SEIU and converted to CSR
Classification and Comp Study	Customer Service Representative (CSR)	Customer Service Representative (CSR)	\$18.18 - \$23.18	\$18.38 - \$23.38	0.86%	CSR position description and pay change
Classification and Comp Study	Customer Service Coordinator (CSC)	Customer Service Coordinator (CSC)	N/A	N/A	0.00%	Position description change only
December 2014 (BOD 11/13/15)						
Comp Study	Accountant I	N/A	\$26.91 - \$34.40	\$29.05 - \$37.08	7.23%	Pay change only
Comp Study	Accountant II	N/A	\$28.23 - \$36.08	\$30.50 - \$38.91	7.27%	Pay change only
Comp Study	Supervising Accountant	N/A	\$33.37 - \$42.56	\$35.08 - \$44.76	5.14%	Pay change only
December 2014 (BOD - 08/14/15)						
Classification Study	Schedule Analyst	Schedule Analyst	N/A	N/A	0.00%	Union and METRO agreed a wage survey was unnecessary
May 2014 (BOD 02/13/15)						
Classification and Comp Study	None	Safety Specialist	N/A	\$32.53 - \$41.49	0.00%	Position description and pay created
Classification and Comp Study	None	Senior Safety Specialist	N/A	\$37.64 - \$48.06	0.00%	Position description and pay created
Classification and Comp Study	None	Assistant Safety and Training Coordinator	N/A	\$29.17 - \$37.88	0.00%	Position description and pay created
Classification and Comp Study	None	Electronic Technician	N/A	\$26.05 - \$33.25	0.00%	Position description created and use of FM Mechanic III pay scale
October 2014 (BOD - 11/14/14)						
Classification and Comp Study	None	Human Resources Generalist	N/A	\$27.25 - \$34.80	0.00%	Position description and pay created
August 2014 (BOD 08/22/14)						
Classification Study	Administrative Coordinator	None	\$30.17 - \$38.52	N/A	0%	Position moved to Management Comp Plan
December 2011 (BOD 06/24/11)						
Classification and Comp Study	Senior Accounting Technician	Payroll Accounting Support Specialist	N/A	N/A	0.00%	Position description change only

10-03A-1

CORRECTED Attachment

Classification Study, Reclassification, or Comp Study (Salary Survey)						
June 2011 - December 2015						
Type of Request	Original Position Title	New Position Title	Old pay	Recommended Pay	Step 6 % Change	Remarks
<u>June 2012 (BOD - 11/09/12)</u>						
Classification and Comp Study	none	Sr. Financial Analyst	N/A	\$31.07 - \$39.66	0.00%	Position description and pay created
Classification and Comp Study	Financial Analyst	Financial Analyst	N/A	N/A	0.00%	Position description change only
<u>December 2010 (BOD - 09/09/11)</u>						
Classification and Comp Study	Benefits Coordinator	Benefits Administrator	\$21.56 - \$27.53	\$22.60 - \$28.86	4.61%	Position description and pay change
<u>April 2009 (BOD - 02/26/10)</u>						
Classification and Comp Study	Transportation Planning Supervisor	Transportation Planning Supervisor	\$29.17 - \$37.23	\$30.05 - \$38.35	2.92%	Position description and pay change
Classification and Comp Study	Sr. Transportation Planner	Sr. Transportation Planner	\$27.78 - \$35.46	\$28.61 - \$36.52	2.90%	Position description and pay change
Classification and Comp Study	Transportation Planner	Transportation Planner	\$26.46 - \$33.77	\$27.25 - \$34.78	2.90%	Position description and pay change
Classification and Comp Study	Jr. Transportation Planner	Jr. Transportation Planner	\$20.79 - \$26.53	\$21.41 - \$27.33	2.93%	Position description and pay change
Classification and Comp Study	Transportation Planning Aide	Transportation Planning Aide	\$ 19.80 - \$25.27	\$20.39 - \$26.03	2.92%	Position description and pay change
<u>December 2009 (BOD - 08/13/10)</u>						
Classification and Comp Study	Mechanic I	Mechanic I	N/A	N/A	0.00%	Position description change only
Classification and Comp Study	Mechanic II	Mechanic II	N/A	N/A	0.00%	Position description change only
Classification and Comp Study	Mechanic III	Mechanic III	N/A	N/A	0.00%	Position description change only
Classification and Comp Study	Lead Mechanic	Lead Mechanic	N/A	N/A	0.00%	Position description change only
Classification and Comp Study	Fleet Maintenance Supervisor	Fleet Maintenance Supervisor	N/A	N/A	0.00%	Position description change only
<u>June 2008 (BOD - 02/27/09)</u>						
Classification and Comp Study	Sr Accounting Technician	Purchasing Assistant	N/A	N/A	0.00%	Position description change only
<u>March 2008 (BOD - 03/14/08)</u>						
Classification Study	Payroll Specialist	Payroll Specialist	N/A	N/A	0.00%	Position description change only
<u>December 2007 (BOD - 11/21/08)</u>						
Classification and Comp Study	Safety and Training Coordinator	Safety and Training Coordinator	\$25.12 - \$32.05	\$26.88 - \$34.30	6.56%	Position description and pay change

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Classification Study, Reclassification, or Comp Study (Salary Survey)						
June 2011 - December 2015						
Type of Request	Original Position Title	New Position Title	Old pay	Recommended Pay	Step 6 % Change	Remarks
July 2007 (BOD - 09/26/08)						
Classification Study	Administrative Assistant/Supervisor	Administrative Assistant/Supervisor	N/A	N/A	0.00%	Position description change only
June 2007 (BOD - 06/22/07)						
Classification Study	Lead Parts Clerk	Lead Parts Clerk	N/A	N/A	0.00%	Position description change only
Classification Study	Parts Clerk	Parts Clerk	N/A	N/A	0.00%	Position description change only
December 2006 (BOD - 04/27/07)						
Classification and Comp Study	Payroll and Benefits Coordinator	Financial Analyst	\$20.37 - \$26.02	\$24.14 - \$30.81	15.55%	Position description and pay change
December 2005 (BOD - 01/26/07)						
Comp Study	Administrative Assistant/Supervisor	Administrative Assistant/Supervisor	\$17.19 - \$21.92	\$18.39 - \$23.47	6.60%	Pay change only
Comp Study	Administrative Assistant	Administrative Assistant	\$16.37 - \$20.89	\$17.52 - \$22.37	6.62%	Pay change only
Comp Study	Administrative Services Coordinator	Administrative Services Coordinator	\$21.87 - \$27.95	\$23.40 - \$29.86	6.40%	Pay change only
Comp Study	Transit Supervisor	Transit Supervisor	\$22.13 - \$28.21	\$23.24 - \$29.66	4.89%	Pay change only



DATE: December 9, 2016
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
**SUBJECT: ACCEPT AND FILE MINUTES OF THE SANTA CRUZ METRO BOARD
OF DIRECTORS MEETING OF NOVEMBER 18, 2016**

I. RECOMMENDED ACTION

That the Board of Directors Accept and File the Minutes for the Santa Cruz Metropolitan Transit District (METRO) Board of Directors Meeting of November 18, 2016

II. SUMMARY

- Staff is providing minutes from the Santa Cruz Metropolitan Transit District (METRO) Board of Directors Meeting of November 18, 2016.
- Each meeting, staff will provide minutes from the previous METRO Board of Directors meeting.

III. DISCUSSION/BACKGROUND

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

IV. FINANCIAL CONSIDERATIONS/IMPACT

None

V. ALTERNATIVES CONSIDERED

None

VI. ATTACHMENTS

Attachment A: Draft minutes for the Board of Directors Meeting of November 18, 2016

Prepared by: Gina Pye, Executive Assistant

VII. APPROVALS:

Alex Clifford, CEO/General Manager



Attachment A



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA MEETING MINUTES
NOVEMBER 18, 2016 – 8:30 AM
WATSONVILLE CITY COUNCIL CHAMBERS
275 MAIN STREET
WATSONVILLE, CA 95076**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, November 18, 2016 at the Watsonville City Council Chambers, 275 Main Street, Watsonville, CA.

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

This document has been created with accessibility in mind. With the exception of certain 3rd party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to accessibility@scmttd.com

SECTION I: OPEN SESSION

- 1 CALL TO ORDER at 8:40 AM by Chair Rotkin.**
- 2 SWEAR IN EX-OFFICIO DIRECTOR, LIBER McKEE, CABRILLO COLLEGE – postponed to future date to unavailability of Mr. McKee.**
- 3 ROLL CALL: The following Directors were present, representing quorum:**

Director Ed Bottorff	City of Capitola
Director Cynthia Chase	City of Santa Cruz
Director Norm Hagen	County of Santa Cruz
Director Don Lane	City of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Mike Rotkin, Chair	County of Santa Cruz

Vice Chair Dutra, Director Bustichi, Director Cervantez, Director Friend and Ex Officio Director Blitzer were absent.

STAFF PRESENT:

Alex Clifford	METRO CEO/General Manager
Julie Sherman, Esq.	METRO District Counsel, Contracted
Leslyn K. Syren	METRO District Counsel

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

Angela Aitken, METRO

Antonio Castillo, SEIU VMU

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Attachment A

Debbie Kinslow, METRO
Joan Jeffries, SEIU

Larry Paegler, UCSC
Daniel Zaragoza, METRO

4 ANNOUNCEMENTS

Due to the lack of employee appreciation recognition or retirees, Chair Rotkin took the opportunity to thank all METRO employees for their contributions.

Chair Rotkin went on to announce:

- Mr. Liber McKee was not available today; he will be sworn in at a future meeting.
- Vice Chair Dutra and Ex Officio Director Blitzer provided advance notice that they would not be able to attend today's meeting.

Chair Rotkin introduced Carlos Landaverry and his Spanish Language Interpretation services and continued with the following announcements:

- This meeting is being televised by Community Television of Santa Cruz County with technician, Alex Saidi, on channel 26;
- Today's Watsonville City technician is Deborah Muniz;
- Corrected page 10.05B.1 Quarterly Average Ridership By Route; and,
- Additional information pertaining to Item 13, COA Update, was distributed to Board members and is available at the rear of the assembly.

5 BOARD OF DIRECTORS COMMENTS

Chair Rotkin encouraged Board members to notify Gina Pye, METRO Executive Assistant, if they will not be available to participate in the December 9, 2016 METRO Board Meeting to avert any quorum issues.

Director Leopold said he believes Measure D is going to pass and attributed a portion of that success to the Unions and their support thereof. For example, Mr. Eduardo Montesino played a huge role in organizing support; working with Operators to speak strategically with those they know best, our riders, throughout the county. The 2/3 voter approval requirement meant that everything we did was incredibly important. He thanked all METRO employees and Santa Cruz County residents for their recognition of the importance of transportation to the community.

Director Hagen thanked members of our communities for making this possible

Director Bottorff spoke of his participation with the Bus Operators at Cabrillo College and the success there. On a personal note, he continues to be in a very tight election race and is optimistic. In the event he doesn't return to this position, and may not be reappointed to this post, Director Bottorff took the opportunity to say what a wonderful experience it has been to serve on the METRO Board. He hopes to return in January. He credited CEO Clifford who, with the help of the Unions, employees and Board, successfully managed the organization during the structural deficit.

Director McPherson echoed Director Bottorff's appreciation of the Operators and the voters for their support of Measure D, adding that this Measure will help residents be better accommodated with every form of transportation in Santa Cruz County. He will be traveling to Los Angeles in the near future to participate in a Coalition of Self Help Counties. Due to budget cutbacks, there exists a tremendous backlog of infrastructure needs, which will take some time to cover; but we have a good chance to do so. He believes better transportation days are ahead.

Attachment A

Chair Rotkin thanked METRO staff and employees and recognized Board leadership as contributions to Measure D's success and clarified that the work of METRO employees and Board members was voluntary and unpaid. Everyone did something to help support the Measure.

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

6 COMMUNICATIONS TO THE BOARD OF DIRECTORS

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

7 COMMUNICATIONS FROM MAC

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

8 LABOR ORGANIZATION COMMUNICATIONS

Mr. Eduardo Montesino, representing Fixed Route Bus Operators and Paratransit Operators, thanked Board members and the Santa Cruz County Regional Transportation Commission (SCCRTC) on the passage of Measure D. Voters saw a benefit for all moving forward. Now we have to do more work, to be accountable. He asked where will the money be used.

Chair Rotkin responded self help counties often begin this way; with one measure, adding more in the future to spiral upward with service, etc. Without public funding, METRO cannot provide the service this community needs. If the Measure is successful and the funds are put to work such that the public can see the results of their vote, they are more likely to provide additional support in the future.

Director Lane spent four weekends with the Measure D campaign in Watsonville and saw what Mr. Montesino and his team did to support the Measure. He thanked them for the tremendous support.

9 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Chair Rotkin announced the following items were distributed to Board Members and are available at the back of the room for public viewing:

- News clips of interest

CONSENT AGENDA

10-01 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF OCTOBER 2016

10-02 ACCEPT AND FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF JULY 31, 2016

10-03 ACCEPT AND FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF AUGUST 31, 2016

10-04 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF OCTOBER 28, 2016

10-05 ACCEPT AND FILE: METRO SYSTEM RIDERSHIP REPORTS FOR THE FIRST QUARTER OF FY17

10-06 ACCEPT AND FILE: METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST AND SEPTEMBER 2016

Attachment A

Board of Directors Meeting Minutes
November 18, 2016
Page 4 of 7

- 10-07 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF ACTIVE GRANTS, GRANT APPLICATIONS AND OPPORTUNITIES FOR JULY - SEPTEMBER 2016
- 10-08 APPROVE: CONSIDER RATIFICATION OF A 5-YEAR LEASE AGREEMENT WITH JIANBIN MO, DBA BETTY'S NOODLE LEASE
- 10-09 APPROVE: CONSIDERATION OF DECLARING ONE (1) 2003 ORION BUS, ONE (1) SPARC 5 COMPUTER, AND ONE (1) GESTETNER COPIER/PRINTER/SCANNER AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION
- 10-10 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT WITH GIRO, INC. FOR HASTUS SOFTWARE MAINTENANCE AND SUPPORT
- 10-11 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 4TH AMENDMENT EXTENDING THE CONTRCT WITH KIMBALL MIDWEST FOR FASTENERS, ELECTRICAL TERMINALS AND MISCELLANEOUS ITEMS INCREASING THE CONTRACT TOTAL BY \$35,000
- 10-12 APPROVE: CONSIDERATION OF ISSUING A FORMAL INVITATION FOR BIDS FOR SEALING AND PAINTING OF STAIRS AT THE JUDY K. SOUZA OPERATIONS FACILITY
- 10-13 ACCEPT: CONSIDERATION OF METROBASE MONTHLY CHANGE ORDER REPORT
- 10-14 ACCEPT: CONSIDERATION OF A RESOLUTION AMENDING CHAPTER 2 OF THE SANTA CRUZ METRO ADMINISTRATIVE CODE

There was no public or Board comment

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED.

MOTION: DIRECTOR LANE SECOND: DIRECTOR McPHERSON

MOTION PASSED WITH 7 AYES (Directors Bottorff, Chase, Hagen, Lane, Leopold, McPherson and Rotkin.) Vice Chair Dutra, Directors Bustichi, Cervantez and Friend were not present.

REGULAR AGENDA

- 11 **ACCEPT: CONSIDERATION OF RESPONSES TO THE RECOMMENDATIONS CONTAINED IN THE FY2013-2015 TRANSPORTATION DEVELOPMENT ACT TRIENNIAL PERFORMANCE AUDIT**

Angela Aitken, Finance Manager, provided commentary to the board report, highlighting the three recommendations beginning on page 11.2. METRO staff is requesting Board approval to send the response letter (page 11B.1).

Chair Rotkin agreed that every organization needs to market itself; especially one that depends on ridership. However, he went on to voice his preference to utilize internal resources, stating our equipment is at capacity. He asked if it makes sense to spend money when we don't need to fill our buses; we are full.

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10-04A.4

Attachment A

CEO Clifford responded that, in reality, ridership is dropping; customers have been leaving the system for a variety of reasons. Today, we hope that an equivalent number of riders will find the system on their own. A strategic, developed marketing program will focus on off-peak hours and off-peak directions; i.e., focused and strategic ridership. As a side note, he recently learned of other agencies' efforts/examples to attract riders. For example, Victor Valley is targeting seniors as they are more prone to using service during off-peak hours for medical and other appointments. This also has the added benefit of moving them from paratransit to fixed route. CEO Clifford will begin generating these ideas.

Director Hagen voiced his support of a marketing function to make customers aware of what is available and making it understandable.

Public comment:

Mr. Montesino said the concept is good; but, at this stage, he'd like to use our resources in other avenues. The community wants to see services.

Ms. Becky Taylor said if you don't market the service, you won't be able to get ads on the buses. And, you'll lose ridership and won't be able to get new riders without anyone to inform the public about the services you already have. It will make things harder.

Director Leopold added that marketing is important; but cautioned the public will judge METRO by the service on the street.

ACTION: MOTION TO APPROVE THE RESPONSES TO THE RECOMMENDATIONS CONTAINED IN THE FY2013-2015 TRANSPORTATION DEVELOPMENT ACT TRIENNIAL PERFORMANCE AUDIT AS PRESENTED.

MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR HAGEN

MOTION PASSED WITH 7 AYES (Directors Bottorff, Chase, Hagen, Lane, Leopold, McPherson and Rotkin.) Vice Chair Dutra, Directors Bustichi, Cervantez and Friend were not present.

12 ACCEPT: CONSIDER RATIFICATION OF A COOPERATIVE AGREEMENT FOR TRANSPORTATION COORDINATION SERVICES WITH CABRILLO COLLEGE

Mr. Barrow Emerson, Planning and Development Manager, added commentary to the report noting that Cabrillo is "all in" as a partner now. They have assigned the METRO intern, Mr. Liber McKee, who will be providing the services under the Cooperative Agreement, as an ex-officio director to METRO's board. Due to Mr. McKee's current academic schedule, he may not be available to attend any METRO Board meetings until next semester.

Director Bottorff said he has met Mr. McKee and feels he will be a great representative. He is happy to see the program in place.

There was no public comment.

ACTION: MOTION TO APPROVE THE RATIFICATION OF A COOPERATIVE AGREEMENT FOR TRANSPORTATION COORDINATION SERVICES WITH CABRILLO COLLEGE AS PRESENTED.

MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR LANE

Attachment A

MOTION PASSED WITH 7 AYES (Directors Bottorff, Chase, Hagen, Lane, Leopold, McPherson and Rotkin.) Vice Chair Dutra, Directors Bustichi, Cervantez and Friend were not present.

13 ACCEPT: ORAL COA UPDATE

Mr. Barrow Emerson, Planning and Development Manager, provided an update on the September 2016 service changes and referenced two pages (Fall Ridership by Route: September 8 – November 15, 2016 and Winter 2016 Service Changes) which had been distributed to the Board members and are available to the public at the back of the room. The Average Ridership by Route report now includes Cabrillo data.

Mr. Emerson noted that the results of Measure D will have a significant impact on service planning for the summer and fall.

A two-stage bus stop presentation is planned for the December 2016 and January 2017 Board meetings.

Public comment:

Mr. Montesino wondered if the half million dollars off the top is accurate under the UTU/Rotkin plan. He said, our commitment stayed to the end of the contract. We are in much need of services, specifically on the weekends; ridership has decreased over the weekends (Routes 35 and 71 for example). This needs our first attention.

14 APPROVE: ESTABLISHMENT OF A BOARD LEGAL SERVICES INTERVIEW AD HOC COMMITTEE

Chair Rotkin added commentary to the report which contains recommendations to establish a Legal Services Interview Ad Hoc Committee with up to five board members and METRO's CEO and Santa Cruz County Counsel as non-voting members. He is looking for volunteers for a one day meeting.

CEO Clifford added that the proposals are due by close of business today, November 18, 2016 so some date flexibility may be needed.

Chair Rotkin volunteered as did Directors Hagen and Leopold.

There were no public comments.

ACTION: MOTION TO APPROVE THE ESTABLISHMENT OF A BOARD LEGAL SERVICES INTERVIEW AD HOC COMMITTEE AS PRESENTED.

MOTION: DIRECTOR LANE

SECOND: DIRECTOR ROTKIN

MOTION PASSED WITH 7 AYES (Directors Bottorff, Chase, Hagen, Lane, Leopold, McPherson and Rotkin.) Vice Chair Dutra, Directors Bustichi, Cervantez and Friend were not present.

15 CEO ORAL REPORT

Alex Clifford, CEO/General Manager, distributed a five page update to his State Legislative letter and spoke of potential state and federal impacts resulting from the recent election.

Everyone seems to be looking at the new administration to determine the direction of federal legislation. There is some concern regarding transit as President-Elect Trump has not specifically discussed buses to date; but has discussed transportation in the context of the 3

Attachment A

P's (public private partnerships). He has also talked about devolving transportation to the states. The Bus Coalition is working to locate individuals on President-Elect Trump's team who are friendly to transit.

CEO Clifford is in the process of updating his Federal Legislative letter.

Director Lane asked how these legislative letters are utilized.

CEO Clifford answered that both letters are located on METRO's website. He encouraged the public, Board and employees to read them to become aware of the struggles, challenges and proposed fixes. Employees can convey these messages to the public. These letters are distributed to elected officials and their staff by us when we travel to DC or Sacramento and by our lobbyists.

16 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Julie Sherman, Esq. contracted General Counsel, announced the closed session items below and said they do not anticipate returning with an announcement.

- **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pending litigation pursuant to Government Code Section 54956.9 (a) – one case (State Farm Mutual Automobile Insurance Company v. Santa Cruz Metropolitan Transit District, et al., Case No. 16CV01585)
- **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to Government Code Section 54956.9 (b) – two cases

There were no public comments.

17 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, DECEMBER 9, 2016 AT 8:30AM, METRO ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ, CA

Chair Mike Rotkin announced the next meeting as above. Again, stressing the need for quorum.

18 ADJOURNMENT

Chair Mike Rotkin adjourned the meeting at 9:29AM.

Respectfully submitted,

Gina Pye
Executive Assistant

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DATE: December 9, 2016
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
**SUBJECT: ACCEPT AND FILE MINUTES OF THE METRO ADVISORY
COMMITTEE (MAC) MEETING OF AUGUST 17, 2016**

I. RECOMMENDED ACTION

**That the Board of Directors accept and file the minutes of the METRO
Advisory Committee (MAC) meeting of August 17, 2016.**

II. SUMMARY

- Staff is providing minutes from the MAC meeting on August 17, 2016.
- Each quarter staff will provide the minutes from the previous MAC meeting.

III. DISCUSSION/BACKGROUND

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

IV. ATTACHMENTS

Attachment A: Approved Minutes for the MAC meeting of August 17, 2016

Prepared By: Donna Bauer, Administrative Assistant

V. APPROVALS:

Alex Clifford, CEO/General Manager



MINUTES

MAC MEETING OF AUGUST 17, 2016



The METRO Advisory Committee (MAC) met on Wednesday, August 17, 2016 in the Judy K. Souza Operations Facility Training Room located at 1200 River Street in Santa Cruz, California.

1 CALL TO ORDER

Meeting was called to order at 6:07 pm

ROLL CALLMEMBERS PRESENT

Veronica Elsea, Chair

Michael Pisano

Naomi Gunther, Vice Chair

Ernestina Saldana

Joseph Martinez

Becky Taylor

MEMBERS ABSENT

Nicona Keesaw – Resigned (Effective 8/17/16)

Donald Peattie - Excused

SANTA CRUZ METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Barrow Emerson, METRO

Harlan Glatt, METRO

Anna Marie Gouveia, METRO

Jaron West, METRO

Daniel Zaragoza, METRO

Gina Pye, METRO

Pete Rasmussen, METRO

2 ORAL/WRITTEN COMMUNICATION

Chair Elsea shared with the Committee that Nicona Keesaw has submitted a letter of resignation (see attached) this afternoon and expressed her appreciation for Nicona's service to the Committee. Chair Elsea explained that because of the new bylaws, the METRO Advisory Committee is now a seven member committee. If anyone remaining resigns, the METRO Board of Directors (BOD) will find a replacement.

Mr. Pisano introduced the GVBeestje application as a possible advertising tool for METRO (see attached). It is a game to play while traveling on the bus or waiting between stops. The goal is to see how many people/objects you can capture walking on the street. Mr. Martinez added that this was similar to the Pokémon game. Mr. Pisano thought businesses around the area might be able to advertise for the game with a window cling. Mr. Pisano suggested that with all of the artists in this area we might have a contest to create the characters – and get some press for METRO. Chair Elsea thought this might fall under the Marketing Department. Mr. Barrow Emerson, Planning and Development Manager, added that he is the de facto inbox for marketing ideas for the moment. Once the service change is completed, he'll be able to focus on other things. Chair Elsea suggested we add this item to the November agenda and get a status update from Mr. Emerson at that time. Ms. Saldana thought this was a great idea to keep children entertained while on the bus or at a stop.

Ms. Taylor added that it would help encourage people to ride the buses and get out of their cars. She also suggested having Wi-Fi on the buses would be helpful. Vice Chair Gunther felt that it would be nice if Wi-Fi was available at the METRO Station, especially with the reduction in bus service which could result in longer wait times. Chair Elsea commented that she has tried to get it on the BOD's agenda many times but has been told there is no money available for Wi-Fi at this time. Ms. Taylor added that Cruzio might be willing to donate something so they can get free

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advertising. Vice Chair Gunther agreed and went on to say that part of MAC's job is to bring forward the requests and topics we hear about. The biggest topic that people usually raise, that aren't complaints, is the request for Wi-Fi. As a representative of METRO, she feels obligated to continue raising the issue to make clear how important it is to riders. Chair Elsea said she will continue to bring it up.

3 ACCEPT & FILE MINUTES FROM THE SPECIAL METRO ADVISORY COMMITTEE MEETING OF MAY 18, 2016

MOTION: ACCEPT & FILE MINUTES FROM THE SPECIAL METRO ADVISORY COMMITTEE MEETING OF MAY 18, 2016

MOTION: PISANO

SECONDED: SALDANA

MOTION: CARRIED - UNANIMOUS

4 COMMUNICATIONS FROM METRO ADVISORY COMMITTEE

Chair Elsea explained that this attachment is a copy of the letter she sent to the METRO's BOD, on behalf of MAC, after the meeting of May 18, 2016. This letter did go into the BOD packet.

5 UPDATE ON FALL 2016 SERVICE CHANGES

Mr. Barrow Emerson gave a recap of the circumstances that led to the discussions and recommendations for the upcoming service changes at METRO. Mr. Pisano asked the question about a rumor he had heard: "Did the Operators have to give up vacation time to avoid lay-offs?" Mr. Daniel Zaragoza, Assistant Paratransit Superintendent, clarified that Operators gave up a day of annual leave and extended their contract with no raises for a couple of years.

Mr. Emerson distributed two handouts (see attached):

1. Fall Service Changes: Effective September 8, 2016 (presented in English and Spanish)
This is a 6-page document highlighting the upcoming changes to the routes.
2. Flyer – Service Change Alert! (presented in English and Spanish)
This is a 1-page document alerting the public to upcoming changes with dates to emphasize when information will be available to the public.

Mr. Emerson explained the action plan completed since the June 24, 2016 BOD meeting.

- Work with Cabrillo and UCSC to get desired routes and trips.
- Work with schedulers to implement changes into a schedule with our existing Operators.
- Launch campaign to alert public of final changes posted on website by August 5th.

In addition, we plan to do the following over the next three weeks:

- Have interns standing at the transit centers from 6:00 AM to 8:00 PM—each day at a different transit center—handing out the Service Change Alert! flyer.

Mr. Emerson praised the interns for standing at the transit centers when people were getting on the buses and handing out the materials. By the second day, the interns were starting to hear back from people that they had already received the flyer or that they already knew about the changes.

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Ms. Saldana and Vice Chair Gunther were wondering where and when the interns were handing out the flyers because they had not seen anyone at the Pacific Station. Mr. Emerson replied that on Monday they were at Pacific, Tuesday was Cavallero, Wednesday was Capitola, and Watsonville will be the next two Thursdays and Fridays. Mr. Emerson was disappointed to hear that no one from MAC saw the interns because when he was there they were standing at each island and handing the flyers out. Chair Elsea mentioned that they may have been there but she was not approached. Mr. Emerson said that he will mention that they are missing people and hopefully we can reach them on the next cycle(s) at this station on the 15th, 22nd, and 29th.

- Place “call cards” above the seats on the buses--in English and Spanish.
- Place the “Fall Service Changes” document on buses.

Vice Chair Gunther interjected that she was going to take extra copies of this handout. Mr. Emerson made a disclaimer that there is one mistake on it (these were printed last week and a change was made yesterday) so did not want to share it with the public. Vice Chair Gunther requested that once it is finalized to please email her the most recent version so that she can pass the information on to the students and clients that walk into her office. Ms. Taylor requested a copy be sent to Ms. Saldana so she can share it with the Commission on Disabilities. Ms. Saldana agreed that she wants a hard copy version because not all people in Watsonville have computers. Mr. Emerson agreed to get that updated version to all MAC members and also emphasized that what is on the website is printable.

- Spanish speaking Operators will be at the Watsonville Transit Center and Watsonville Farmers’ Market in the coming weeks.

Ms. Saldana suggested that Mr. Eduardo Montesino, UTU Representative, contact her to help with the bilingual speaking people because there are people who do not read or speak Spanish—they need to be verbally told. Mr. Emerson said that he’ll let Mr. Montesino know that she is a resource.

- Posters will be on the schedule racks.
- Posters will be at all the transit centers—laminated and tied to every pole.
- Information will be in the display cases.

Vice Chair Gunther complimented Mr. Emerson that the signs were visually catching and having the website and these materials to preview in advance is very helpful. She thinks the efforts made have been outstanding and wants to recognize for the record how important this is and appreciates everyone’s efforts.

Ms. Saldana said the Operators are the first line of contact for many people and suggested they be instructed to let passengers know about the changes. She has purposely been engaging the Operators so that people hear about the changes. Chair Elsea concurred. Mr. Emerson agreed that it is good to reinforce the message.

- Encourage people to subscribe to SCMTD route alerts.

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- We'll be on Cabrillo's campus August 18th and August 19th and will be at the orientations. The week of the 29th: we'll be there through Thursday with handouts. The following week we'll hand out the new Headways. We'll email blast the students and we'll be posting in Cabrillo's school paper. We're also publishing notices in local publications.
- UCSC doesn't start school until after the change. When students come to UCSC in the Fall, they will find out about the changes through the normal channels.
- We're also working with the local high schools and their schedules.
- We've updated the 15 second television PSA. We've heavy-loaded the selection to the Spanish-speaking stations/stations that Comcast tells us have the heaviest Spanish listening audience.

Ms. Taylor commented that sometimes she's seen two METRO ads aired back-to-back. Mr. Emerson said he's been told this occurs if the stations don't fill up their advertising schedules. This does not incur any additional fees to METRO.

- Ms. Andrea Eusse-Gil, Schedule Analyst, and Mr. Harlan Glatt, Sr. Database Administrator, have been training the Customer Service staff.

Vice Chair Gunther made the point that most college students don't go to the METRO website and use TAPS instead. Mr. Emerson pointed out that the METRO link was added to TAPS.

Chair Elsea asked if any of this information has been sent to the senior centers. Mr. Emerson said the Operators are going to the Watsonville Senior Center. METRO will do email blasts to subscribers and a distribution list of agencies asking them to post this information.

Chair Elsea thanked Mr. Emerson for all he has done for this Committee in handling their input and for the information that has been given to the members. She commended him for all of his efforts.

At Chair Elsea's request and MAC member concurrence, Item 7 was moved ahead of Item 6.

7 ORAL PRESENTATION OF "STAY CONNECTED" & "SCHEDULE BY STOP" WEBSITE & TEXT MESSAGE SERVICES

Chair Elsea introduced Mr. Harlan Glatt and Mr. Jaron West, Database Administrator, to highlight some of the new features of the METRO website so that MAC members may be in a position to help other riders understand the features.

Mr. Glatt started the presentation at the home page of the SCMTD website. He pointed out that the first thing you see is information that matches the Service Change Alert! flyer. The website can easily move from an English mode to Spanish mode by clicking on the flags at the top of the web page or the link "Haga clic aquí para español."

There is also a link "Click here to preview Fall Service Changes." When this link is opened, you see the METRO News Bulletin (General Announcements and Quarterly Service Updates which discuss the Fall service changes). By clicking on the route links, you can drill into the route schedule or maps. As an example, he pulled up the map for Route 3 and to the left of the map is

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the “Schedule By Stop” option. It explains the icons on the map and if you zoom in on the map, you can even see which side of the street the bus stops are on.

Vice Chair Gunther commented that seeing the stops is very useful. Mr. Glatt said that we’ve always had the maps but the new aspect is having the ability to click on a particular bus stop and get more information (the Stop #, address, and today’s schedule). When you click on today’s schedule, it brings you to the “Schedule By Stop” page which gives the scheduled times for that stop, which routes stop there, and the trip destination as well as the capability of choosing a date. It also gives other stops that are nearby and walking directions to those stops.

Vice Chair Gunther asked if the website would support videos and wondered if it’s possible to do a short “How To” video. She suggested that student techs could volunteer to make these videos so that it doesn’t fall on Mr. Glatt’s shoulders.

Mr. Glatt continued that everything revolves around the 4-digit stop ID. Anyone with a mobile device can key in scmtd.com/stop/4-digit number and that page will pop up. If you don’t have a device, you can go low tech and call Customer Service with the 4-digit stop ID number and they can help you. You can also send a text message.

Mr. Glatt said METRO will be putting up signage at the transit centers with instructions that will help people use their mobile devices to see what is going on in real time with the buses.

Vice Chair Gunther asked if the stop ID will be in Braille as well. Chair Elsea commented that this is a tricky one because it is really expensive. The other issue is we have to know to look for it and then find it. Vice Chair Gunther was concerned with being at a bus stop and calling Customer Service but not being able to identify the bus stop you’re located at. Chair Elsea said some cities have buttons on the shelters that talk but they are not reliable and don’t list all of the routes that come by. It is a great idea but we’d have to find a consistent place at each stop for people to know where to feel around for it. Ms. Taylor mentioned that some of those things are posted up pretty high and Mr. Glatt agreed and said that is a real challenge. Mr. Glatt emphasized that using a mobile device at a stop is wonderful because you can drill down into the details you need for a route. If you know there is going to be a delay before a bus arrives, the application can give you detailed walking directions to another nearby stop.

Mr. Glatt offered that METRO is trying to offer free solutions that are better than what we have had before. Chair Elsea agreed, noting not all blind people read Braille and not everyone has a smart phone, but we’ll keep trying to find solutions. If you only have a phone but no texting, then you can call METRO during business hours; however, they are closed on the weekends.

Ms. Gouveia said that Customer Service is working through 6:00 PM and they are hoping to extend the hours to the weekends at some point. Ms. Saldana suggested that the Customer Service booth stay open a little longer during the first week of the service changes. Mr. Pisano agreed that having someone available on the weekends and in Watsonville is a good idea. Mr. Glatt noted that an English and Spanish message plays after hours and on weekends directing the public to the METRO website.

The next concept Mr. Glatt introduced is on the home page of the website and is called “Stay Connected.” This is the best way to get notified of any alerts regarding the routes you choose to subscribe to. These messages come from Dispatch so they can go out in real time to the public.

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There are two ways to subscribe:

1. Go to the website and subscribe to all topics or specific routes; or
2. By text message where you can inquire about a single route alert from your mobile device. Text the syntax of SCM RTXX (XX represents the route number) or SCM XXXX (4-digit bus stop #) to 468-311 for a 2-way service that is related to Schedule By Stop. You will get a response (only 160 characters) with current schedule information.

We're trying to leverage technology to make it all work. Having this in place helps serve the public and Customer Service at the same time.

Vice Chair Gunther and Ms. Taylor were questioning if there are enough staffing resources to be able to update delays/changes to the routes to notify the public in a timely manner. Vice Chair Gunther mentioned that recently Route 69 didn't run due to lack of Operators. She asked that if she had been subscribing to this route information, would she have received a notification. Mr. Glatt replied that, "Yes. As soon as a delay/change escalates to a certain level, Dispatch notifies the public."

Ms. Saldana expressed concern about her experience waiting for a bus for over an hour. In the past she'd been able to call Customer Service and they would send someone out to pick her up and take her to her destination. Ms. Gouveia answered that "It depends on what the situation is, but if you need a ride and if we do not have an available Operator on a bus, we'll call Mr. Zaragoza and send someone out."

Mr. Glatt continued with his presentation. We're going to produce a list of stops that are being discontinued. We are designing a 6 x 8 sign plate that will go on the bus stops saying that this bus stop will be discontinued as of September 8th. Here's an opportunity to use "Schedule By Stop" to find an alternative bus.

Chair Elsea requested Operators glance over at those discontinued stops and, especially if they see a disabled person waiting, contact Dispatch so someone can check on them. She mentioned that she wouldn't know if a bus is "out of service" or "discontinued" as it went by. Ms. Gouveia said that is something we can incorporate into the Supervisor's route as they are driving around throughout the day--initially for the first 2-3 weeks to cover those areas that have discontinued bus stops to make sure no one is stranded and provide them updated information.

Ms. Saldana added that the Operator is the first person to make contact with riders, so that Operator could let the riders waiting know that the bus they are waiting for has been discontinued.

Vice Chair Gunther also mentioned that she had an instance where the Operator knew information but didn't volunteer it immediately; he/she let them know 30 minutes later. Her point was that in that time frame she could have run an errand instead of just sitting there. She asked since this happened at the Pacific Station, couldn't something have been posted when the route was dropped.

Mr. Glatt brought the conversation back around to using the technology available to get real time information. Vice Chair Gunther made the point that she didn't have her phone with her so she

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couldn't look it up. Mr. Pisano inquired "If your bus is running a few minutes late, can that Operator call ahead and ask the next bus to wait a few minutes?" The response was "Yes...they do that all the time."

Mr. Glatt closed by requesting everyone to play around with "Schedule By Stop" and "Stay Connected" and provide feedback.

Chair Elsea thanked Mr. Glatt and Mr. West for the information they presented.

6 DISCUSS DEVELOPMENT OF A MAC WORKING GROUP TO REVIEW CURRENT ONLINE COMPLAINT FORM AND TO OFFER EDITS TO MAKE IT MORE USER-FRIENDLY

- A. Comment form sent by Naomi Gunther, Vice Chair
- B. Screenshot of Customer Service Form from METRO Website

Chair Elsea suggested that everyone take a look at the Customer Service link on the website and review the form as it is now separated into different areas for complaints. Due to the lack of time, Chair Elsea recommended that we address this at the November MAC meeting. Mr. Glatt said that since he created the form he would be happy to participate at that time.

8 RECEIVE AND FILE METRO SYSTEM RIDERSHIP REPORTS FOR THE THIRD QUARTER OF FY16

Chair Elsea recommended that MAC members review the reports.

9 COMMUNICATIONS TO THE SANTA CRUZ METRO CEO

None

10 COMMUNICATIONS TO THE SANTA CRUZ METRO BOARD OF DIRECTORS

None

11 ITEMS FOR NEXT MEETING AGENDA

- Marketing items—games, name tags for MAC members
- Discuss development of a MAC working group to review the current online complaint form and offer edits to make it more user-friendly.
- Ms. Taylor asked if she should go to Cruzio to discuss Wi-Fi on the buses. Chair Elsea said, "Yes, if you know somebody there that you can talk to; but, we have to be very clear that we are not speaking on behalf of METRO." She suggested saying, "I'm doing research for an advisory committee." or "Is this the kind of thing that you do if someone puts in a request?" or "Have you been approached by agencies where you could think about this?"
- Mr. Pisano suggested a discussion on splitting up the 71s (Crestview and Clifford), perhaps calling them 71A & 71B since they both start with "C". Ms. Gouveia said that would have to be programmed into the destination curtain and she doesn't see that happening this Fall because it would be a complete change with an addition to the

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schedule. The way it is handled now is that the talking bus takes care of it and identifies it as either Crestview or Clifford.

- Ms. Saldana brought up a Highway 17 bus stop in Los Gatos. Chair Elsea said we are stuck on that one because of the Greyhound contract and the lot owner won't allow it. There's nothing METRO can do about that issue.
- Mr. Pisano mentioned that the bus service at Shaffer going back to the METRO is limited and asked if the 20 bus can wait at Pacific Shores. Chair Elsea recommended that Mr. Pisano send a note directly to Mr. Emerson.

11 DISTRIBUTION OF VOUCHER

Distributed by Anna Marie Gouveia, Superintendent

12 ADJOURNMENT

Chair Elsea reminded the members that the next meeting will be November 16th at 6:00 PM and the location will be announced in advance.

Chair Elsea closed by thanking METRO staff for staying longer and that their presence is beneficial in making the MAC meetings more productive so that the advice given to the BOD or anyone else is useful and contributes to making METRO better.

Meeting adjourned at 8:22 PM.

Respectfully submitted,
Donna Bauer
Administrative Assistant

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Donna Bauer

From: Nicona Keesaw [niconak@gmail.com]
Sent: Wednesday, August 17, 2016 11:42 AM
To: Tina Ibarra-Saldana
Cc: Donna Bauer; Becky Taylor; Donald Peattie; Joseph Martinez; Michael Pisano; Naomi Gunther; Veronica Elsea
Subject: Re: MAC Meeting 8/17/16

Dear MAC Members,

I have truly enjoyed the opportunity to serve our community through involvement with of the Santa Cruz Metro Advisory Committee. The Committee is an integral and essential component of Metro and I wholeheartedly support the purpose and presence of the Committee, especially in the midst of Metro's painful but necessary service reductions and other changes. Unfortunately, I believe it is in the best interest of both myself and the Committee that I resign as of August 17th, 2016.

This year, life has brought many new and wonderful changes! I started a position with the Workforce Innovation Technical Assistance Center, an exciting new collaborative that assists state agencies with implementing new employment requirements set in place by the Workforce Innovation Opportunity Act that was signed last year by Obama. Between the often demanding position and being a new mom I'm really, really busy! Additionally, the pull of the universe, exciting career ventures for both my husband and myself, and the desire to own our own home (Sanchez has put in his request for a yard) is drawing my family towards a move to the Ashland, Oregon area in the springtime. So we've been spending a lot of time in that area looking for our dream fixer-upper home.

I will miss being a part of the Committee but I am confident that my place will be better utilized by a more permanent member of Santa Cruz's bus-riding community. I am eternally grateful my time spent with the Committee, and I'll definitely check the Metro website from time to time to read through the minutes to stay up to date on MAC's accomplishments and triumphs. Santa Cruz Metro will always be near and dear to my heart, and the positive impact of having such an efficient and comprehensive bus system in Santa Cruz will stay with me forever.

I wish MAC all the best, and I genuinely look forward to crossing paths with all of you at some point in the future.

Kind regards,

Nicona MacDonald

Fall Service Changes: Effective September 8th, 2016

Cambios al Servicio del Otoño: A partir del 8 de septiembre del 2016



Fall Service Changes and a preview of all Maps and Schedules are available at scmtd.com

NO CHANGES TO PARACRUZ

Información en Español comienza en la Página 4

Fall Headways Bus Rider's Guide will be available on all METRO Buses and at Transit Centers as of September 1st, 2016

Discontinued Routes

The following routes have been discontinued: 4W, 8, 12, 30, 54, 56, 66N, 74, 77. See sections below for alternative routes. Routes NOT mentioned remain unchanged.

New Routes

Route 55 weekend service and a new route 72W have been added. See details below.

Amtrak Highway 17 Express

Weekdays: Highway 17 Express service to and from Soquel Park & Ride has been discontinued; all trips now will begin or end at Santa Cruz Metro Center. The 5:05AM trip departing Santa Cruz Metro Center has been discontinued and the 4:20PM and 4:40PM trips have been combined to depart Santa Cruz Metro Center at 4:25PM. The 4:30PM, 4:55PM and 8:40PM trips departing San Fernando & 7th have been discontinued. Select trip start times adjusted to enable regional transit connections; please see timetable for details.

Weekends: The 10:55PM trip departing San Jose Diridon Station has been discontinued. Select trip start times adjusted to enable regional transit connections; please see timetable for details.

Route 3 – Mission / Beach

Weekdays: Route 3 will run only once every two hours rather than once per hour. The first trip will start at 7:50AM. Trips at 9:50AM and 11:50AM will serve the Long Marine Lab and Seymour Marine Discovery Center. **Weekends:** All trips will return to the regular weekend routing via Beach St. to 2nd St.

Route 4 – Harvey West / Emeline

Weekdays: The first trip at 6:45AM has been discontinued. Service will start at 7:25AM, and all trips will depart at :25 past the hour.

Route 4W – Harvey West Weekend – DISCONTINUED

Route 8 – Emeline – DISCONTINUED

Alternative Service: Route 4 continues to serve the Emeline Complex.

Route 10 – UCSC via High

Weekdays: The 6:50AM trip has been discontinued. The first trip will depart from Cedar & Walnut at 7:22AM; the first trip departs from Santa Cruz Metro Center at 7:50AM. **Weekends:** The 5:50PM trip has been discontinued.

Route 12 – UCSC / East Side Direct – DISCONTINUED

Alternative Service: Route 68 provides service between 41st Ave and Santa Cruz Metro Center. Routes 15 and 16 provide service between Santa Cruz Metro Center and UCSC.

Route 15 – UCSC via Laurel West

Weekdays: The 6:40AM, 8:20PM, and 8:50PM trips have been discontinued. Service runs at least every 30 minutes from 7:37AM to 7:37PM; between 1:37PM and 5:07PM service frequency is every 15 minutes.

Route 16 – UCSC via Laurel East

Weekdays: During the School Term, service is provided at a frequency of every 15 minutes from 6:37AM to 7:37PM, then every 30 to 60 minutes until the last trip departing at 12:07AM. When school is not in session, the service frequency is reduced to every 30 minutes, and the last trip departs at 10:07PM. **Weekends:** The first trip, which previously departed at 7:00AM, will depart at 8:10AM. Service frequency will run every 30 minutes.

Route 19 – UCSC via Lower Bay

Weekdays: Trips will start five minutes earlier, departing at :25 or :55 past the hour. **Weekends:** Service frequency is reduced to run every 60 minutes.

Route 20 – UCSC via Westside

Weekdays: Trips starting at 6:15PM will serve Safeway/Almar Shopping Center via Mission and Almar Ave. **Weekends:** The 8:20AM, 9:20AM, and 10:20AM trips have been discontinued. The first trip will start at 11:20AM. Trips starting at 4:20PM will serve Safeway/Almar Shopping Center via Mission and Almar Ave.

Route 30 – Graham Hill / Scotts Valley – DISCONTINUED

Alternative Service: Limited segments of Route 35 will provide alternative service.

Información en Español comienza en la Página 4

Fall Service Changes: Effective September 8th, 2016

**Route 35/35A – San Lorenzo Valley**

Weekdays: Route 35/35A will no longer provide regular service past Mountain Store and Country Club; service to Bear Creek Rd will also be discontinued. Trips will alternate departure between Mountain Store and Country Club from 5:30AM to 10:30PM. Service frequency will be reduced to run every 90 minutes after 6:30PM. **School Term Only (“ST”) Trips:** All morning “ST” trips will be discontinued. Two “ST” trips departing from Felton Faire at 2:20PM and 2:50PM will continue to serve Highway 9 up to Sylvan Ave. Another 2:50PM “ST” trip departing from Felton Faire will serve Big Basin Way up to China Grade Rd. **Weekends:** Service to Highway 9 & Sylvan Ave and Big Basin State Park will be discontinued. Trips will alternate departure between Mountain Store and Country Club from 8:30AM to 10:30PM. Service frequency will be reduced to run every 90 minutes after 7:30PM.

Route 40 – Davenport / North Coast Beaches

Weekdays: The 12:30PM and 3:25PM trips will be discontinued; only the 6:40AM and 8:10AM trips will continue to operate. The Cement Plant stops will no longer be served; trips will turn around at Pacific School in Davenport. **Weekends:** Weekend service has been discontinued, including service to Waddell Creek. **Alternative Service:** Route 42 will provide alternative service to Davenport.

Route 41 – Bonny Doon

Weekdays: The 3:30PM and 5:30PM trips will be discontinued; only the 5:50AM and 8:00AM trips will continue to operate. **Weekends:** Weekend service has been discontinued. **Alternative Service:** Route 42 will provide alternative service to Bonny Doon.

Route 42 – Davenport / Bonny Doon

Weekdays: 3:30PM and 5:30PM trips have been added to replace discontinued Route 40 and Route 41 afternoon trips. **Weekends:** An 8:30AM trip has been added to replace discontinued Route 40 and Route 41 morning trips. The 6:00PM trip has been moved to depart at 4:30PM.

Route 54 – Capitola / Aptos / La Selva Beach – DISCONTINUED

Weekday Alternative Service: Limited segments of Route 55 along Clubhouse Dr and Seascape Blvd/Via Pacifica will provide alternative service. **Weekend Alternative Service:** New Route 55 weekend service has been added as an alternative to the discontinued Route 54 service.

Route 55 – Rio Del Mar

Weekdays: The route alignment has changed to serve segments lost due to the discontinuation of Routes 54 and 56. Instead of serving Monterey Ave and Park Ave, Route 55 will run on Capitola Ave to Soquel Dr. Trips will depart hourly from 8:30AM to 5:30PM. The 8:30AM, 1:30PM, and 5:30PM trips will extend from Rio Del Mar Blvd and Clubhouse Dr to Via Pacifica by way of Clubhouse Dr, Sumner Ave, and Seascape Blvd. **Weekends:** Two Route 55 weekend trips per day will be added at 8:30AM and 1:30PM, as an alternative to the discontinued weekend trips of the Route 54.

Route 56 – La Selva – DISCONTINUED

Alternative Service: Limited segments of Route 55 along Clubhouse Dr and Seascape Blvd/Via Pacifica will provide alternative service.

Route 66 – Live Oak via 17th

Weekdays: A 10:00PM trip departing Santa Cruz Metro Center and a 10:40PM trip departing Capitola Mall have been added (replacing the discontinued Route 66N trips). **Weekends:** The first trip will depart Santa Cruz Metro Center at 8:00AM, continuing hourly through 6:00PM. The first trip will depart Capitola Mall at 8:45AM, continuing hourly through 7:45PM. A 9:00PM trip departing Santa Cruz Metro Center and a 9:40PM trip departing Capitola Mall have been added (replacing the discontinued Route 66N trips).

Route 66N – Live Oak via 17th Night – DISCONTINUED

Weekday Alternative Service: Service will be replaced by a Route 66 trip at a similar time, with routing on Water St instead of Soquel Ave. **Weekend Alternative Service:** Service will be replaced by a Route 66 trip at a similar time, with routing on Water St instead of Soquel Ave.

**Información
en Español
comienza en
la Página 4**

Fall Service Changes: Effective September 8th, 2016

**Route 68 – Live Oak via Broadway / Portola**

Weekdays: Route 68 will run along Broadway between Front St and Ocean St all year. Service along San Lorenzo Blvd and Ocean Street has been eliminated. The first trip departing Santa Cruz Metro Center at 6:15AM will be discontinued. The last two trips will depart Santa Cruz Metro Center at 5:15PM and 6:15PM instead of 5:30PM and 6:30PM, to keep the departure time consistent throughout the day. The last three trips will depart Capitola Mall at 4:30PM, 5:30PM, and 6:30PM instead of 4:35PM, 5:35PM, and 6:40PM to keep the departure times consistent throughout the day.

Weekends: Route 68 will run along Broadway between Front St and Ocean St all year. Weekend service will be reduced; trips from Santa Cruz Metro Center will depart hourly from 11:00AM to 4:00PM, and trips from Capitola Mall will depart hourly from 11:40AM to 4:40PM.

Weekend Alternative Service: Limited segments of Route 66 will provide alternative service.

Route 69A/69W – Capitola Road / Cabrillo

Weekdays: 69W trips after 6:00PM will run every 60 minutes instead of every 30 minutes, but the last trip from Watsonville Transit Center will depart at 9:25PM, providing a later option than before. **Weekends:** Departures from Santa Cruz Metro Center will alternate between Routes 69A and 69W from 8:30AM to 6:30PM and from 8:00AM to 6:30PM from Watsonville Transit Center.

Route 71 – Watsonville

Weekdays: Service departing Santa Cruz Metro Center will alternate between Clifford and Crestview every 30 minutes until 8:45PM, remaining trips will serve Clifford only. Service departing Watsonville Transit Center will alternate between Clifford and Crestview every 30 minutes until 8:30PM, remaining trips will serve Clifford only. Additional peak trips discontinued. **Weekends:** Service departing Santa Cruz Metro Center will alternate between Clifford and Crestview every 60 minutes until 8:45PM, remaining trips will serve Clifford only. Service departing Watsonville Transit Center will alternate between Clifford and Crestview every 60 minutes. The 9:30PM trip departing Watsonville Transit Center has been discontinued.

Route 72 – Hospital / Pinto Lake

Weekdays: Service along Varni Rd and Corralitos Rd has been discontinued. The route alignment has changed south of Freedom Centre to serve segments lost due to the discontinuation of Route 74: Social Security Office and Watsonville Community Hospital. The 5:45AM trip has been discontinued.

Route 72W – Corralitos Weekend

Weekends: New Route 72W service has been added every 2 hours from 9:25AM to 5:25PM. The route 72W will follow the previous Route 72 alignment; serving Varni Rd and Corralitos Rd.

Route 74 – Watsonville Hospital / Freedom Centre – DISCONTINUED

Alternative Service: Limited segments of Route 72 will serve the Social Security Office and Watsonville Community Hospital. Limited segments of Route 74S will serve Ohlone Pkwy and W Beach St. Limited segments of Route 75 will serve Airport Blvd to provide alternative service.

Route 75 – Green Valley

Daily: The 5:15AM and 7:15PM trips will be discontinued.

Route 77 – Pajaro / Crestview – DISCONTINUED

Alternative Service: Limited segments of Route 69A will serve Lincoln St. Limited segments of Route 71 via Crestview will serve Freedom Blvd. Limited segments of Route 79 will serve Pajaro to provide alternative service.

Route 79 – Pajaro / East Lake

Weekdays: The route alignment has changed to serve Pajaro due to discontinuation of Route 77. Service span reduced to run from 7:25AM to 5:25PM. **Weekends:** The route alignment has changed to serve Pajaro due to discontinuation of Route 77. Service frequency reduced to three trips at 8:00AM, 12:00PM, and 3:00PM.

Route 91X – Commuter Express

Weekdays: During Cabrillo School Term, service is provided at a frequency of approximately every 30 minutes, departing Santa Cruz Metro Center from 6:55AM to 5:25PM and departing Watsonville Transit Center from 5:57AM to 4:20PM. When Cabrillo is not in session, the service frequency is reduced to every 60 minutes.

**Información
en Español
comienza en
la Página 4**

Cambios al Servicio del Otoño: A partir del 8 de septiembre del 2016



Cambios al Servicio de Otoño y un previo de todos los Mapas y Horarios están disponibles en scmtd.com/es/

NO CAMBIOS A PARACRUZ

Headways Guía para Viajeros del Otoño estará disponible en todos los Autobuses de METRO y en Centros de Tránsito a partir del 1 de septiembre del 2016

Rutas Descontinuadas

Las siguientes rutas han sido descontinuadas: 4W, 8, 12, 30, 54, 56, 66N, 74, 77. Vea las secciones a continuación para ver rutas alternas. Las rutas que no se mencionen específicamente a continuación NO cambiarán.

Rutas Nuevas

El servicio de fin de semana de la Ruta 55 y la nueva ruta 72W han sido agregadas. Vea los detalles a continuación.

Expreso de Amtrak Highway 17

Lunes a Viernes: El servicio del Expreso de Highway 17 de y hacia Soquel Park & Ride ha sido descontinuado; todas las corridas ahora iniciarán y terminarán en el Centro de Santa Cruz Metro. La corrida de las 5:05AM partiendo del Centro de Santa Cruz Metro ha sido descontinuada y las corridas de las 4:20PM y 4:40PM han sido combinadas para partir del Centro de Santa Cruz Metro a las 4:25PM. Las corridas de las 4:30PM, 4:55PM y 8:40PM partiendo de San Fernando y 7th han sido descontinuadas. La hora de inicio de corridas selectas han sido ajustadas para permitir las conexiones con el transporte regional; refiérase a los horarios para más detalles. **Fines de Semana:** La corrida de las 10:55PM partiendo de la Estación San Jose Diridon ha sido descontinuada. La hora de inicio de corridas selectas han sido ajustadas para permitir las conexiones con el transporte regional; refiérase a los horarios para más detalles.

Ruta 3 – Mission / Beach

Lunes a Viernes: La Ruta 3 saldrá solamente una vez cada dos horas en vez de cada hora. El primer viaje iniciará a las 7:50AM. Los viajes de las 9:50AM y 11:50AM pasarán por Long Marine Lab and Seymour Marine Discovery Center. **Fines de Semana:** Todos los viajes regresarán a su ruta de fin de semana regular por Beach St. a 2nd St.

Ruta 4 – Harvey West / Emeline

Lunes a Viernes: La primera vuelta de las 6:45AM ha sido descontinuada. El servicio iniciará a las 7:25AM y todas sus salidas serán 25 minutos pasados la hora.

Ruta 4W – Harvey West Fines de Semana – DESCONTINUADA

Ruta 8 – Emeline – DESCONTINUADA

Servicio Alterno: La Ruta 4 continuará sirviendo al Complejo Emeline.

Ruta 10 – UCSC vía High

Lunes a Viernes: El viaje de las 6:50AM ha sido descontinuado. El primer viaje saldrá de Cedar y Walnut a las 7:22AM; el primer viaje saldrá del Centro de Santa Cruz Metro a las 7:50AM. **Fines de Semana:** El Viaje de las 5:50PM ha sido descontinuado.

Ruta 12 – UCSC / East Side Directo – DESCONTINUADO

Servicio Alterno: La Ruta 68 brinda servicio entre 41st Ave y el Centro de Santa Cruz Metro. Las Rutas 15 y 16 brindan servicio entre el Centro de Santa Cruz Metro y UCSC.

Ruta 15 – UCSC vía Laurel West

Lunes a Viernes: Los viajes de las 6:40AM, 8:20PM y 8:50PM han sido descontinuados. El servicio se brinda por lo menos cada 30 minutos de las 7:37AM a 7:37PM; entre las 1:37PM y 5:07PM la frecuencia será de cada 15 minutos.

Ruta 16 – UCSC vía Laurel East

Lunes a Viernes: Durante el periodo escolar, el servicio se ofrece con una frecuencia de cada 15 minutos de 6:37AM a 7:37PM, después cada 30 a 60 minutos hasta el último viaje a las 12:07AM. Cuando la universidad no esté en sesión, la frecuencia se reducirá a cada 30 minutos y el último viaje saldrá a las 10:07PM. **Fines de Semana:** El primer viaje, que con anterioridad salía a las 7:00AM, saldrá a las 8:10AM. La frecuencia del servicio será de cada 30 minutos.

Ruta 19 – UCSC vía Lower Bay

Lunes a Viernes: Los viajes iniciarán cinco minutos antes, saliendo a los 25 ó 55 minutos pasados la hora. **Fines de Semana:** La frecuencia del servicio se redujo para salir cada 60 minutos.

Ruta 20 – UCSC vía Westside

Lunes a Viernes: Los viajes que inician a las 6:15PM darán servicio al Centro Comercial Safeway/Almar vía Mission and Almar Ave. **Fines de Semana:** Los viajes de las 8:20AM, 9:20AM y 10:20AM han sido descontinuados. El primer viaje saldrá a las 11:20AM. Los viajes que inician a las 4:20PM darán servicio al Centro Comercial Safeway/Almar vía Mission and Almar Ave.

Ruta 30 – Graham Hill / Scotts Valley – DESCONTINUADA

Servicio Alterno: Segmentos limitados de la Ruta 35 brindarán servicio alternativo.

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Cambios al Servicio del Otoño: A partir del 8 de septiembre del 2016



Ruta 35/35A – San Lorenzo Valley

Lunes a Viernes: La Ruta 35/35A ya no ofrecerá servicio regular más allá de Mountain Store y Country Club; el servicio a Bear Creek Rd también será discontinuado. Los viajes alternarán la salida entre Mountain Store and Country Club de 5:30AM a 10:30PM. La frecuencia del servicio será reducida para salir cada 90 minutos después de las 6:30PM. **Viajes Durante el Periodo Escolar (ST por sus siglas en inglés) Solamente:** Todos los viajes de "ST" matutinos serán discontinuados. Dos viajes "ST" partiendo de Felton Faire a las 2:20PM y 2:50PM continuarán dando servicio a Highway 9 hasta Sylvan Ave. Otro viaje "ST" partiendo de Felton Faire dará servicio a Big Basin Way hasta China Grade Rd. **Fines de Semana:** El servicio a Highway 9 y Sylvan Ave y Big Basin State Park será discontinuado. Los viajes alternarán su salida entre Mountain Store and Country Club de 8:30AM a 10:30PM. La frecuencia del servicio será reducida para salir cada 90 minutos después de la 7:30PM.

Ruta 40 – Davenport / North Coast Beaches (Playas de la Costa Norte)

Lunes a Viernes: Los viajes de las 12:30PM y 3:25PM serán discontinuados; solamente seguirán operando los viajes de las 6:40AM y 8:10AM. Las paradas de la planta de cemento ya no tendrán servicio; los viajes darán vuelta en la escuela Pacific en Davenport. **Fines de Semana:** El servicio de fines de semana ha sido discontinuado, incluyendo el servicio a Waddell Creek. **Servicio Alternativo:** La Ruta 42 brindará servicio alternativo a Davenport.

Ruta 41 – Bonny Doon

Lunes a Viernes: Los viajes de las 3:30PM y 5:30PM serán discontinuados; solamente seguirán operando los viajes de las 5:50AM y 8:00AM. **Fines de Semana:** El servicio de fines de semana ha sido discontinuado. **Servicio Alternativo:** La Ruta 42 brindará servicio alternativo a Bonny Doon.

Ruta 42 – Davenport / Bonny Doon

Lunes a Viernes: Se agregaron los viajes de las 3:30PM y 5:30PM para reemplazar a los viajes vespertinos de las discontinuadas Rutas 40 y 41. **Fines de Semana:** Se agregó un viaje a las 8:30AM para reemplazar los viajes matutinos discontinuados de las Rutas 40 y 41. El viaje de las 6:00PM ha sido cambiado para partir a las 4:30PM.

Ruta 54 – Capitola / Aptos / La Selva Beach – DESCONTINUADO

Servicio Alternativo Entre Semana: Segmentos limitados de la Ruta 55 a lo largo de Clubhouse Dr y Seascape Blvd/Via Pacifica brindará servicio alternativo. **Servicio Alternativo en Fines de Semana:** El servicio nuevo de fin de semana de la Ruta 55 ha sido agregado como alternativa para el servicio discontinuado de la Ruta 54.

Ruta 55 – Rio Del Mar

Lunes a Viernes: La alineación de la ruta ha sido cambiada para dar servicio a segmentos perdidos debido a la discontinuación de las Rutas 54 y 56. En lugar de dar servicio a Monterey Ave y Park Ave, la Ruta 55 irá por Capitola Ave a Soquel Dr. Los viajes partirán cada hora de 8:30AM a 5:30PM. Los viajes de las 8:30AM, 1:30PM y 5:30PM se extenderán de Rio Del Mar Blvd y Clubhouse Dr a Via Pacifica por medio de Clubhouse Dr, Sumner Ave y Seascape Blvd. **Fines de Semana:** Se agregarán dos viajes de fin de semana de la Ruta 55 a las 8:30AM y 1:30PM, como alternativa para los viajes de fin de semana discontinuados de la Ruta 54.

Ruta 56 – La Selva – DESCONTINUADO

Servicio Alternativo: Segmentos limitados de la Ruta 55 a lo largo de Clubhouse Dr y Seascape Blvd/Via Pacifica brindarán servicio alternativo.

Ruta 66 – Live Oak vía 17th

Lunes a Viernes: Se ha agregado un viaje a las 10:00PM partiendo del Centro de Santa Cruz Metro y uno a las 10:40PM partiendo del Centro Comercial Capitola (reemplazando los viajes discontinuados de la Ruta 66N). **Fines de Semana:** El primer viaje partirá del Centro de Santa Cruz Metro a las 8:00AM, continuando cada hora hasta las 6:00PM. El primer viaje partirá del Centro Comercial Capitola a las 8:45AM, continuando cada hora hasta 7:45PM. Ha sido agregado un viaje que partirá a las 9:00PM del Centro de Santa Cruz Metro y un viaje que partirá a las 9:40PM del Centro Comercial Capitola (reemplazando los viajes discontinuados de la Ruta 66N).

Ruta 66N – Live Oak vía 17th Nocturna – DESCONTINUADA

Servicio Alternativo Entre Semana: El servicio será reemplazado con un viaje de la Ruta 66 en un horario similar, con una ruta sobre Water St en lugar de Soquel Ave. **Servicio Alternativo Fines de Semana:** El servicio será reemplazado con un viaje de la Ruta 66 en un horario similar, con una ruta sobre Water St en lugar de Soquel Ave.

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Cambios al Servicio del Otoño: A partir del 8 de septiembre del 2016



Ruta 68 – Live Oak vía Broadway / Portola

Lunes a Viernes: La Ruta 68 pasará por Broadway entre Front St y Ocean St todo el año. El servicio a lo largo de San Lorenzo Blvd y Ocean Street ha sido eliminado. El primer viaje que partía a las 6:45AM del Centro de Santa Cruz Metro será discontinuado. Los últimos dos viajes partirán del Centro de Santa Cruz Metro a las 5:15PM y 6:15PM en vez de las 5:30PM y 6:30PM, para mantener consistentes las horas de partida durante todo el día. Las tres últimas corridas partirán del Centro Comercial Capitola a las 4:30PM, 5:30PM y 6:30PM en vez de las 4:35PM, 5:35PM y 6:40PM para mantener consistentes las horas de partida durante todo el día. **Fines de Semana:** La Ruta 68 pasará por Broadway entre Front St y Ocean St todo el año. El servicio de fines de semana será reducido; las corridas del Centro de Santa Cruz Metro partirán cada hora desde las 11:00AM hasta las 4:00PM, y las corridas desde el Centro Comercial Capitola partirán cada hora desde las 11:40AM hasta las 4:40PM. **Servicio Alterno Fines de Semana:** Segmentos limitados de la Ruta 66 brindarán servicio alterno.

Ruta 69A/69W – Capitola Road / Cabrillo

Lunes a Viernes: Las corridas de la 69W después de las 6:00PM partirán cada 60 minutos en vez de cada 30 minutos, pero la última corrida del Centro de Transporte de Watsonville partirá a las 9:25PM, ofreciendo una opción más tarde que anteriormente. **Fines de Semana:** Las salidas del Centro de Santa Cruz Metro se alternarán entre las Rutas 69A y 69W de 8:30AM a 6:30PM, y de 8:00AM a 6:30PM del Centro de Transporte de Watsonville Center.

Ruta 71 – Watsonville

Lunes a Viernes: El servicio que salga del Centro de Santa Cruz Metro se alternará entre Clifford y Crestview cada 30 minutos hasta las 8:45PM, las corridas restantes solamente prestarán servicio a Clifford. El servicio que salga del Centro de Transporte de Watsonville se alternará entre Clifford y Crestview cada 30 minutos hasta las 8:30PM, las corridas restantes solamente prestarán servicio a Clifford. Las corridas adicionales durante periodos pico han sido discontinuadas. **Fines de Semana:** El servicio que salga del Centro de Santa Cruz Metro se alternará entre Clifford y Crestview cada 60 minutos hasta las 8:45PM, las corridas restantes solamente prestarán servicio a Clifford. El servicio que salga del Centro de Transporte de Watsonville se alternará entre Clifford y Crestview cada 60 minutos. La corrida de las 9:30PM saliendo del Centro de Transporte de Watsonville ha sido discontinuado.

Ruta 72 – Hospital / Pinto Lake (Lago Pinto)

Lunes a Viernes: El servicio a lo largo de Varni Rd y Corralitos Rd ha sido discontinuado. La alineación de la ruta ha sido cambiada al sur del Freedom Centre para servir segmentos perdidos debido a la discontinuación de la Ruta 74: La Oficina del Seguro Social y el Hospital Comunitario de Watsonville. La corrida de las 5:45AM ha sido discontinuada.

Ruta 72W – Corralitos Fines de Semana

Fines de Semana: Se ha agregado nuevo servicio a la Ruta 72W cada 2 horas de las 9:25AM a las 5:25PM. La Ruta 72W seguirá la alineación anterior de la Ruta; prestando servicio a Varni Rd y Corralitos Rd.

Ruta 74 – Watsonville Hospital / Freedom Centre – DESCONTINUADA

Servicio Alterno: Segmentos limitados de la Ruta 72 prestarán servicio a la Oficina del Seguro Social y al Hospital Comunitario de Watsonville. Segmentos limitados de la Ruta 74S darán servicio a Ohlone Pkwy y W Beach St. Segmentos limitados de la Ruta 75 darán servicio a Airport Blvd para ofrecer servicio alterno.

Ruta 75 – Green Valley

Diario: Las corridas de las 5:15AM y 7:15PM han sido discontinuadas.

Ruta 77 – Pájaro / Crestview – DESCONTINUADA

Servicio Alterno: Segmentos limitados de la Ruta 69A darán servicio a Lincoln St. Segmentos limitados de la Ruta 71 vía Crestview dará servicio a Freedom Blvd. Segmentos limitados de la Ruta 79 dará servicio a Pajaro para ofrecer servicio alterno.

Ruta 79 – Pájaro / East Lake

Lunes a Viernes: La alineación de la ruta ha sido cambiada para dar servicio a Pájaro debido a la discontinuación de la Ruta 77. Se redujo la frecuencia del servicio con salidas desde las 7:25AM a 5:25PM. **Fines de Semana:** La alineación de la ruta ha sido cambiada para dar servicio a Pájaro debido a la discontinuación de la Ruta 77. Se redujo la frecuencia del servicio para realizar solamente tres corridas a las 8:00AM, 12:00PM y 3:00PM.

Ruta 91X – Expreso de Pasajeros Regulares

Lunes a Viernes: Durante el Ciclo Escolar de Cabrillo, el servicio se presta a una frecuencia aproximada de cada 30 minutos, partiendo del Centro de Santa Cruz Metro desde las 6:55AM hasta las 5:25PM y saliendo del Centro de Transporte de Watsonville desde las 5:57AM hasta las 4:20PM. Durante las suspensiones en Cabrillo, la frecuencia se reduce a cada 60 minutos.

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SERVICE CHANGE ALERT!

¡ALERTA! CAMBIO DE SERVICIO

AUGUST 5TH · 5 DE AGOSTO

The New Fall Schedule is Available at scmtd.com

El Horario Para el Otoño Estará Disponible en scmtd.com

SEPTEMBER 1ST · 1 DE SEPTIEMBRE

Fall Headways are Available on Buses and at Transit Centers.

Headways del Otoño Estarán Disponibles en Todos los Autobuses y Centros de Tránsito.

SEPTEMBER 8TH · 8 DE SEPTIEMBRE

BUS SERVICE CHANGES TAKE EFFECT. NO CHANGES TO PARACRUZ.

CAMBIO DE SERVICIO DE AUTOBÚS TOMARÁN EFECTO. NO HABRÁN CAMBIOS A PARACRUZ.

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DATE: December 9, 2016
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
**SUBJECT: CONSIDERATION OF OWNED AND LEASED PROPERTY
INVENTORIES TO DETERMINE IF THERE ARE ANY PROPERTY
IN EXCESS OF SANTA CRUZ METRO'S FORESEEABLE NEEDS**

I. RECOMMENDED ACTION

That the Board of Directors accept and file Santa Cruz METRO's Property Inventories of Owned and Leased Property, which includes a determination that Santa Cruz METRO does not own, lease, or control any property which is in excess.

II. SUMMARY

- Santa Cruz METRO is required on an annual basis to prepare an inventory of properties it holds, owns, and controls, to determine if any properties are in excess of its foreseeable needs.
- All properties currently leased by Santa Cruz METRO are being used in transit operation and related support functions.
- All properties currently leased, owned, or controlled by Santa Cruz METRO are in transit uses and none of these properties are in excess of Santa Cruz METRO's foreseeable future.

III. DISCUSSION/BACKGROUND

Government Code Section 50569 requires that on or before December 31st of each year, Santa Cruz METRO, a local public agency, make an inventory of all lands held, owned or controlled by it or any of its departments, agencies, or authorities to determine what land, including air rights, if any, are in excess of its foreseeable needs. According to the statute, a description of each parcel found to be in excess of its needs should be made a matter of public record.

An inventory of all properties owned by Santa Cruz METRO is set forth in Attachment A. There have been some changes to this list during the calendar year of 2016, such as the extension of the Felton Faire License and Indemnity Agreement, along with leased facility increases.

An inventory of properties that Santa Cruz METRO leases from others is set forth in Attachment B. All of the leased properties are currently being used for transit operation and related support functions.

According to the applicable statute, any citizen, limited dividend corporation, housing corporation or nonprofit corporation, shall upon request, be provided with a list of the parcels found to be in excess without charge. Due to Santa Cruz METRO using all of its leased and owned property in transit and transit related purposes, no list of excess properties was prepared for adoption.

The Federal Administration Circular 5010.1C requires Santa Cruz METRO to prepare and keep up to date an excess property utilization plan for all property that is no longer needed to carry out the original intended purpose, including an explanation for the excess property. Santa Cruz METRO is also required to notify FTA when property is removed from the service originally intended at grant approval and put to additional or substitute uses. At this time, Santa Cruz METRO has no excess property and, therefore, will not be preparing an excess property utilization plan.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The required funding for the properties leased on Attachment B is included in the FY17 current fiscal year operating budget.

V. ALTERNATIVES CONSIDERED

There is no action required; this matter is purely for reporting only.

Attachment A: Santa Cruz METRO Deeds

Attachment B: Properties Leased by Santa Cruz METRO

Prepared By: Angela Aitken, Finance Manager

VI. APPROVALS:

Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



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SANTA CRUZ METRO DEEDS

APN NO.	PARCEL LOCATION	DATE OF ACQUISITION BY SANTA CRUZ METRO	ACQUIRED FROM	DESCRIPTION	STATUS OF USE
005-152-05	912 Pacific Ave. Santa Cruz, CA	07/16/80	- Peerless Stages, Inc.	- Pacific Station - Multi-Modal Facility	- Active Transit Center
005-152-31	920 Pacific Avenue Santa Cruz, CA	09/22/80	- Reward Enterprises	- Pacific Station - Multi-Modal Facility	- Active Transit Center
005-152-30	425 Front Street Santa Cruz, CA	12/29/10	- Transportation Realty Income Partners, L.P., a Delaware Limited Partnership and - Greyhound Lines, Inc., a Delaware Corporation	- Paved Parking lot adjacent to Pacific Station	- Previous Greyhound Bus Depot; - Currently being used for parking of Santa Cruz METRO's buses and vehicles; - Possible Future Site of renovated and enlarged Pacific Station
008-011-14	110 Vernon Street Santa Cruz, CA	08/01/07	- Mindi Broughton and Paul Broughton, Broughton Land LLC, A California Limited Liability company	- MetroBase Project	- Current General Administration offices, IT servers, Facilities Maintenance Shop and storage

10-06A.1

SANTA CRUZ METRO DEEDS

APN NO.	PARCEL LOCATION	DATE OF ACQUISITION BY SANTA CRUZ METRO	ACQUIRED FROM	DESCRIPTION	STATUS OF USE
008-013-07	1217 River Street, Santa Cruz, CA	02/29/08	- R. Dennis Stewart and Martha A. Stewart, Trustees of the R. Dennis Stewart and Martha A. Stewart Family Trust	- MetroBase Project	- Previously four empty residential units purchased for the MetroBase project; - Site of Santa Cruz METRO Maintenance Facility adjoining to the current facility.
008-013-08	1211 River Street, Santa Cruz, CA	01/31/08	- Jan Van Boeschoten, as Trustee of the Jan Van Boeschoten Trust dated October 23, 2006	- MetroBase Project	- Previously an empty residential unit purchased for the MetroBase project; - Currently a paved parking lot being utilized for Santa Cruz METRO owned vehicles.
008-013-09 previously 008-013-04 008-013-05 008-013-06	120 Golf Club Dr. Santa Cruz, CA 138 Golf Club Dr. Santa Cruz, CA	1. 06/24/05 2. 05/19/71 3. 07/07/71	1. The Estate of Yvonne A. Humphrey; Brent J. Bouchard, executor 2. Cecil E. and Minnie M. Woolsey 3. Sally Anne Smith	- MetroBase Project	- Active Maintenance Facility for CNG repairs; - Current Fleet Maintenance, Facilities Maintenance and Purchasing offices

10-06A.2

SANTA CRUZ METRO DEEDS

APN NO.	PARCEL LOCATION	DATE OF ACQUISITION BY SANTA CRUZ METRO	ACQUIRED FROM	DESCRIPTION	STATUS OF USE
008-032-05 A- formerly 008-032-06	1200-A River St. Santa Cruz, CA 1200-B River St. Santa Cruz, CA	06/15/77 - A 06/25/05 - B	- Warren R. French (A) - Mabel L. French (A) - 2004 Jeannine M. Gibson, Family Trust, Jeannine Marie Gibson, Trustee (B)	- MetroBase Project	(A) Operations offices, Bus Parking (B) Current site of MetroBase Fueling Facility and Bus Wash Facility
Bus Stop #2551. No APN listed	17 th Ave./Tremont Santa Cruz, CA	09/05/89	- No. Calif. VOE Elderly Housing, Inc.	- 17 th & Tremont Bus Stop Donation - Live Oak Location	- Active bus stop with shelter
022-211-91	246 King's Village Rd Scotts Valley, CA	11/15/96	- Church of Latter-Day Saints - 13.87% ownership by Scotts Valley Redevelop. Agency	- Bart Cavallaro Transit Center Park and Ride Lot - Multi-Modal Facility	- Active Transit Center
017-011-54	Borders West Lake Ave. & Rodriguez St. Watsonville, CA	05/09/86	- Crocker National Bank	- Watsonville Transit Center - Multi-Modal Facility	- Active Transit Center

10-06A.3

SANTA CRUZ METRO DEEDS

APN NO.	PARCEL LOCATION	DATE OF ACQUISITION BY SANTA CRUZ METRO	ACQUIRED FROM	DESCRIPTION	STATUS OF USE
017-011-57 and 017-011-58 (formerly 51 & 52)	475 Rodriguez St Watsonville, CA	10/06/1988 thru 10/05/2087	- Allan Louis Alexander - Ann Alexander Rando - John M. Batistich - Joan M. Batistich - Janet F. Ryan	- Transit-Oriented Mixed Use Facility - Watsonville Transit Center	- 99-year lease with City of Watsonville for \$1.00 per year.
086-102-14	17835 China Grade Boulder Creek, CA	04/07/05	- Santa Cruz County - Henry F. Plummer Trust, Henry F. Plummer, Trustee	- Easement at China Grade & Hwy 236	- Bus Turnaround
No APN # listed	Intersection of Soquel Ave., Soquel Dr. and Highway 1 Santa Cruz County	03/29/88	- State of California, Dept. of Transportation	- Director's Deed #DD-47160-1 for 1.312 acres and .037 of an acre	- Park and Ride Lot

10-06A.4

Attachment B
PROPERTIES LEASED BY SANTA CRUZ METRO

PROPERTY ADDRESS/ LESSOR	TERM	CURRENT MONTHLY RENT	USE OF PROPERTY
115 Dubois Street Santa Cruz, CA IULIANO LLC #2	02/01/05-Beginning 12/31/13 – Ending 01/01/14 – Ext begins 12/31/15- Ext. ends 01/01/16 – Mo.-to- Mo. Extension begins 09/30/16 – Mo.-to- Mo. Extension ended	\$4,738.00/mo \$46,762.00/yr Last Payment Sept 16 Rent	Bus and vehicle parking
135 Dubois Street Santa Cruz, CA Wave Crest Development Inc., J3D Family Limited Partnership and the Lawrence Michels Family Limited Partnership	02/15/13 – Beginning 02/14/16 – Ending 02/15/16 – Mo.-to- Mo. Extension begins 06/14/16 – Mo.-to- Mo. Extension ended	\$3,500.00/mo \$21,000.00/yr	Bus and vehicle parking
165 Dubois Street Santa Cruz, CA Kim Family Enterprises, LLC	02/15/13 – Beginning 02/14/16 – Ending 02/15/16 – Mo.-to- Mo. Extension begins 04/14/16 – Mo.-to- Mo. Extension ended	\$9,735.00/mo Including NNN and Parking \$55,304.23/yr	Operations Building for dispatch and related admin uses
2880 Research Park Dr. Soquel, CA Soquel III Associates	09/01/04-Beginning 08/31/09-Ending 09/01/09- Ext. begins 08/31/14- Ext. ends 09/01/14-Ext. begins 08/31/16-Ext. ends 09/01/16-Ext. begins 08/31/18-Ext. ends	\$14,469.87/mo \$156,056.35/yr	ParaCruz Operations Facility
1200 River Street (small portion) City of Santa Cruz	10/18/04- Beginning 10/17/44- Ending	\$1.00/yr. or \$40.00 due at end of term *100% of taxes and assessments	Future MetroBase facility

**Attachment B
 PROPERTIES LEASED BY SANTA CRUZ METRO**

PROPERTY ADDRESS/ LESSOR	TERM	CURRENT MONTHLY RENT	USE OF PROPERTY
---	-------------	-------------------------------------	----------------------------

Grant of Easement and/or License Agreement

Capitola Mall 1855 41st Avenue Capitola, CA Macerich Partnership, LP thru 4/30/16 MGP XI REIT LLC as of 05/01/16	Perpetual	\$1,943.59/mo \$21,379.49/yr.	Active Transit Center
Felton Faire 6267 Mt. Hermon Rd. Felton, CA Robert Marin and Celeste De Schulthess Marin, Trustees	01/09/16-Beginning 01/08/18-Ending	\$5,000.00/yr.	Operation and maintenance of a bus stop and bus shelter in shopping center



DATE: December 9, 2016
TO: Board of Directors
FROM: Ciro Aguirre, Chief Operations Officer
SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 4TH AMENDMENT EXTENDING THE CONTRACT WITH FOLGER GRAPHICS, INC. FOR PRINTING OF HEADWAYS - BUS RIDERS' GUIDE, INCREASING THE CONTRACT TOTAL BY \$32,000

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a 4th amendment extending the contract, exercising the 4th option with Folger Graphics, Inc. for Printing of HEADWAYS - Bus Rider's Guide, increasing the contract total by \$32,000 for the additional one-year period, thereby increasing the total contract authority from \$73,180 to \$105,180.

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a contract with Folger Graphics, Inc. for Printing of HEADWAYS - Bus Rider's Guide that will expire on January 31, 2017.
- Folger Graphics, Inc. has requested no changes for the new contract period.
- Folger Graphics, Inc. has performed its duties very well under this contract, and therefore a one-year contract extension is recommended.

III. DISCUSSION/BACKGROUND

METRO has a contract with Folger Graphics, Inc. for Printing of HEADWAYS - Bus Rider's Guide that was established on February 1, 2013 for a one-year period, with four optional one-year extensions. The current contract is due to expire on January 31, 2017. Per Ciro Aguirre, Chief Operations Officer, over the past year the quality of service provided by Folger Graphics, Inc. has been exemplary and well executed. Folger Graphics, Inc. has reviewed the contract and requested no changes.

Staff recommends that METRO exercise the 4th option for a one-year contract extension with Folger Graphics, Inc. for an amount not to exceed \$32,000. Staff further recommends that the Board of Directors authorize the CEO to sign a one-year contract extension on behalf of METRO. Ciro Aguirre, Chief Operations Officer, will continue to serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS/IMPACT

This contract has a total not to exceed of \$73,180. Additional funds in an amount of \$32,000 are requested for approval at this time in order to extend the contract for one year and to account for the increased frequency of Headways being printed from bi-yearly to quarterly to accommodate changes in service information. The new contract total not to exceed would be \$105,180.

Funds to support this contract are included in the Customer Service FY17 & FY18 Printing (504215) Operating Budget.

V. ALTERNATIVES CONSIDERED

- Do not authorize the increase and revert to bi-yearly printing of HEADWAYS. This is not recommended. Changes in scheduled service and routes are being performed on a quarterly basis. The HEADWAYS publication requires reprints to be performed every quarter to keep METRO information updated until service is stabilized.

VI. ATTACHMENTS

Attachment A: Renewal letter from Folger Graphics, Inc.

Attachment B: 4th Amendment to the Contract with Folger Graphics, Inc.

Prepared By: Joan Jeffries, Administrative Specialist
Ciro Aguirre, Chief Operations Officer

VII. APPROVALS:

Ciro Aguirre, Chief Operations Officer



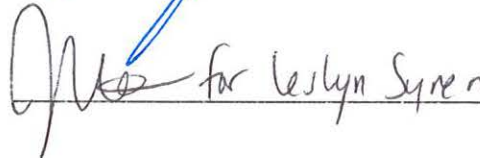
Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



Approved as to form:
Leslyn K. Syren, District Counsel



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Attachment A



PRE-PRESS • PRINTING • PUBLICATIONS • BINDERY • MAILING

October 04, 2016

Erron Alvey
Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060

Dear Erron

Re: RENEWAL-Santa Cruz METRO Contract No. 13-12 for Printing of Headways-Bus Rider's Guide.

This letter serves as a Letter of Intent for FolgerGraphics, Inc., to extend the Contract for a new term of one additional year under the same terms and conditions as Contract No. 13-12.

Sincerely,

A handwritten signature in blue ink that reads "Bill Briggs". The signature is fluid and cursive, with the first name "Bill" being particularly prominent.

Bill Briggs
Manager, Publications, Print and Mail
FolgerGraphics, Inc.
21093 Forbes Avenue
Hayward, CA 94545

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Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FOURTH AMENDMENT TO CONTRACT NO. 13-12 FOR PRINTING OF HEADWAYS – BUS RIDER’S GUIDE

This Fourth Amendment to Contract No. 13-12 for Printing of Headways – Bus Rider’s Guide is made effective February 1, 2017 between the Santa Cruz Metropolitan Transit District (“Santa Cruz METRO”), a political subdivision of the State of California, and Folger Graphics, Inc. (“Contractor”).

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for Printing of Headways – Bus Rider’s Guide (“Contract”) on February 1, 2013.
- 1.2 The Contract allows for extension upon mutual written consent.
- 1.3 Santa Cruz METRO and Contractor desire to amend the Contract to extend the Contract term and to increase the Contract total not-to-exceed amount.

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

II. TERM

- 2.1 Article 3.02 is replaced in its entirety by the following:

The term of this Contract shall be from February 1, 2013 to January 31, 2018.

Santa Cruz METRO and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

III. COMPENSATION

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

Under the terms of the Fourth Amendment, the Contract total not-to-exceed amount is increased by \$32,000.

The new Contract total not-to-exceed amount is \$105,180. Contractor understands and agrees that if it exceeds the \$105,180 maximum amount payable under this Contract, it does so at its own risk.

IV. REMAINING TERMS AND CONDITIONS

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

Attachment B

V. ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS

5.1 The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

VI. AUTHORITY

6.1 Article 6 is amended to include the following language:

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

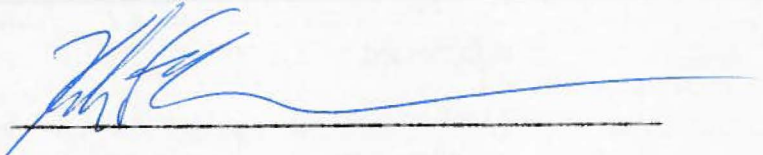
Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

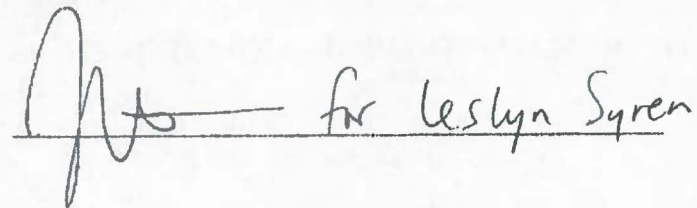
Contractor –
FOLGER GRAPHICS, INC.

Kirk Folger, Vice President Sales



Approved as to Form:

Leslyn Syren, District Counsel


_____ for Leslyn Syren



DATE: December 9, 2016
TO: Board of Directors
FROM: Al Pierce, Maintenance Manager
SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 1ST AMENDMENT EXTENDING THE CONTRACT WITH FLYERS ENERGY, LLC FOR OFF-SITE FUELING SERVICES, INCREASING THE CONTRACT TOTAL BY \$460,000

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a 1st amendment extending the contract, exercising the 1st option with Flyers Energy, LLC for Off-site Fueling Services, increasing the contract total by \$460,000 for the additional two-year period, thereby increasing the total contract authority from \$1,020,000 to \$1,480,000.

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a contract with Flyers Energy, LLC for Off-site Fueling Services that will expire on February 28, 2017.
- Flyers Energy, LLC has requested no changes for the new contract period.
- Flyers Energy, LLC has performed its duties very well under this contract, and therefore a two-year contract extension is recommended.

III. DISCUSSION/BACKGROUND

METRO requires off-site fueling of its ParaCruz and non-revenue vehicles with regular unleaded gasoline, and Facilities Maintenance requires red-dyed diesel for emergency generators. To fulfill these needs, METRO established a contract with Flyers Energy, LLC for Off-site Fueling Services on March 1, 2014 for a three-year period, with one optional two-year extension. The current contract is due to expire on February 28, 2017.

Per Al Pierce, Maintenance Manager, over the past year the quality of service provided by Flyers Energy, LLC has been very good. Flyers Energy, LLC has reviewed the contract and requested no changes.

Staff recommends that METRO exercise the 1st option for a two-year contract extension with Flyers Energy, LLC for an amount not to exceed \$460,000. Staff further recommends that the Board of Directors authorize the CEO to sign a two-

year contract extension on behalf of METRO. Al Pierce, Maintenance Manager, will continue to serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS/IMPACT

This contract has a total not to exceed of \$1,020,000. Additional funds in an amount of \$460,000 are requested for approval at this time. The new contract total not to exceed would be \$1,480,000.

Funds to support this contract are included in the Fleet Maintenance FY17 & FY18 Fuels & Lubricants - Revenue Vehicles (504012) and Fuels & Lubricants - Non Revenue Vehicles (504011) Operating Budgets, and planned for the FY19 Budgets.

V. ALTERNATIVES CONSIDERED

Do not renew the contract with Flyers Energy and use retail gas stations. This is not recommended as METRO would pay retail price and be vulnerable to misuse.

VI. ATTACHMENTS

Attachment A: Renewal letter from Flyers Energy, LLC

Attachment B: First Amendment to the Contract with Flyers Energy, LLC


Prepared By: Joan Jeffries, Administrative Specialist
Al Pierce, Maintenance Manager

VII. APPROVALS:

Al Pierce, Maintenance Manager



Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



Approved as to form:
Leslyn K. Syren, District Counsel



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Attachment A



2360 LINDBERGH ST
AUBURN, CA 95602

P 530 885.0401
F 530 885.5851

FLYERSENERGY.COM

October 17, 2016

Santa Cruz Metro

Attn: Erron Alvey

110 Vernon Street

Santa Cruz, CA 95060

RE: Letter of Intent to extend Santa Cruz Metro Contract No 14-07 for offsite fueling services.

Dear Mr. Alvey,

This letter is to confirm Flyers Energy LLC would like to extend the Santa Cruz Metro Contract 14-07 for offsite fueling services for an additional two year term under the same terms and conditions.

Regards,

A handwritten signature in black ink that reads 'Lynn Olson'.

Lynn Olson

Director of Cardlock

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Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FIRST AMENDMENT TO CONTRACT NO. 14-07 FOR OFF-SITE FUELING SERVICES

This First Amendment to Contract No. 14-07 for Off-site Fueling Services is made effective March 1, 2017 between the Santa Cruz Metropolitan Transit District ("Santa Cruz METRO"), a political subdivision of the State of California, and Flyers Energy, LLC ("Contractor").

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for Off-site Fueling Services ("Contract") on March 1, 2014.
- 1.2 The Contract allows for extension upon mutual written consent.
- 1.3 Santa Cruz METRO and Contractor desire to amend the Contract to extend the Contract term and to increase the Contract total not-to-exceed amount.

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

II. TERM

- 2.1 Article 3.02 is replaced in its entirety by the following:

The term of this Contract shall be from March 1, 2014 to February 28, 2019.

Santa Cruz METRO and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

III. COMPENSATION

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

Under the terms of the First Amendment, the Contract total not-to-exceed amount is increased by \$460,000.

The new Contract total not-to-exceed amount is \$1,480,000. Contractor understands and agrees that if it exceeds the \$1,480,000 maximum amount payable under this Contract, it does so at its own risk.

IV. REMAINING TERMS AND CONDITIONS

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

Attachment B

V. ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS

5.1 The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

VI. AUTHORITY

6.1 Article 6 is amended to include the following language:

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


Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

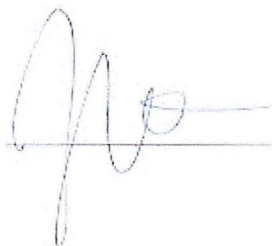
Contractor –
FLYERS ENERGY, LLC

Rick Teske, General Manager

 11/29/16

Approved as to Form:

Leslyn Syren, District Counsel

 Rr Leslyn Syren



DATE: December 9, 2016
TO: Board of Directors
FROM: Ciro Aguirre, Chief Operations Officer
**SUBJECT: CONSIDERATION OF AWARD OF CONTRACT TO PEDX FOR
COURIER SERVICES**

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a contract with PedX for Courier Services in an amount not to exceed \$81,950.00 for a five (5) year period.

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a need for Courier Services.
- A formal Request For Proposals was conducted to solicit proposals from qualified firms. Three (3) firms submitted proposals for METRO's review.
- A three-member evaluation team comprised of METRO staff reviewed and evaluated the proposals, and is recommending an award to PedX.

III. DISCUSSION/BACKGROUND

METRO has had an informal agreement in place for courier services. In recent years, METRO has allowed two local firms to perform this work. To promote equal opportunity and competition, METRO has alternated between these two firms every few years in an informal fashion.

On August 26, 2016, the Board of Directors authorized the initiation of a formal procurement for these services. On October 27, 2016 METRO formally solicited proposals for Courier Services. By securing a formal contract for these services, METRO benefited by promoting fair and open competition, reducing METRO's liability, and aiding in accurately forecasting anticipated spending levels while satisfying FTA contracting requirements.

Proposals were received from the following three (3) firms:

- Clutch Courier, Santa Cruz, CA
- Gold Rush Express, San Jose, CA
- PedX, Santa Cruz, CA

The evaluation team used the following criteria as contained in the Request for Proposals:

Evaluation Criteria	Points
Contractors' Qualifications and Recent Experience	30
References	20
Cost Proposal	30
Total Points Possible	80

Staff is recommending that the Board of Directors authorize the CEO to execute a five (5) year contract on behalf of METRO with PedX for Courier Services in an amount not to exceed \$81,950.00. The chosen contracting firm, PedX is a local Santa Cruz based firm. Contractor will provide all services meeting all METRO's specifications and requirements of the contract. Gina Pye, Executive Assistant, will serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The base value of the contract is \$ 81,950.00 for five (5) years which equates to \$16,390.00 per fiscal year. Funds to support this contract are included in: FY17 Budget 1100 – Administration, Account – 503031 Professional and Technical Fees.

V. ALTERNATIVES CONSIDERED

- Perform courier services using internal METRO staff. This is not recommended. Internal staff can be better utilized to perform other mission critical assignments. METRO is better served having courier services performed by an outside firm.

VI. ATTACHMENTS

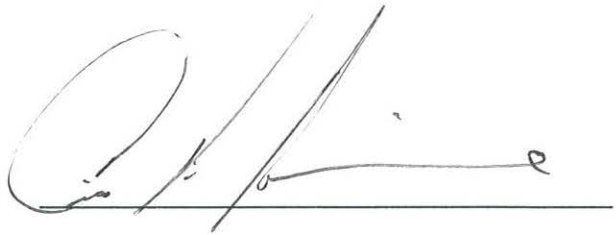
Attachment A: Contract with PedX

Note: A full copy of the Contract is available on request.

Prepared By: Alex Strudley, Purchasing Assistant

VII. APPROVALS:

Ciro Aguirre, Chief Operations Officer



Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



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Attachment A

PROFESSIONAL SERVICES CONTRACT FOR COURIER SERVICES (17-03)

THIS CONTRACT is made effective on January 2, 2017 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT ("Santa Cruz METRO"), a political subdivision of the State of California, and PedX ("Contractor").

1. RECITALS

1.01 Santa Cruz METRO's Primary Objective

Santa Cruz METRO is a public entity whose primary objective is providing public transportation and which has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 Santa Cruz METRO's Need for Courier Services

Santa Cruz METRO has the need for Courier Services. In order to obtain these services, Santa Cruz METRO issued a Request for Proposals, dated October 27, 2016, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Courier Services and whose principal place of business is 703 Pacific Avenue, Santa Cruz, CA 95060. Pursuant to the Request for Proposals issued by Santa Cruz METRO, Contractor submitted a proposal for Courier Services, which is attached hereto and incorporated herein by reference as Exhibit B.

1.04 Selection of Contractor and Intent of Contract

On November 29th, 2016, Santa Cruz METRO selected Contractor as the offeror whose proposal was most advantageous to Santa Cruz METRO to provide the Courier Services described herein. This Contract is intended to fix the provisions of these services.

1.05 Selection of Contractor and Intent of Contract

On December 1st, 2016, Santa Cruz METRO and Consultant completed negotiations on the General Conditions to the Contract and Consultant's Price Proposal. These final negotiated and agreed upon terms and conditions are attached hereto as Exhibit C.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents listed below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' Contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 11.15 of the General Conditions to the Contract.

Attachment A

A. Exhibit A

Santa Cruz METRO's "Request for Proposals" dated October 27, 2016, including Addendum No. 1 dated November 7, 2016.

B. Exhibit B (Contractor's Proposal)

Contractor's Proposal to Santa Cruz METRO for Courier Services, signed by Contractor and dated November 18, 2016.

C. Exhibit C

The final negotiated and agreed upon terms and conditions dated December 1st, 2016, which includes a revised Contractors' Cost Proposal.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits A and B and C. Where in conflict, the provisions of Exhibit C supersede Exhibits A and B. The provisions of Exhibit A supersede Exhibit B.

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the Contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Part IV, Section 11.15 of, the General Conditions to the Contract.

3.01.02 CONTRACTOR - The Contractor selected by Santa Cruz METRO for this project in accordance with the Request for Proposals issued October 27, 2016.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued October 27, 2016.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the Contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

Attachment A

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed **five (5)** years and shall commence upon the execution of the Contract by Santa Cruz METRO.

Upon satisfactory performance of services, Santa Cruz METRO may extend this agreement beyond the initial term when mutually agreed to in writing by the parties.

5. COMPENSATION

5.01 Terms of Payment

Santa Cruz METRO shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by Santa Cruz METRO. Santa Cruz METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of Santa Cruz METRO's written approval of Contractor's written invoice for said work. Contractor understands and agrees that if they exceed the \$81,950.00 maximum amount payable under this Contract, they do so at their own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by Santa Cruz METRO on a monthly basis.

Said invoice records shall be kept up-to-date at all times and shall be available for inspection by Santa Cruz METRO (or any grantor of Santa Cruz METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to Santa Cruz METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand, or three (3) days after posting, if sent by registered mail, receipt requested, to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

Santa Cruz METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060

Attention: Alex Clifford, CEO

CONTRACTOR

PedX
703 Pacific Avenue
Santa Cruz, CA 95060

Attention: Zachary Wolinsky

Attachment A

7. ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS

The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

8. AUTHORITY

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

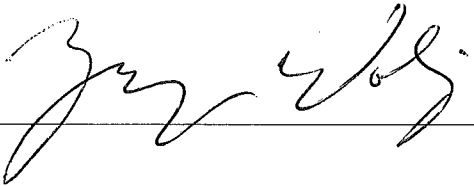
Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

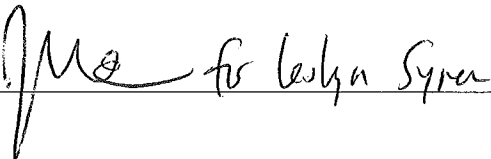
Contractor –
PedX

Zachary Wolinsky, General Partner



Approved as to Form:

Leslyn Syren, District Counsel





DATE: December 9, 2016
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 7TH AMENDMENT EXTENDING THE CONTRACT FOR TWO MONTHS WITH HILL INTERNATIONAL, INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES, INCREASING THE CONTRACT TOTAL BY \$125,000

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a Seventh amendment extending the contract for two months with Hill International, Inc. for Project Management Consultant Services, increasing the contract total by \$125,000 for the additional 2-month period, thereby increasing the total contract authority from \$3,558,382 to \$3,683,382.

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a contract with Hill International, Inc. (Hill) for Project Management Consultant Services that is due to expire on December 31, 2016.
- While temporary occupancy has been granted, completion of remaining ADA accessibility issues prevent METRO from obtaining a final Occupancy Permit, while installation of an Access Control System, removal of rust and repainting of all three exterior staircases, and various Security upgrades are also outstanding.
- METRO also requires the services of Hill International, Inc. to assist with preparation for mediation, as well as attendance at mediation to represent the Project Management Team.
- Staff recommends extending the contract with Hill International, Inc. through February 28, 2017, and increasing the contract not-to-exceed amount by \$125,000.

III. DISCUSSION/BACKGROUND

METRO entered into a contract with Hill for Project Management Consultant Services for the new Judy K. Souza Operations Facility (Project) on September 15, 2014. This contract is due to expire on December 31, 2016.

Temporary Occupancy was granted in March, but remaining ADA accessibility issues are preventing METRO from obtaining its final Occupancy Permit. In addition, rust removal and repainting of the stairs will go out to bid shortly, the building is still lacking an Access Control System, and various Security upgrades are outstanding. The services Hill International provides, including but not limited to Project Management, Construction Management, Document Control, and Safety Inspections, will be required to complete this additional work which was removed from the General Contractor's contract due to various issues.

A summary of contract amendments is as follows:

Amend. No.	Date	Description	Time Extension	\$ Amount
1 st	12/15/14	Additional staffing due to cancellation of Construction Management contract	—	\$1,092,385
2 nd	10/26/15	Extending time and adding funds in connection with extension of Project completion date	3 mo.	\$ 133,000
3 rd	2/15/16	Extending time and adding funds in connection with completion of items removed from General Contractor's contract	3 ½ mo.	\$ 350,000
4 th	5/18/16	Adding additional funds in connection with completion of outstanding items and to assist with obtaining the Final Occupancy Permit	—	\$ 285,000
5 th	7/1/16	Extending time only in connection with completion of outstanding items and to assist with obtaining the Final Occupancy Permit	3 mo.	—
6 th	10/1/16	Extending time and adding funds in connection with extension of Project completion date.	3 mo.	\$198,000

In order to maintain continuity of services with the Project Management Consultant through Project completion, staff recommends that the Board of Directors authorize the CEO to execute a Seventh Amendment to the Contract with Hill to extend the term for two additional months. Reductions in contracted staffing hours continue to occur as the project is nearing completion; however, some staffing will be necessary throughout the closeout process. Erron Alvey, Purchasing Manager, will continue to serve as the Contract Administrator and ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS/IMPACT

This contract has a total not to exceed of \$3,558,382. Additional funds in an amount of \$125,000 are requested for approval at this time. The new contract total not to exceed would be \$3,683,382.

Funds to support this contract amendment are included in the MetroBase Phase II Life of Project Budget. A budget amendment will be brought to the Board of Directors in February or March to reflect these changes and update the Project Status.

V. ALTERNATIVES CONSIDERED

- Do not extend the term of this contract and increase of the contract not to exceed total. Staff does not recommend this option, as the continued services of the Project Management Consultant are critical to ensuring the timely and successful completion of the Project.

VI. ATTACHMENTS

Attachment A: Contract Amendment with Hill International, Inc.

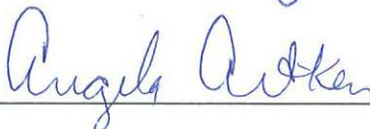
Prepared By: Joan Jeffries, Administrative Specialist
Erron Alvey, Purchasing Manager

VII. APPROVALS:

Erron Alvey, Purchasing Manager
and Contract Administrator



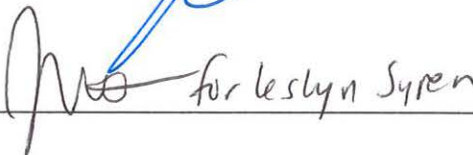
Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



Approved as to form:
Leslyn K. Syren, District Counsel



Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SEVENTH AMENDMENT TO CONTRACT NO. 15-04 FOR PROJECT MANAGEMENT CONSULTANT SERVICES

This Seventh Amendment to Contract No. 15-04 for Project Management Consultant Services is made effective January 1, 2017 between the Santa Cruz Metropolitan Transit District (“Santa Cruz METRO”), a political subdivision of the State of California, and Hill International, Inc. (“Consultant”).

I. RECITALS

- 1.1 Santa Cruz METRO and Consultant entered into a Contract for Project Management Consultant Services (“Contract”) on September 15, 2014.
- 1.2 The Contract is due to expire on December 31, 2016.
- 1.3 The Contract allows for extension upon mutual written consent.
- 1.4 Santa Cruz METRO and Consultant desire to amend the Contract to extend the Contract term and to increase the Contract total not-to-exceed amount.

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

II. TERM

- 2.1 Article 4.01 is replaced in its entirety by the following:

The term of this Contract shall be from September 15, 2014 to February 28, 2017.

Santa Cruz METRO and Consultant may extend the term of this Contract at any time for any reason upon mutual written consent.

III. COMPENSATION

- 3.1 Article 6.01 is amended to include the following language:

Under the terms of the Seventh Amendment, the Contract total not-to-exceed amount is increased by \$125,000.

The new Contract total not-to-exceed amount is \$3,683,382. Consultant understands and agrees that if they exceed the \$3,683,382 maximum amount payable under this Contract, they do so at their own risk.

IV. REMAINING TERMS AND CONDITIONS

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

Attachment A

V. ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS

5.1 The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

VI. AUTHORITY

6.1 Article 8 is amended to include the following language:

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

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

Consultant –
HILL INTERNATIONAL, INC.

Michael B. Smith, Senior Vice President



Approved as to Form:

Leslyn Syren, District Counsel



By Julie A. Sherman for Leslyn K. Syren



DATE: December 9, 2016
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
SUBJECT: CONSIDERATION OF A 5-YEAR LEASE AGREEMENT WITH ALI GHARAHGOZLOO AND JESSICA HSU, DBA JESSICA'S GROCERY

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a 5-year lease agreement with Ali Gharahgozloo and Jessica Hsu, dba Jessica's Grocery.

II. SUMMARY

- Ali Reza Gharahgozloo and Jessica Hsu have been leasing property at the Watsonville Transit Center since July 1, 1998.
- Prior to the expiration of the current lease, Mr. Gharahgozloo and Ms. Hsu expressed an interest in moving from the current space and leasing the vacant restaurant space at the Watsonville Transit Center.
- The tenant has been paying month-to-month as a hold-over tenant in their current space since October 2015.
- Mr. Gharahgozloo and Ms. Hsu presented a proposal to lease the restaurant space for a 5-year period, with one option to extend the term of the lease for an additional 5-year period.
- Staff recommends ratification of this new market rate 5-year lease, with one 5-year option.

III. DISCUSSION/BACKGROUND

Since July of 1998, Ali Reza Gharahgozloo and Jessica Hsu have been leasing property at the Watsonville Transit Center.

Prior to the expiration of the current lease, Mr. Gharahgozloo and Ms Hsu expressed interest in moving from the current leased space to the vacant restaurant space at the Watsonville Transit Center.

Mr. Gharahgozloo and Ms. Hsu presented a proposal to lease the vacant restaurant space for a 5-year term, with one option to extend the term of the lease for an additional 5-year period.

Santa Cruz Metropolitan Transit District (Santa Cruz METRO), with the help of an outside firm, performed a survey on "fair market value" for lease spaces within all of the Transit Centers. As the leases come up for renewal, this type of survey will be used prior to entering into a long term lease with the tenant.

Staff has negotiated the final terms of the lease agreement, which includes incorporating the “fair market value” of the leased space, charging back for utility costs based on square footage percentage of the Transit Center and/or actual billing costs, along with recapturing Santa Cruz METRO maintenance costs of the Transit Center through yearly common area maintenance (CAM) fees.

Jessica’s Grocery is a business that has been a popular convenience store and fast food restaurant for many years, and has been a popular tenant for Santa Cruz METRO customers and employees.

Staff recommends approval of this market rate 5-year lease, with one 5-year option.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The annual base rent for the first year of this lease will be approximately \$14,880. Additional Common Area Maintenance (CAM) fees are being calculated at a later date and will be charged yearly, in accordance with the lease terms.

V. ALTERNATIVES CONSIDERED

An alternative would be to seek another tenant for this space. This is not recommended by staff as Santa Cruz METRO has been pleased with the performance of this tenant.


VI. ATTACHMENTS

Attachment A: Jessica’s Grocery Lease Agreement, including Exhibits A-E

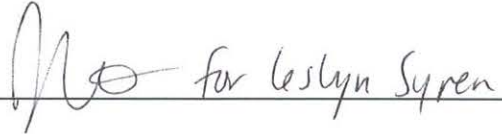
Prepared by: Angela Aitken, Finance Manager

VII. APPROVALS:

Angela Aitken, Finance Manager



Approved as to form:
Leslyn K. Syren, District Counsel


_____ for Leslyn Syren

Alex Clifford, CEO/General Manager



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Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

THIS LEASE is made on **January 1, 2017**, between the **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, a political subdivision of the State of California ("Landlord"), whose address is 110 Vernon Street, Santa Cruz, California, 95060, and, **Ali Reza Gharahgozloo and Jessica Hsu dba Jessica's Grocery. Inc.**("Tenant"), whose address is 333 Quebrada Del Mar Rd, Marina, CA 93933, who agrees as follows:

RECITALS

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

1. Landlord is the owner of certain real property commonly known as the Watsonville Transit Center, (hereinafter " Center") at 475 Rodriguez Street, Watsonville, California. Said real property includes, without limitation, "Premises" which consists generally of approximately **598 square feet of kitchen space and 223 square feet of dining space.**
2. Tenant is willing to lease the Premises from Landlord pursuant to the provisions stated in this lease.
3. Tenant wishes to lease the **598 square feet of kitchen space and 223 square feet of dining space for the purposes of operating a convenience store and fast-food restaurant.**
4. Tenant has examined the Premises and is fully informed of their condition.

ARTICLE 1: PREMISES

1.1 General

Landlord leases to Tenant and Tenant leases from Landlord the real property located in the City of Watsonville, County of Santa Cruz, State of California, identified as the "Premises" above, in **Exhibit A** at the Center at 475 Rodriguez Street, Watsonville, Ca 95076.

1.2 Airspace Rights

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

ARTICLE 2: TERM

2.1 Fixed Term

The term shall commence on **January 1, 2017 and shall expire at 12:01 a.m. on December 31, 2021**, unless sooner terminated in accordance with the provisions herein.

2.2 Inability to Deliver Possession

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

2.3 Option to Extend Term

Tenant shall have one (1) option to extend the term of its lease for an additional five (5) year period under the same terms and conditions specified herein provided Landlord receives written notification from Tenant exercising said option not later than ninety (90) days prior to the expiration of the initial five (5) year term. Tenant shall have no other right to extend the term beyond the option to extend the term as described herein unless otherwise agreed by landlord.

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

ARTICLE 3: RENT

3.1 Minimum Monthly Rent

Tenant shall pay to Landlord as minimum monthly all inclusive rent, without deduction, setoff, prior notice, or demand, and including all utilities the sum of **One thousand, four hundred, forty-three (\$1,443)**, per month in advance on the first day of each month commencing on **January 1, 2017**. Minimum monthly rent for the first month or portion thereof shall be paid on the day that Tenant's obligation to pay minimum monthly rent commences. Minimum monthly rent for any partial month shall be prorated at the rate of 1/30th of the minimum monthly rent per day.

3.2 Periodic Cost-of-Living Adjustment

a. The base monthly rent of **\$1,240** included in the amount set forth in Section 3.1 shall be reviewed for adjustment at the commencement of the second year of the term and each year thereafter (the "adjustment date"), including, without limitation, at the commencement of, and for the duration of any extended term, as follows:

1. The base for computing the adjustment is the Consumer price Index for All Urban Consumers (base year 1982-84 = 100) for San Francisco-Oakland-San Jose published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is in effect on the date of the commencement of the term ("Beginning Index") is to be used in determining the amount of the adjustment. If the Index has increased over the Beginning Index, the minimum monthly rent for the following year (until the next rent adjustment) shall be set by multiplying the minimum monthly rent set forth in Section 3.1 by a fraction, the numerator of which is the Current Index and the denominator of which is the Beginning Index. In no case shall the minimum monthly rent be less than a 2.5% increase over the current minimum monthly rent set forth in Section 3.1 and an increase shall be no greater than 4% of the current minimum monthly rent as provided in 3.1. On adjustment Landlord will notify tenant in writing of the minimum monthly rent as provided in this lease, stating the new base monthly rent.
2. If the Index changes so that the base year differs from that in effect when the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result s would be obtained if the index had not been discontinued or revised.

3.3 Refund of Prepaid and Unearned Minimum Monthly Rent

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

3.4 Due Dates and Delinquent Dates for Rent Payments

- a. Amounts due Landlord for minimum monthly rent (Section 3.1) late rent charges (Section 3.5), "increase in insurance due to use" (Section 5.2.1), "fire and other perils insurance" (Section 10.3), and other rent for which specific payment dates or periods are identified in this lease, are due and payable, without deduction, setoff, prior notice or demand, on the dates indicated herein, and are delinquent on the second business day thereafter. All rent payments for which no specific due dates are specified in this lease, including, without limitation, security deposit (Article 4), maintenance (Article 6), Utilities and Services (Article 9) and insurance (Article 10), are due and payable upon receipt of Landlord's invoice, and are delinquent eight (8) calendar days thereafter,

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

if served personally, or ten (10) calendar days after the date of postmark, if sent by prepaid, first-class mail.

- b. A "business day" for purposes of this Article is any day on which the administrative office of the Santa Cruz Metropolitan Transit District is open for regular business.

3.5 Late Rent Charges

Rent not paid when due shall bear interest from the first day after it is due until paid at the rate of 10 per cent per annum. Tenant acknowledges that late payment by Tenant to Landlord of any rent shall cause Landlord to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges. Therefore, if any amount of rent due from Tenant is not received by Landlord when due, for any cause, Tenant shall pay to Landlord an additional sum of ten percent (10%) of the overdue rent as a late charge, in addition to the interest charge specified above. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any of the rights and remedies available to Landlord.

3.6 Taxes Paid by Tenant; Additional Rent

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

3.7 Payment for Permits

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

3.8 Negation of Partnership

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

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

3.9 Payment of Rent

All rent shall be paid in United States currency and shall be paid to Landlord at the address below.

Santa Cruz Metropolitan Transit District
ATTN.: Finance Department
110 Vernon Street
Santa Cruz, CA 95060

ARTICLE 4: SECURITY DEPOSIT

Tenant has deposited with Landlord **Two thousand two hundred dollars (\$2,200)**, as a security deposit for the performance by Tenant of the provisions of this lease upon execution of this lease. If Tenant is in default, Landlord can use the security deposit, or any portion of it, to cure the default or to compensate Landlord for all damages sustained by Landlord resulting from Tenant's default including reasonable attorney's fees. Tenant shall within 10 days of demand pay to Landlord a sum equal to the portion of the security deposit expended or applied by Landlord as provided in this Article so as to maintain the security deposit in the sum initially deposited with Landlord. Tenant's failure to do so shall be a material default under this Lease. If Tenant is not in default at the expiration or termination of this lease, Landlord shall return the security deposit to Tenant within thirty (30) days. Landlord's obligations with respect to the security deposit are those of a debtor and not a trustee. Landlord can maintain the security deposit separate and apart from Landlord's general funds or can commingle the security deposit with Landlord's general funds. Landlord shall not be required to pay Tenant interest on the security deposit.

ARTICLE 5: USE; LIMITATIONS ON USE

5.1 Use

- a. Tenant shall use premises for a **convenience store and fast food restaurant** as set forth herein, and for no other use without Landlord's written consent. Said use (including, without limitation, limitations on use) is further described in Exhibit B attached hereto and made a part hereof.
- b. No other business shall be conducted on the Premises by Tenant except upon the prior written consent of the Landlord. Landlord shall not be a guarantor or otherwise liable to Tenant for Landlord's exercise of discretion in allowing any type of business to lease space at the Center or in consenting to a change of any other Tenant's business use located at the Center. Landlord shall not be a guarantor of Tenant's business or of insuring that individuals who ride landlord's buses shop or utilize tenant's business.
- c. Tenant shall continuously use the Premises for the uses specified in this lease and shall continuously merchandise the Premises, during the hours specified in **Exhibit B**. If the Premises are destroyed or partially condemned and this lease remains in full force and effect, Tenant shall continue operation of its business at the Premises to the extent reasonably practicable from the standpoint of good business judgment during any period of reconstruction.
- d. Tenant specifically agrees that the Premises are not to be used for any interior or exterior storage of toxic or hazardous chemicals or materials other than those associated with Tenant's business subject to Landlord's approval. The business conducted by the Tenant on the Premises shall be of a character and nature that will not be detrimental to the value of the Premises. No use shall be made or permitted to be made of the Premises, nor acts done in or about the Premises, which will in any way conflict with any law, ordinance, rule or regulation affecting the occupancy or use of the Premises, which are or may hereafter be enacted or promulgated by any public authority, or which will increase the existing rate of insurance upon the building or cause a cancellation of any insurance policy covering the building or any part thereof. Nor shall Tenant permit to be kept, or use in or about the Premises, any article which may be prohibited by the standard form of fire insurance policy

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

maintained by Landlord. Tenant shall not commit, or suffer to be committed, any waste upon the Premises, or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant(s) in the Center, nor, without limiting the generality of the foregoing, shall Tenant allow said Premises to be used for an improper, immoral, unlawful, or unethical purpose or for sleeping or residential purposes, including washing clothes.

5.2 Limitations on Use

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

5.2.1 Cancellation of Insurance; Increase in Insurance Rates

- a. Tenant shall not do, bring, or keep anything in or about the Premises that will cause a cancellation of any insurance or an increase in the rate of any insurance covering the Premises.
- b. If the rate of any insurance (including, without limitation, any fire, casualty, liability, or other insurance policy insuring Landlord, Landlord's property, and Tenant at the Center, or any of Tenants' property) carried by Landlord is increased as a result of Tenant's changed use, Tenant shall pay to Landlord a sum equal to the difference between the original premium and the increased premium. Said payment shall be made within ten (10) days before the date Landlord is obligated to pay premium on the insurance, or within ten (10) days after Landlord delivers to Tenant a certified statement from Landlord's insurance carrier stating that the rate increase was caused solely by a changed activity of Tenant on the Premises as permitted in this lease, whichever date is later.
- c. Tenant shall comply at its expense, to the requirements of applicable fire control agencies having jurisdiction over the Premises, including, without limitation, any restrictions on occupancy and the provision of fire extinguishers. Tenant's obligation under this section shall include at Tenant's cost the obtaining and maintaining of any business license, use permits, design review permits for signs, and the building permits for any tenant improvements, or any other federal, state or local government requirement.
- d. Except that Tenant shall not be obligated to comply with any law that requires alterations, maintenance, or restoration to the Premises unless the alterations, maintenance, or restoration are required as a result of Tenant's particular and specific use of the Premises at the time or as a result of Tenant's own construction on the Premises or is include in another section of this lease as an obligation of Tenant. Landlord shall make any alterations, maintenance, or restoration to the Premises required by such laws that Tenant is not obligated to make. Notwithstanding the foregoing, Tenant shall not alter the premises in any fashion without Landlord's written approval.

5.2.2 Deliveries

Tenant shall not allow deliveries of any kind to use the bus lanes at the Center. Additionally, Tenant's employees and customers shall be restricted to park in areas other than the bus lanes. Nothing contained in this Lease confers to Tenant, or its employees, any designated parking space at any of Landlord's facilities.

5.2.3 Waste; Nuisance

- a. Tenant shall not use the Premises or common area, or permit or suffer the Premises to be occupied or used, in any manner that will constitute waste, nuisance, or unreasonable annoyance (including, without limitation, the use of loudspeakers or sound or light apparatus that can be heard or seen outside the Premises) to other users of the Center.
- b. Tenant shall not use the Premises or common area for sleeping, for residential purposes or washing clothes, or the preparation, manufacture, or mixing of anything that might emit any objectionable odor or objectionable noises or lights into the Center.

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

- c. No secondhand store, auction, distress or fire sale, or bankruptcy or going-out-of-business sale may be conducted on the Premises or common area without Landlord's written consent. Tenant shall not sell or display merchandise outside the confines of the Premises or in the common area.

5.2.4 Overloading

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

5.2.5 Hours of Operation

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

5.2.6 Rules and Regulations/Common Area

- a. Tenant acknowledges that this lease is made on property owned by Landlord and under Landlord's exclusive control. Said property is primarily devoted to the provision of transit services for the public. Tenant agrees that it shall do nothing to interfere with Landlord's transit services. Tenant further acknowledges that the primary duties of Landlord are to operate transit services safely; and Tenant hereby agrees to abide by all laws, ordinances, directives, rules and regulations existing or hereafter made for the government, management, maintenance, and operation of the Center, including such directives as to usage of the Center as may be promulgated by any government agency including the Board of Directors, officers or representatives of the Landlord in their official or departmental capacity. Tenant further agrees that such directives, rules, regulations, ordinances and conditions as may be imposed by any governmental agency or Landlord through its Board of Directors, administrative officers, department heads or duly authorized representatives, shall be subject to immediate compliance by Tenant. Tenant acknowledges that it has read and reviewed the Watsonville Transit Center Rules and Regulations, which are attached hereto as **Exhibit C** and incorporated herein by reference and agrees to follow them.
- b. Certain areas have been constructed by Landlord within the Premises for the general use, convenience and benefit of the users and occupants of the Center and their customers and employees, including the lobby, sidewalks, landscaped areas and other areas for pedestrian use (herein called the "Common Area"). Except as may be limited herein, Tenant shall have the non-exclusive right for itself and for its customers, invitees, employees, contractors, subtenants and licenses to use the Common Area in common with Landlord and other persons permitted to use the same for pedestrian ingress, egress and access. Tenant shall do nothing to interfere with anyone's use of the common area.
- c. Tenant shall be responsible for its proportionate share of the costs of the Common Area including the maintenance costs, and all improvements and facilities situated thereon and required in connection

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

therewith. Any increases to common area charges shall be assessed based upon the useful life of the improvement taking into account the remaining term of the lease.

5.2.7 Limitation

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

ARTICLE 6: MAINTENANCE

6.1 Landlord's Maintenance

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

6.2 Tenant's Maintenance

- a. Tenant at its cost shall maintain, in good condition, all portions of the Premises, both inside and out, including, without limitation, all signs, storefronts, plate glass, show windows, all Tenant's personal property, restrooms, fixture maintenance (I i.e. light bulbs.), and periodic services of heating and ventilation, electric and electronic equipment as recommended by the manufacturer (HVAC system, door maintenance etc.). Tenant is responsible for building upkeep including cleaning of interior paint, exterior and interior graffiti and broken plate glass.
- b. Tenant shall be liable for any damage to the building in which the Premises are located resulting from the acts or omissions of Tenant or its authorized representatives or its employees or its customers. Landlord is not responsible for the repair of the Premises for damage caused by third parties, including Tenant, its employees, its representatives, or its customers.

ARTICLE 7: REPAIRS AND ALTERATIONS

- a. Tenant will take good care of the Premises and promptly notify the Landlord in writing of any damage caused thereto by Tenant, its employees or invitees and will not make any repairs or alterations without written permission of Landlord first had and obtained, and consent for same shall not be unreasonably withheld by Landlord. If Tenant performs any fixturing or alterations of the Premises such work shall be done in accordance with Landlord's permission. Any alterations or improvements made shall remain on and be surrendered with the Premises on expiration or termination of the term, except that Landlord can elect within thirty (30) days before expiration of the term, or within five (5) days after termination of the term, to require Tenant to remove any alterations or improvements that Tenant has made to the Premises. If Landlord so elects, Tenant at its cost shall restore the Premises to the condition designated by Landlord in its election before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later, and Tenant shall be liable for rent during any such period. Tenant shall keep the premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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- b. Landlord shall be under no obligation to make any repairs, alterations or improvements to or upon the Premises, or any part thereof, at any time except as provided in this Lease. Landlord shall at its sole cost and expense, at all times during the term hereof, repair and maintain the roof and exterior walls (other than plate glass, and doors, and roll-up doors) and foundations of the building in which the Premises are located; provided that Tenant shall reimburse Landlord for the cost and expense of repairing any and all damage to the roof, foundation or exterior walls of the Premises resulting from the acts or omissions of Tenant, Tenant's agents, employees, customers or invitees.
- c. Tenant shall, except for the intentional or negligent acts or omissions of Landlord, its agents, or employees, at its sole cost and expense, at all times during the term hereof, keep and maintain the Premises, the improvements thereon and every part thereof (including but not limited to plate glass, heating, ventilating, and air conditioning equipment, store fronts and doors, awnings and roll-up doors) in good and sanitary order, condition and repair and in compliance with all laws and regulations applicable thereto.
- d. Landlord may, at any time and for any reason during the term and any extensions thereof, remodel all or any part of the Center. Landlord's rights to remodel include, without limitation, the right to enclose, cover, re-configure, reposition or otherwise modify any part of the building in which the Premises are a part. Landlord shall not unreasonably interfere with Tenant's business as a result of alterations or improvements.

ARTICLE 8: TRADE FIXTURES

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

ARTICLE 9: UTILITIES AND SERVICES

Landlord and Tenant shall be responsible for all utilities and services, as follows:

- a. Tenant shall make all arrangements for and pay for electric and gas services furnished to or used by it, and for all connection charges and taxes.
- b. Tenant shall be responsible for a pro rata share of the following:
 - Pest Control - \$76 per month**
 - Water - \$18 per month**
 - Sewer - \$14 per month**
 - Garbage - \$95 per month**
- c. Tenants all inclusive rent, set forth in section 3.1, includes the charges mentioned above. All the above utility charges will be reviewed and adjusted prior to the beginning of the next lease year, to reflect actual or average costs as depicted above, in conjunction with the CPI adjustments to your base rent.

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- d. If Landlord is required to construct new or additional utility installations, including, without limitation, wiring, plumbing, conduits, and mains resulting from Tenant's changed or increased utility requirements, Tenant shall on demand pay to Landlord the total cost of these items
- e. Landlord shall not be liable for failure to furnish utilities or services to the premises, but in case of the failure, Landlord will take all reasonable steps to restore the interrupted utilities and services
- f. Tenant agrees to keep premises free and clear of any lien or encumbrance of any kind whatsoever created by Tenant's acts or omissions.
- g. Utility charges may be separately determined by Landlord based on utility rating of Tenant's use of premises and the common areas, as a percentage of total utility use by those sharing the same meter, or as metered use. Tenant shall pay to the appropriate supplier the cost of all heat, light, power, and other utilities and services supplied to the premises. If the Landlord authorizes Tenant's premises to be separately metered, then Tenant shall pay for the full cost of the installation of the meter.
- h. Landlord can discontinue, without notice to Tenant, any of the utilities or services furnished to the premises for which Tenant fails to reimburse Landlord on a prompt basis as provided in this Article, and no such discontinuance shall be deemed an actual or a constructive eviction.

ARTICLE 10: INDEMNITY AND EXCULPATION; INSURANCE

10.1 Tenant's Indemnification of District

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

10.2 Liability Insurance

- a. Tenant further agrees to take out and keep in force during the life hereof, at Tenant's expense, public liability insurance, property damage insurance and products liability insurance, with a company or companies satisfactory to Landlord to protect Landlord against any liability incident from the use of, or resulting from, any accident or occurrence in or about said Premises, with a single combined public and products liability and property damage limit of at least ONE MILLION DOLLARS (\$1,000,000) for any one accident or occurrence.
- b. All public liability insurance, products liability insurance, and property damage insurance shall insure performance by Tenant of the indemnity provisions of Section 10.1. Said policy or policies shall require that in the event of cancellation of any policy, the insurance carrier shall notify Landlord in writing at least thirty (30) days prior thereto, and Tenant agrees, if Tenant does not keep such insurance in full force and effect, that Landlord may, at its option either terminate this lease, or take out the necessary insurance and pay the premium, and the repayment thereof shall be deemed due and owing to landlord on the next day upon which rent becomes due. Tenant shall have the insurance

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carrier(s) also notify Landlord thirty (30) days in advance of any modifications reducing the coverage of said policy (ies), and in the event that any of said insurance carriers do not notify Landlord of any modification, Tenant shall do so upon receiving notice of such modification. Tenant agrees that Landlord shall be named on said insurance coverage as an additional insured party in accordance with the foregoing covenants, and that cross-liability coverage in favor of Landlord shall be provided. Tenant shall furnish Landlord with evidence of insurance satisfactory to Landlord upon execution of this Lease and at such times as Landlord deems appropriate. Said policy or policies shall further provide that any insurance carrier of Landlord's shall be excess insurance only, as to the liability insured thereby.

- c. Landlord may increase or decrease the amount of public liability, products liability, and property damage insurance required, based upon a general review by Landlord of the standard insurance requirement as determined by the Board of Directors of Landlord to be in the public interest and required for all other Tenant's at the Center. Changes in insurance amounts shall occur not more frequently than once a year.

10.3 Fire and Other Perils Insurance

- a. Landlord shall provide Fire and Other Insurance with respect to the Premises, except that Landlord shall not provide earthquake and flood insurance. Insurance shall be obtained in the name of Landlord covering said leased Premises and all fixtures therein against loss by reason of the perils of fire, lightning, vandalism and malicious mischief, and endorsed to include extended coverage, said policy to be on a replacement cost basis, and to be maintained in full force and effect throughout the term of this lease. Said policy or policies shall provide that the loss payable shall be paid to Landlord.
- b. The "full replacement value" of the building and other improvements to be insured shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three (3) years, either party shall have the right to notify the other party that it elects to have the replacement value determined by an insurance company. The determination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the determination.
- c. The pro rata cost (based on the percentage of Tenant's Premises square footage in the Center) of said insurance shall be paid by Tenant, and shall reflect Tenant's business nature and size insofar as they measurably affect the Landlord's premiums. If any other tenant of the building of which the demised Premises are a part is conducting a business or otherwise engages in an activity or omits to take a precaution that the insurer identifies as producing a specified higher insurance rate than would be produced by the business and conduct of Tenant, such additional insurance rates will not be passed on to Tenant, even on a pro rata basis. Landlord will be the final authority regarding Tenant's share of the cost of the insurance. Landlord shall inform Tenant of its actual cost of the insurance at the commencement of the lease. Payment of Tenant's insurance cost shall be in addition to all other required rent and is due within ten (10) calendar days of mailing.
- d. Landlord may increase or decrease the amount of fire and other perils insurance required based upon a general review by Landlord of the standard insurance requirement as resolved by the Board of Directors of Landlord to be in the public interest.
- e. Landlord is not responsible for the acts or omissions of third parties against Tenant.

10.4 Tenant's Fire and Malicious Mischief Insurance

Tenant shall maintain on all its personal property (including unattached movable business equipment) in, on, or about the Premises, a policy of standard fire and extended and malicious mischief endorsements,

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to the extent of one hundred percent (100%) of their full replacement value. Landlord shall be named as an additional insured.

10.5 Plate Glass Insurance

Tenant at its cost shall maintain full coverage plate glass insurance on the Premises. Both parties shall be named as insureds on any such policy and a copy of the same provided to Landlord.

10.6 Tenant's Business Interruption Insurance

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

10.7 Proof of Insurance

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

10.8 Other Insurance Matters

All insurance required under this lease shall:

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

ARTICLE 11: DAMAGE OR DESTRUCTION

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

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or other improvements in which the Premises are located, cannot be restored within ninety (90) days, either Tenant or Landlord has the option to terminate this Lease by giving written notice to the other. If the insurance is not sufficient to fully pay for the repairs, reconstruction or restoration, Landlord shall notify Tenant in writing of same and Tenant shall have the option to pay the cost of said repairs, reconstruction or restoration over and above the available insurance proceeds. Should Tenant not elect to pay said excess costs, either party may terminate this Lease by giving written notice of same to the other party.

ARTICLE 12: ASSIGNMENT AND SUBLETTING

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

ARTICLE 13: DEFAULT

13.1 Tenant's Default

- a. The occurrence of any of the following shall constitute a default by Tenant:
 - 1. Failure to pay rent when due and in the manner provided in the lease if the failure continues for three (3) business days after a notice has been sent to Tenant; or additional rent or any other monetary sums required to be paid;
 - 2. Failure to occupy the Premises and/or operate the Tenant's business as described herein on the Premises; Tenant shall be conclusively presumed to have defaulted if Tenant leaves the

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Premises closed or unoccupied continuously for fifteen (15) business days, whether or not the Tenant is in default as to its rental obligation;

3. Failure to perform any other provision of this lease if the failure to perform is not cured within three (3) business days after notice has been given to Tenant. If the provisions of the lease violated by the Tenant cannot be performed within the three-day notice period described herein, Landlord shall not be required to give notice demanding the performance of the violated provisions of the lease;
 4. The filing or commencement of any proceeding by or against Tenant under the Federal Bankruptcy code whether voluntary or involuntary, if not dismissed within sixty (60) days from the date of filing, shall constitute a default under this Lease.
 5. Either the appointment of a receiver to take possession of all, or substantially all, of the assets of any Tenant or garnishment of or levy or writ of execution on, all or substantially all of the assets of any Tenant which remains in effect for more than sixty (60) days, or a general assignment by any Tenant for the benefit of creditors, shall constitute a default of this Lease by Tenant.
- b. Notices given under this Article shall specify the alleged default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this lease or pay the rent that is in arrears, as the case may be, within applicable period of time, or quit the Premises. No such notice shall be deemed forfeiture or a termination of this lease unless Landlord so elects in the notice.

13.2 Landlord's Remedies

13.2.1 Cumulative Nature of Remedies

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

13.2.2 Tenant's Right to Possession Not Terminated

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

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Landlord and applied in payment of future rent as rent becomes due under this lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this lease, the rent received from the re-letting is less than the rent due on that date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs, including for maintenance, Landlord incurred in re-letting that remain after applying the rent received from the re-letting as provided in this Article.

13.2.3 Termination of Tenant's Right to Possession

- a. Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving written notice to Tenant shall terminate this lease. Acts of maintenance, efforts to re-let the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:
 1. The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this lease;
 2. The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;
 3. The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and,
 4. Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.
- b. "The worth, at the time of the award," as used in items "1" and "2" of this Article 13.2.3, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth at the time of the award," as referred to in item "3" of this Section 13.2.3, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

13.2.4 Landlord's Right to Cure Tenant's Default

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

ARTICLE 14: SIGNS

- a. Tenant shall not have the right to place, construct, or maintain on the glass panes or supports of the show windows of the Premises, the doors, or the exterior walls or roof of the building in which the Premises are located or any interior portions of the Premises that may be visible from the exterior of the Premises, any signs, advertisements, names, insignia, trademarks, descriptive material, or any other similar item without Landlord's written consent and any necessary approval from the City of Santa Cruz. Any signs approved by Landlord and placed on the Premises shall be at Tenant's sole cost. Landlord at Tenant's cost can remove any item placed, constructed, or maintained that does not comply with the provisions of this paragraph.
- b. Tenant shall not, without Landlord's written consent, place, construct, or maintain on the Premises any advertisement media, including, without limitation, searchlights, flashing lights, loudspeakers,

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phonographs, or other similar visual or audio media. Tenant shall not solicit business in, on, or about the public areas, or distribute handbills or other advertising or promotional media in, on, or about the public areas at Center without written consent of landlord, except that Tenant shall be entitled to engage in radio, television, and newspaper advertising as is customarily used for the type of business in which Tenant is engaged.

- c. Any sign that Landlord grants Tenant the right to place, construct, and maintain shall comply with all laws and Tenant shall obtain any approval required by such laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval.
- d. Landlord shall have the right to use for its signs the exterior walls and roof of the building in which the Premises are located.

ARTICLE 15: LANDLORD'S ENTRY ON PREMISES

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

ARTICLE 16: SUBORDINATION AND OFFSET STATEMENT

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

ARTICLE 17: NOTICE

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

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Landlord: Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
ATTN: Legal Department

Tenant: **Ali Gharahgozloo dba Jessica's Grocery. Inc.**
333 Quebrada Del Mar Rd
Marina, CA 93933

ARTICLE 18: WAIVER

- a. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.
- b. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved.
- c. No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the lease.
- d. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.
- e. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the lease.

ARTICLE 19: SURRENDER OF PREMISES; HOLDING OVER

19.1 Surrender of Premises

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

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19.2 Holding Over

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

ARTICLE 20: MISCELLANEOUS PROVISIONS

20.1 General Conditions

20.1.1 Time of Essence

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

20.1.2 Corporate Authority

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

20.1.3 Successors

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

20.1.4 Rent Payable in U.S. Money

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

20.1.5 Real Estate Brokers; Finders

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

20.1.6 Status of Parties on Termination of Lease

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

20.1.7 Exhibits--Incorporation in Lease

All exhibits referred to are attached to this lease and incorporated by reference.

20.1.8 Licenses and Permits

It shall be Tenant's responsibility, at Tenant's sole cost and expense, to obtain all necessary licenses and permits to carry out the terms of this lease and to operate the business above mentioned on the leased

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

Premises. Landlord makes no representation as to the availability of and opportunity for licenses and permits for any leased Premises at the Center.

20.1.9 Pest Control

Landlord shall contract with a licensed pest control firm for the control of pests in the Premises. The duration, extend, and frequency of pest control measures shall be determined by Landlord. The cost of pest control is a part of the all inclusive monthly rent as provided in Article 9.

20.1.10 Drug and Alcohol Policy

Tenant and its employees shall not use, possess, manufacture, or distribute alcohol or illegal drugs while on the premises at Center or at any District facility, or distribute same to Landlord's employees, passengers, or the general public.

20.1.11 Smoke Free

The Center is a smoke free facility. Tenant shall comply with State law and the City Ordinance regarding smoking. Tenant and its employees and customers shall not smoke tobacco products on the premises.

20.1.12 Information Form

Tenant shall provide to Landlord a completed information form containing names and telephone numbers of contact person, on a semi-annual basis or when changes occur.

20.1.13 Termination for Convenience

The lease may be terminated by either party with a **six month notice**, at any time without cause, for any reason, in whole or in part, whenever the party giving the notice determines that it is in their best interest. Such notice shall conform to the notice provisions contained in Article 17.

20.1.14 Publicity

Tenant agrees to submit to Landlord all advertising, sales promotion, and other public matter relating to any service furnished by Tenant wherein the Landlord's name is mentioned or language used from which the connection of Landlord's name therewith may, within reason, be inferred or implied. Tenant further agrees not to publish or use any such advertising, sales promotion or publicity matter without the prior written consent of the Landlord.

20.1.15 Consent to Breach Not Waiver

No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

20.1.16 Prohibition of Discrimination against Qualified Handicapped Persons

Tenant shall comply with the provisions of the Americans With Disabilities Act and Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in federally-assisted programs.

20.1.17 Cal OSHA/Hazardous Substances

- 20.1.17.1 Tenant shall not bring, or permit to be brought, upon the premises, any hazardous or toxic materials or chemicals, except for ordinary and customary cleaning supplies used in

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

Tenant's business. All materials brought onto the premises shall be used, stored, and removed in compliance with all applicable laws, statutes, ordinances and governmental rules, regulations or requirements.

- 20.1.17.2 Tenant shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on Landlord's property, (2) ensure that its employees take appropriate protective measures, and (3) provide the Landlord's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on Landlord's property.
- 20.1.17.3 Tenant shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, Tenant shall indemnify the Landlord against any and all damage, loss, and injury resulting from non-compliance with this Article.
- 20.1.17.4 Tenant shall comply with Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 – 25249.13. Tenant will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.
- 20.1.17.5 Tenant shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Tenant. Tenant shall be solely responsible for all clean-up efforts and costs.
- 20.1.17.6 Tenant shall indemnify and defend Landlord and his successors and assigns against and hold them harmless from any and all claims, demands, liabilities, damages, including punitive damages, costs and expenses, including reasonable attorney's fees caused by Tenants actions, herein collectively referred to as "Claims":

Any Claim by a federal, state or local governmental agency arising out of or in any way connected with the environmental condition of the Premises caused by Tenants action, including, but not limited to, Claims for additional clean-up of the Premises; and

Any Claim by a successor in interest of Tenant (including a mortgagee who acquires title to the Premises through foreclosure or by accepting a deed in lieu of foreclosure), or by any subtenant licensee, or invitee of Tenant arising out of or in any way connected with the environmental condition of the Premises caused by Tenants or Subtenants actions.

20.1.18 All Amendments in Writing

No amendment to this Lease shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

20.1.19 Responsibility for Equipment

Landlord shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment or furniture used by Tenant, or any of its employees, even though such equipment or furniture be furnished, rented or loaned to Tenant by Landlord, **listed in Exhibit E.**

20.1.20 Equipment

Tenant is responsible to return to the Landlord in good condition any equipment, including keys, issued to it by the Landlord pursuant to this Agreement. If the tenant fails or refuses to return Landlord-issued equipment, furniture or keys within five days of the conclusion of the tenant use of the premises the

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

Landlord shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to tenant or take other appropriate legal action at the discretion of the Landlord.

20.1.21 Nondiscrimination

Tenant shall not discriminate on the grounds of race, religion, color, sex, age, marital status, medical condition, disability, national origin or sexual preference in any manner or as a result of or arising out of this lease agreement.

20.1.22 Liens

Tenant shall keep the Premises and building and the property on which the Premises are situated, free of any liens arising out of work performed, materials furnished or obligations incurred by Tenant.

20.1.23 Applicable Laws

This lease shall be construed and interpreted in accordance with the applicable laws of the State of California and of the United States of America. Each party shall perform its obligation hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect.

20.1.24 Integrated Agreement; Modification

This lease including all exhibits constitutes the entire understanding and agreement between the Landlord and the Tenant and supersedes, revokes, and cancels any and all previous negotiations, representations, and understanding between the parties and cannot be amended or modified except by a written agreement.

20.1.25 Provisions are Covenants and Conditions

All provisions, whether covenants or conditions, on the part of Tenant shall be deemed to be both covenants and conditions.

20.1.26 Use of Definitions

The definitions contained in this lease shall be used to interpret this lease.

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
TRANSIT CENTER LEASE AGREEMENT

20.1.27 Definitions

As used in this lease, the following words and phrases shall have the following meanings:

- a. **ALTERATION:** Any addition or change to, or modification of, the Premises made by Tenant after the fixturing period, including, without limitation, fixtures, but excluding trade fixtures as defined here, and tenant's improvements as defined here.
- b. **AUTHORIZED REPRESENTATIVE:** Any officer, agent, employee, or independent contractor retained or employed and acting within authority given him/her by that party.
- c. **CONSENT:** Landlord's or Tenant's express, prior, written approval on the party's letterhead.
- d. **DAMAGE:** Injury deterioration or loss to a person or property caused by another person's acts or omissions. Damage includes death.
- e. **DAMAGES:** A monetary compensation or indemnity that can be recovered in the courts by any person who has suffered injury to his/her person, property, or rights through another's act or omission.
- f. **DESTRUCTION:** Damage, as defined here, to or disfigurement of the Premises.
- g. **ENCUMBRANCE:** Any deed of trust, mortgage, or other written security device or agreement affecting the Premises, and the note or other obligation secured by it that constitutes security for the payment of a debt or performance of an obligation.
- h. **EXPIRATION:** The coming to an end of the time specified in the lease as its duration, including any extension of the term resulting from the exercise of an option to extend.
- i. **GOOD CONDITION:** The good physical condition of the Premises and each portion of the Premises, including, without limitation, signs, windows, show windows, appurtenances, and tenant's personal property as defined here. "In good condition" means first-class, neat, clean, and broom-clean, and is equivalent to similar phrases referring to physical adequacy in appearance and for use.
- j. **HOLD HARMLESS:** To defend and indemnify from all liability, losses, penalties, damages as defined here, costs, expenses (including, without limitation, attorneys' fees), causes of action, claims, or judgments arising out of or related to any damage, as defined here, to any person or property.
- k. **LAW:** Any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirements of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the parties or the Premises, or both, in effect either at the time of execution of the lease or at any time during the term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).
- l. **LENDER:** The beneficiary, mortgagee, secured party, or other holder of an encumbrance, as defined here.
- m. **LIEN:** A charge imposes on the Premises by someone other than Landlord, by which the Premises are made security for the performance of an act. Most of the liens referred to in this lease are mechanics' liens.
- n. **MAINTENANCE:** Repairs, replacement, preventive maintenance, repainting, and cleaning.
- o. **PERSON:** One or more human beings, or legal entities or other artificial persons, including, without limitation, partnerships, corporations, trusts, estates, associations, and any combination of human beings and legal entities.

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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- p. **PROVISION:** Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulations the lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.
- q. **PUBLIC AREA:** Any area outside Premises in Center to which the public commonly is allowed access by Landlord. Public area is the common area.
- r. **RENT:** Minimum monthly rent, rent for fixtures, equipment and cookware, percentage rent, additional rent, security deposit, maintenance expenses, operating costs, insurance, utilities and services, other similar charges, and any other money owed by Tenant to Landlord under the provisions of this Lease.
- s. **RESTORATION:** The reconstruction, rebuilding, rehabilitation, and repairs that are necessary to return destroyed portions of the Premises and other property to substantially the same physical condition as they were in immediately before the destruction.
- t. **SUBSTANTIAL COMPLETION:** Completion of Landlord's construction obligation as evidenced by Landlord's architect or by the general contractor performing Landlord's construction obligation.
- u. **SUCCESSOR:** Assignee, transferee, personal representative, heir, or other person or entity succeeding lawfully, and pursuant to the provisions of this lease, to the rights or obligations of either party.
- v. **TENANT'S IMPROVEMENT:** Any addition to or modification of the Premises made by Tenant before, at, or near the commencement of the term, including,
- w. **TENANT'S PERSONAL PROPERTY:** Tenant's equipment, furniture, merchandise, and movable property placed in the Premises by Tenant, including tenant's trade fixtures, as defined here as set forth in Exhibit E.
- x. **TENANT'S TRADE FIXTURE:** Any property installed in or on the Premises by Tenant for purposes of trade, manufacture, ornament, or related use as set forth in Exhibit D.
- y. **TERM:** The period of time during which Tenant has a right to occupy the Premises.
- z. **TERMINATION:** The ending of the term for any reason before expiration, as defined here.

20.1.28 Captions

The captions of this lease shall have no effect on its interpretation.

20.1.29 Singular and Plural

When required by the context of this lease, the singular shall include the plural.

20.1.30 Joint and Several Obligations

"Party" shall mean Landlord or Tenant; and if more than one person or entity is Landlord or Tenant, the obligations imposed on that party shall be joint and several.

20.1.31 Severability

The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT TRANSIT CENTER LEASE AGREEMENT

ARTICLE 21: ATTORNEYS' FEES

In the event suit is brought to enforce or interpret any part of this Lease Agreement, the prevailing party shall be entitled to recover as an element of costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover his costs shall not recover attorney's fees. No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover his costs of attorney's fees.

ARTICLE 22: AUTHORITY

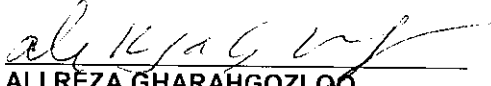
Each party has full power and authority to enter into and perform this lease, and the person(s) signing this lease on behalf of each has been properly authorized and empowered to enter into this lease. Each party further acknowledges that it has read this lease, understands it, and agrees to be bound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

IN WITNESS WHEREOF, Landlord and Tenant execute this lease and affix his/her signature(s) the day and year first herein above written.

LANDLORD-SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

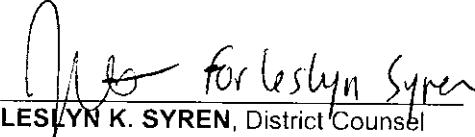
BY: _____
ALEX CLIFFORD, CEO/General Manager Date _____

TENANT – ALI REZA GHARAHGOZLOO and JESSICA HSU DBA JESSICA'S GROCERY, INC

BY:  11, 29, 2016
ALI REZA GHARAHGOZLOO Date _____

BY:  11, 29, 2016
JESSICA HSU Date _____

Approved as to Form:

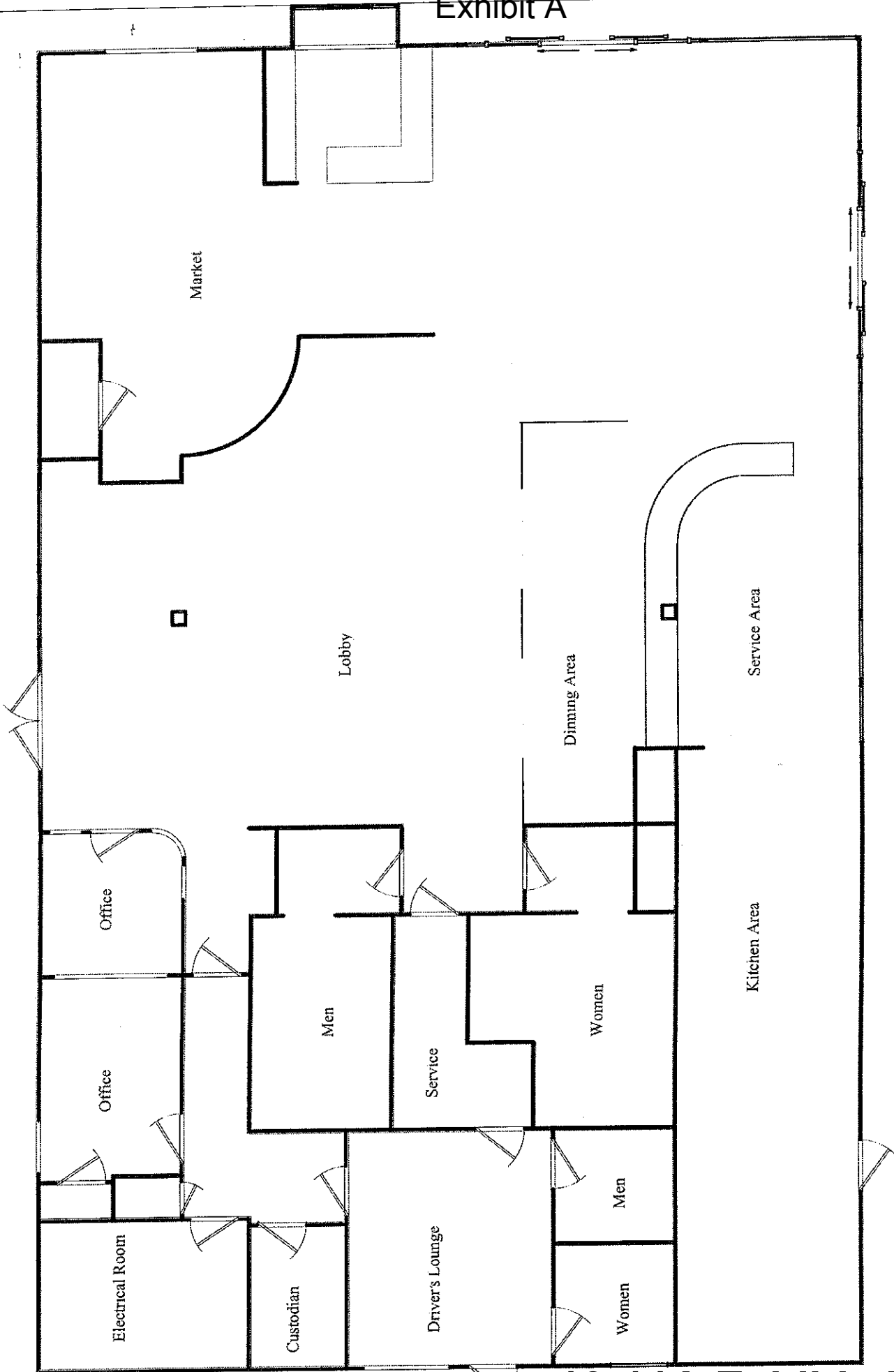
BY:  12/1/2016
LESLYN K. SYREN, District Counsel Date _____

Attachments:

- Exhibit A - Premises - Diagram
- Exhibit B - Use-Menu, hours of operation
- Exhibit C - Watsonville Transit Center Rules and Regulations for Tenants
- Exhibit D - Tenant Personal Property List
- Exhibit E - Landlord Fixture inventory for Restaurant in WTC Lobby

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Exhibit A



Watsonville Transit Center

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EXHIBIT B

USE: HOURS OF USE

Tenant's business shall be that of operating a convenience store and fast-food restaurant.

The following items and products are approved by landlord for sale by Tenant:

1. Convenience store products
 - i. Sundried products
 - ii. Sports drinks
 - iii. Soda
 - iv. Water
2. Lotto
3. Salads
 - i. House Green Salad
 - ii. Chicken Potato Salad
4. Cold Sandwiches
 - i. Turkey
 - ii. BLT
 - iii. Chicken
5. Chinese food
 - i. Beef Broccoli
 - ii. Chow Mein
 - iii. Curry Chicken
 - iv. Fried Rice
 - v. Egg Rolls
6. Hot Sandwiches
 - i. Hamburgers
 - ii. Cheese burgers
 - iii. Chicken sandwiches

The sale by Tenant of any items or products not listed above shall be subject to the consent of Landlord.

Tenant's business hours are shown below:

Monday – Sunday (seven days per week) - 7:00 a.m. until 8:00 p.m.

Landlord is not obligated to keep lobby or restrooms at Transit Center open or maintained earlier than 7:00 a.m. or later than 9:00 p.m.

Tenant shall not change business hours without Landlord's consent.

Landlord shall make good faith efforts to ensure that Chinese food and hot sandwiches are not sold by another vendor at the Watsonville Transit Center.

EXHIBIT B

USE: HOURS OF USE

Tenant agrees that it will not sell any food that is the same or similar to the foods sold by other vendors of the Watsonville Transit Center.

INITIALS

Landlord: _____

Tenant: AJK

EXHIBIT C
WATSONVILLE TRANSIT CENTER
RULES AND REGULATIONS FOR TENANTS

1. SIGNS AND ADVERTISEMENTS

No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Watsonville Transit Center or any Kiosk including on windows or doors without the prior written consent of Landlord, and Landlord shall have the right to remove any non-complying sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

2. BUSINESS NAME OR LOGO ON WINDOWS; SUNSCREENS

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved of by Landlord. Landlord intends to maintain design continuity, and Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition, balcony or wall, which may appear unsightly from outside the Premises. Tenant shall not without prior written consent of Landlord cause or otherwise sunscreen any window.

3. FREE MOVEMENT

The sidewalks, halls, passages, exits, entrances, driveways, and stairways shall not be obstructed by Tenant or used by Tenant for any purpose other than for ingress and egress from the premises.

4. LOCKS

Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises without landlord's written permission.

5. USE OF RESTROOMS

The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance or objects of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees shall have caused it.

6. CARE OF PREMISES

Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.

7. FURNITURE; EQUIPMENT; SAFES

No furniture or equipment of any kind shall be brought into the Watsonville Transit Center without prior notice to Landlord and all moving of the same into or out of the

Exhibit C

premises shall be done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the premises and also the times and manner of moving the same in and out of the Premises. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to Watsonville Transit Center, the Premises or any building or area related thereto by moving or maintaining any such safe or other property shall be repaired or replaced at the expense of Tenant.

8. USE OF PREMISES; PETS

Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of Watsonville Transit Center or any kiosk by reason of noise, odors, and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Watsonville Transit Center, the Premises or any kiosk or area related thereto, except service dogs are allowed in accordance with Federal and State law.

No cooking shall be done or permitted by Tenant except as part of Tenant's approved business, nor shall the Premises be used for the exterior storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.

9. HAZARDOUS FLUIDS, HVAC

Tenant shall not use or keep in Watsonville Transit Center, the Premises, any kiosk or any area related thereto, any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied or otherwise approved by Landlord.

10. ELECTRICAL WORK; LOCATION OF EQUIPMENT

Landlord will direct electricians as to where and how electrical outlets, telephone, computer and telegraph wires and cables are to be introduced onto the Premises. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of electrical outlets, telephones, call boxes and other business equipment affixed to the Premises shall be subject to the approval of Landlord.

11. RESTRICTION OF BUILDING ACCESS FOR PUBLIC GOOD

In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to Watsonville Transit Center, including the Premises and any area related thereto during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building.

Exhibit C

12. RIGHT TO EXCLUDE OR EXPEL

Landlord reserves the right to exclude or expel from Watsonville Transit Center, including the Premises and any area related thereto, any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of Watsonville Transit Center or Federal, State, Municipal or Transit District law, ordinance or resolution.

13. INSTALLATION OF MACHINES

No vending machine or machines of any description shall be installed, or maintained or operated upon the Premises without the written consent of the Landlord.

14. RIGHT TO CHANGE NAME AND STREET ADDRESS

Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Watsonville Transit Center of which the Premises are a part.

15. QUIET ENJOYMENT

Tenant shall not disturb, solicit, or canvass any occupant of the Watsonville Transit Center or any Kiosk and shall cooperate to prevent it.

16. USE OF BUILDING NAME

Without the written consent of Landlord, Tenant shall not use the name of the Watsonville Transit Center, nor Santa Cruz Metropolitan Transit District (Santa Cruz METRO), in connection with or in promotion or advertising the business of Tenant except as Tenant's address or unless Tenant has received Landlord's written permission.

17. CONTROL AND OPERATION OF PREMISES FOR PUBLIC GOOD

Landlord shall have the right to control and operate the public portions of the Watsonville Transit Center, and the public facilities and heating and air conditioning, as well as facilities furnished for the common use of tenants, in such manner as it deems best for the benefit of the tenants and public generally.

18. DOOR SECURITY

All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be closed except for normal ingress and egress from the Premises.

Exhibit C

19. DISTRICT BUSINESS; CARE OF PATRONS

Landlord's primary business and public purpose is public transit, and Tenant shall cooperate with Landlord's bus operating policies at the Watsonville Transit Center. Tenant shall take care in preparing, packaging and serving food and beverages to assure that buses, bus operators, and bus passengers are not endangered, damaged, or inconvenienced. No food or beverage shall be sold, and no food or beverage shall be packaged in such a way that, in Landlord's sole opinion, may unduly soil, litter, stain, create a visual nuisance or increase Landlord maintenance costs on or about Landlord equipment, buses, or property.

20. VEHICLE RESTRICTION

No vehicles shall be operated, parked or otherwise driven onto Watsonville Transit Center's bus driveways by Tenant or its employees or agents. Any vehicles in the Watsonville Transit Center may be towed immediately by Landlord or Landlord's agent, at the violator's expense.

21. PICK UP AND DELIVERIES

Pick up and deliveries of goods, merchandise, supplies, equipment, or service to Tenant's Premises shall be before 7:00 a.m. and after 5:30 p.m. Pick-up and deliveries of any type in the Watsonville Transit Center bus lanes or driveways are strictly forbidden. Tenant is responsible to inform all of Tenant vendors and distributors of these restrictions.

22. NO SMOKING

The entire Watsonville Transit Center is a smoke-free facility. Tenant shall refrain from smoking at any location within the Watsonville Transit Center and shall inform its employees and patrons that the Watsonville Transit Center is smoke-free.

23. BIKE USE AND ABANDONMENT

Neither Tenant nor its employees or patrons shall operate bicycles at the Watsonville Transit Center. If Tenant observes anyone riding a bicycle at the Watsonville Transit Center, he/she shall notify such individual of this rule.

If a bicycle is abandoned at the Watsonville Transit Center, Tenant shall have it removed in accordance with California State law.

24. LOITERING

Tenant shall not allow or permit loitering in or about the Premises.

Exhibit C

25. SKATEBOARDING/BIKE RIDING/ROLLER BLADING

Skateboarding, bike riding and roller-blading are prohibited at the Watsonville Transit Center and in its parking lot. Neither Tenant nor its employees shall skateboard, operate a bicycle, or roller-blade at any location at the Watsonville Transit Center.

26. GARBAGE

No trash or garbage generated off the premises of the Watsonville Transit Center shall be placed into dumpsters designated for the Watsonville Transit Center tenants.

All trash or garbage generated on the premises of the Watsonville Transit Center shall be placed inside the appropriate dumpster by tenants.

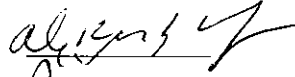
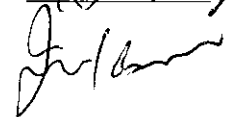
If any tenant leaves trash or garbage on, around or near the dumpster, or if any tenant places garbage generated off-site into a dumpster designated for the Watsonville Transit Center tenants, then a \$50.00 fine will be assessed per occurrence to the tenant responsible for such action.

Tenants shall be subject to compliance of Santa Cruz Municipal Code 16.19.100 "Prohibited Discharges from Industrial or Commercial Activity" with regard to all trash or garbage placed in, on or around the Watsonville Transit Center garbage receptacles. No substance may be dumped that is listed as a prohibited discharge in the Code Section (attached). Violations to this Section will be assessed a \$100.00 per occurrence to the tenant responsible for such action. Additionally, such action will be grounds for immediate termination of the Lease Agreement with Santa Cruz METRO.

INITIALS

Landlord: _____ Date: _____

Tenant:

 Date: 1/28/2014
 11/28/2016

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Exhibit D

Jessica's Grocery Inventory of Trade Fixtures and Personal Property as of 01/01/17

Personal Property:

- Cash Register
- Ice Cream Freezer
- Safe
- Candy Shelves
- Convex Mirror
- Personal Refrigerator

Distributor's Property:

- Farmer's Coffee Maker
- Coca-Cola Refrigerator
- Pepsi Cooler and Refrigerator
- 7-Up Cooler
- Snapple Cooler
- Scratch Lottery Ticket Vending Machine (G-Tech)
- Desktop Computer (Greyhound)
- Oven
- Microwave
- Lotto Computer Monitor (State of CA)
- Jackpot Display (State of CA)

INITIALS

Landlord: _____

Date: _____

Tenant: _____

Date: _____

alberto s. cruz 11/28/2016
Julia Cruz 01/28/2016

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Exhibit E

Landlord Fixture Inventory for Restaurant in WTC Lobby as of 11/22/16

Landlord Fixture Inventory for the Restaurant in WTC Lobby:

Built-ins or attached to wall:

- Steam table 7 trays and 1 lid
- 1 Stainless table w/small sink
- 1 Stainless sink with 3 compartments
- 1 stainless steel hand wash sink
- 1 Stainless steel shelf
- 1 Walk in freezer

Moveable:

- 1 (Imperial) 2 burner stove with flat grill
- 3 Stainless Steel tables
- 1-4 door locker
- 1-4 shelf rolling cart
- 1-3 shelf rolling cart
- 1 (True) 3 door refrigerator
- 9 tables
- 18 chairs

INITIALS

Landlord:

Date:

Tenant:



Date:

12/1/2016

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DATE: December 9, 2016
TO: Board of Directors
FROM: Angela Aitken, DBE Liaison Officer, Finance Manager
**SUBJECT: A SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S
DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**

I. RECOMMENDED ACTION

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

II. SUMMARY

- As a recipient of federal funds, Santa Cruz Metropolitan Transit District (METRO) participates in the federal Disadvantaged Business Enterprise (DBE) Program as specified in Title 49, Code of Federal Regulations, Part 26.
- The FTA requires METRO to recalculate its DBE goal triennially and to report goal attainment semi-annually as a requirement to receive federal funds.
- METRO's recently revised goal for DBE participation is 1.73% of all federally funded procurements with competitive contract bidding opportunities.
- A Semi-Annual report will be provided to the Board in concurrence with the FTA reporting schedule and per METRO's DBE policy.
- Staff recommends that the Board receive this status report on the DBE Program for the second six months of Federal Fiscal Year 2016, April 1, 2016 – September 30, 2016.

III. DISCUSSION/BACKGROUND

The Department of Transportation established a Disadvantaged Business Enterprise (DBE) Program in 1980 to ensure that firms competing for federally funded contracts are not subject to unlawful discrimination. DBEs, as defined by the US Department of Transportation, are for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis.

The Federal Transit Administration requires qualified recipients of more than \$250,000 annually in federal funds to implement a DBE program, recalculate a DBE goal triennially, and report its goal attainment semi-annually, as specified by Title 49 of the Code of Federal Regulations, Part 26 (49 CFR 26). METRO received approximately \$5.8 million from the Federal Transit Administration in FY16 and, therefore, must maintain a DBE Program.

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

- Only competitively biddable contracts with federal funding are counted in the procurement opportunities in which DBEs can participate.
 - METRO received approximately 12% of its FY16 operating revenue from the Federal Transit Administration and the majority of this is used to pay labor costs and fringe benefits.
- Several large expenses have no contract opportunities:
 - Utilities, leases and rent payments, subscription services, membership costs, travel.
- Only certified DBEs can be included for setting goals and measuring attainment.
 - Many businesses are owned by minorities and women, but not all of these owners register as DBEs in the statewide program.

METRO's current DBE goal is 1.73% as seen in METRO's DBE semi-annual report for the period covering April 1, 2016 – September 30, 2016 provided as Attachment A. METRO's DBE attainment during this period was 2.5%.

METRO's DBE attainment in the semi-annual report for the period covering October 1, 2015 – March 31, 2016 was 2.2% (see Attachment B). METRO's DBE attainment for the entirety of FTA's FFY16 is 2.3 % (see Attachment C).

IV. FINANCIAL CONSIDERATIONS/IMPACT

The DBE Program has direct expenses of less than \$850 for publishing ads and public hearing notices. Failure to update the goal and submit semi-annual reports would jeopardize METRO's receipt of over \$5.8 million in federal financial assistance in FY16.

V. ALTERNATIVES CONSIDERED

Do not receive a semi-annual DBE Program status report. Staff does not recommend this alternative as it would jeopardize METRO receiving federal financial assistance. Staff is required to provide this information semi-annually to inform the Board of this important program per METRO's DBE policy, Art. III § 3.304(G).

VI. ATTACHMENTS

Attachment A: December 1, 2016 DBE Semi Annual Report (April 1, 2016 – September 30, 2016)


Attachment B: June 1, 2016 DBE Semi-Annual Report (October 1, 2015 – March 31, 2016)

Attachment C: FFY16 DBE Annual Report

Prepared by: Cayla Hill, Administrative Specialist

VII. APPROVALS:

Approved as to form:
Leslyn K. Syren, District Counsel

 for Leslyn Syren

Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



Attachment A

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

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

1 Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number: 1675
2 AIP Numbers (FAA Recipients); Grant Number (FTA Recipients):	CA-04-0021-00	CA-04-0102-00	CA-90-Z267-00
3 Federal Fiscal year in which reporting period falls	FY 2016		4. Date This Report Submitted: 5/6/2016
5 Reporting Period	<input checked="" type="checkbox"/> Report due June 2 (for period Oct 1-Mar 31)	<input type="checkbox"/> Report due Dec 1 (for period April 1-Sep 30)	<input type="checkbox"/> FAA annual report due Dec 1
6 Name and address of Recipient:			
7 Annual DBE Goal(s):	Race Conscious Projection: 0.00%	Race Neutral Projection: 1.73%	OVERALL Goal: 1.73%

Awards/Commitments this Reporting Period: October 1, 2015 through March 31, 2016

A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD (Total contracts and subcontracts committed during this reporting period)	A	B	C	D	E	F	G	H	I
		Total Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period	\$ 2,254,569.00	20	\$ 17,000.00	1			\$ 17,000.00	1	0.8%
9	Subcontracts awarded/committed this period	\$ 1,440.00	1	\$ 1,440.00	1	\$ 1.00	0	\$ 1,440.00	1	100.0%
10	TOTAL			\$ 18,440.00	2	\$ 1.00	0	\$ 18,440.00	2	0.8%

B	BREAKDOWN BY ETHNICITY & GENDER	A			B			C			D			E			F		
		Total to DBE (dollar amount)									Total to DBE (number)								
		Women			Men			Total			Women			Men			Total		
11	Black American	\$ -	\$ 1,440.00	\$ -	0	1	1	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0
16	Non-Minority	\$ 17,000.00	\$ -	\$ 17,000.00	1	0	1	\$ -	\$ -	\$ -	0	0	0	\$ -	\$ -	\$ -	0	0	0
17	TOTAL	\$ -	\$ 1,440.00	\$ 17,000.00	0	1	2	\$ -	\$ -	\$ -	0	1	2	\$ -	\$ -	\$ -	0	1	2

Payments Made this Period: October 1, 2015 through March 31, 2016

C	PAYMENTS ON ONGOING CONTRACTS	A	B	C	D	E	F
		Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in pro	6	\$ 442,436.00	4	\$ 223,975.00	2	50.6%

D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	A	B	C	D	E
		Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	0.0%
20	Race Neutral	8	\$ 182,820.00		\$ 4,535.00	2.5%
21	Totals	8	\$ 182,820.00		\$ 4,535.00	2.5%

22 Submitted by: Cayla Hill	23. Signature: Not Required	24. Phone Number: 831-420-6080
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Attachment B

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

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

1 Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number: 1675
2 AIP Numbers (FAA Recipients); Grant Number (FTA Recipients):	CA-04-0021-00	CA-04-0102-00	CA-90-Z267-00
3 Federal Fiscal year in which reporting period falls	FY 2016		4. Date This Report Submitted: 5/6/2016
5 Reporting Period	<input checked="" type="checkbox"/> Report due June 2 (for period Oct 1-Mar 31)	<input type="checkbox"/> Report due Dec 1 (for period April 1-Sep 30)	<input type="checkbox"/> FAA annual report due Dec 1
6 Name and address of Recipient:			
7 Annual DBE Goal(s):	Race Conscious Projection: 0.00%	Race Neutral Projection: 1.73%	OVERALL Goal: 1.73%

Awards/Commitments this Reporting Period: **October 1, 2015 through March 31, 2016**

A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD (Total contracts and subcontracts committed during this reporting period)	Total Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
		8	Prime contracts awarded this period	\$ 3,621,629.99	15	\$ -	0			\$ -
9	Subcontracts awarded/committed this period	\$ -	0	\$ -	0	\$ -		\$ -	0	0.00%
10	TOTAL			\$ -	0	\$ -		\$ -	0	0.00%

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

Payments Made this Period: **October 1, 2015 through March 31, 2016**

C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
		18	Prime and subcontracts currently in pro	10	\$ 29,028.09	7	\$ 29,028.09

D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
		19	Race Conscious	0	\$ -	\$ -
20	Race Neutral	8	\$ 254,493.10		\$ 5,580.16	2.2%
21	Totals	8	\$ 254,493.10		\$ 5,580.16	2.2%

22 Submitted by: Cayla Hill	23. Signature: Not Required	24. Phone Number: 831-420-6080
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Attachment C

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS										
1 Submitted to (check only one)	<input type="checkbox"/> FHWA		<input type="checkbox"/> FAA		<input checked="" type="checkbox"/> FTA - Recipient ID Number 1675					
2 FTA Grant Number(s):	CA-04-0225		CA-04-0021		CA-04-0102		CA-90-z210			
3 Federal Fiscal year in which reporting period falls:	10/1/2015 through 9/30/2016				4. Date This Report Submitted:		12/1/2016			
5 Reporting Period:	<input checked="" type="checkbox"/> Period Oct 1-Mar 31				<input checked="" type="checkbox"/> Period April 1-Sep 30					
6 Name and address of Sub-recipient:	Santa Cruz Metropolitan Transit District, 110 Vernon St., Santa Cruz, CA 95060									
7 Annual DBE Goal(s):	Race Conscious Projection:			Race Neutral Projection: 1.73%			OVERALL Goal: 1.73%			
Awards/Commitments This Reporting Period: FFY16 (10/01/2015-09/30/2016)										
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD <small>(Total contracts and subcontracts committed during this reporting period)</small>	A	B	C	D	E	F	G	H	I
		Total Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period	\$ 5,876,198.99	35	\$ 17,000.00	1			\$ 17,000.00	1	0.3%
9	Subcontracts awarded/committed this period	\$ 1,440.00	1	\$ 1,440.00	1	\$ -	0	\$ 1,440.00	1	100%
10	TOTAL			\$ 18,440.00	2	\$ -	0	\$ 18,440.00	2	0.3%
B	BREAKDOWN BY ETHNICITY & GENDER	A	B	C	D	E	F			
		Total to DBE (dollar amount)			Total to DBE (number)					
		Women	Men	Total	Women	Men	Total			
11	Black American	\$ -	\$ 1,440.00	\$ 1,440.00	0	1	1			
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0			
13	Native American	\$ -	\$ -	\$ -	0	0	0			
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0			
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0			
16	Non-Minority	\$ 17,000.00	\$ -	\$ 17,000.00	1	0	1			
17	TOTAL	\$ 17,000.00	\$ 1,440.00	\$ 18,440.00	0	1	2			
Payments Made This Reporting Period: FFY16 (10/01/2015-09/30/2016)										
C	PAYMENTS ON ONGOING CONTRACTS	A	B	C	D	E	F			
		Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs			
18	Prime and subcontracts currently in progress	16	\$ 471,464.09	11	\$ 253,003.09	5	53.66%			
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	A	B	C	D	E				
		Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs				
19	Race Conscious	0	\$ -	\$ -	\$ -	0.0%				
20	Race Neutral	16	\$ 437,313.10		\$ 10,115.16	2.3%				
21	Totals	16	\$ 437,313.10		\$ 10,115.16	2.3%				
22	Submitted by: Cayla Hill			23. Signature: Not Required			24. Phone Number: 831-420-6080			

Attainment vs. Goal: METRO made 2.3% of its prime and subcontract contract payments to DBEs in FFY16 with a goal of 1.73%; therefore, no shortfall analysis is required.

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THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

H.D. BROWN
BUS OPERATOR

**FOR THE COMPLETION OF 10 YEARS OF SERVICE
BETWEEN 2006 AND 2016**

GIVEN THIS 9TH DAY OF DECEMBER 2016

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

ARLAN COLWELL
BUS OPERATOR

**FOR THE COMPLETION OF 10 YEARS OF SERVICE
BETWEEN 2006 AND 2016**

GIVEN THIS 9TH DAY OF DECEMBER 2016

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

ANTONIO CASTILLO

FLEET MAINTENANCE LEAD MECHANIC

FOR THE COMPLETION OF 10 YEARS OF SERVICE
BETWEEN 2006 AND 2016

GIVEN THIS 9TH DAY OF DECEMBER 2016

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

EFREN ESCAMILLA
VAN OPERATOR

FOR THE COMPLETION OF 10 YEARS OF SERVICE
BETWEEN 2006 AND 2016

GIVEN THIS 9TH DAY OF DECEMBER 2016

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

To

PEGGY FLECHTNER
BUS OPERATOR

**FOR THE COMPLETION OF 10 YEARS OF SERVICE
BETWEEN 2006 AND 2016**

GIVEN THIS 9TH DAY OF DECEMBER 2016

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

LEONEL HERRERA VAN OPERATOR

FOR THE COMPLETION OF 10 YEARS OF SERVICE
BETWEEN 2006 AND 2016

GIVEN THIS 9TH DAY OF DECEMBER 2016

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

HUNG C. LEE
BUS OPERATOR

**FOR THE COMPLETION OF 10 YEARS OF SERVICE
BETWEEN 2006 AND 2016**

GIVEN THIS 9TH DAY OF DECEMBER 2016



CHAIR, BOARD OF DIRECTORS



CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

TODD PINSKY
BUS OPERATOR

**FOR THE COMPLETION OF 10 YEARS OF SERVICE
BETWEEN 2006 AND 2016**

GIVEN THIS 9TH DAY OF DECEMBER 2016

CHAIR, BOARD OF DIRECTORS

CEO / GENERAL MANAGER

VERBAL PRESENTATION ONLY

METRO ADVISORY COMMITTEE (MAC)
SEMI-ANNUAL REPORT

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DATE: December 9, 2016
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Manager
SUBJECT: UPDATE ON THE DEVELOPMENT OF BUS STOP POLICIES AND PROCEDURES

I. RECOMMENDED ACTION

That the Board of Directors receive an update on the development of policies and procedures related to fixed route bus stops.

II. SUMMARY

- Santa Cruz Metropolitan Transit District (METRO) serves over 800 bus stops throughout its service area, of which over 400 have benches, and more than 175 have shelters.
- METRO continually receives requests from the public, the cities, and the County each month on matters related to bus stops. In addition, METRO, of its own accord, has the goal to incrementally upgrade stops throughout the system.
- Staff has been directed to develop an Administrative Policy to address public requests and guide METRO's deployment of bus stop facilities.

III. DISCUSSION/BACKGROUND

- METRO serves over 800 bus stops throughout its service area, of which over 400 have benches, and more than 175 have shelters. Due to the recent Fall 2016 service reductions, 88 stops became inactive, which left approximately a dozen shelters and 20 benches available to be reallocated for use elsewhere.
- METRO continually receives requests from the public, the cities, and the County each month on matters related to bus stops: maintenance and cleanup, additional bus stops, bus stop relocation, requests for shelters and/or benches, and coordination with cities and the County when there is a public works project or a new development adjacent to a bus route.
- In addition, METRO, of its own accord, has the goal to gradually upgrade stops throughout the system, making them ADA-compliant, and adding amenities such as benches and shelters for passenger comfort. A method to prioritize the allocation of stop amenities is needed in order to equitably deploy assets.

- The METRO Board adopted the Santa Cruz METRO Bus Stop Guide in August 2015. The Guide serves as an internal resource to METRO staff on technical issues such as bus stop placement and design, and also serves as a guide to Public Works and Planning Departments on how to improve bus stops as part of street renovations and new real estate developments.
- Staff developed a Bus Stop Requests Flowchart (Attachment A) to address public requests. Staff has been directed to formalize these procedures in an Administrative Policy to guide METRO's management of bus stop facilities.

IV. FINANCIAL CONSIDERATIONS/IMPACT

There is no financial impact at this time. This presentation is informational only.

V. ALTERNATIVES CONSIDERED

- There are no alternatives to consider at this time. This presentation is informational only.

VI. ATTACHMENTS

Attachment A: Bus Stop Requests Flowchart

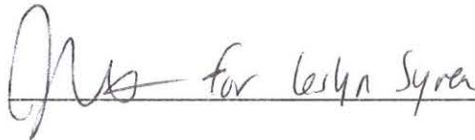
Prepared by: Pete Rasmussen, Transportation Planner

VII. APPROVALS:

Barrow Emerson
Planning & Development Manager



Approved as to form:
Leslyn K. Syren, District Counsel

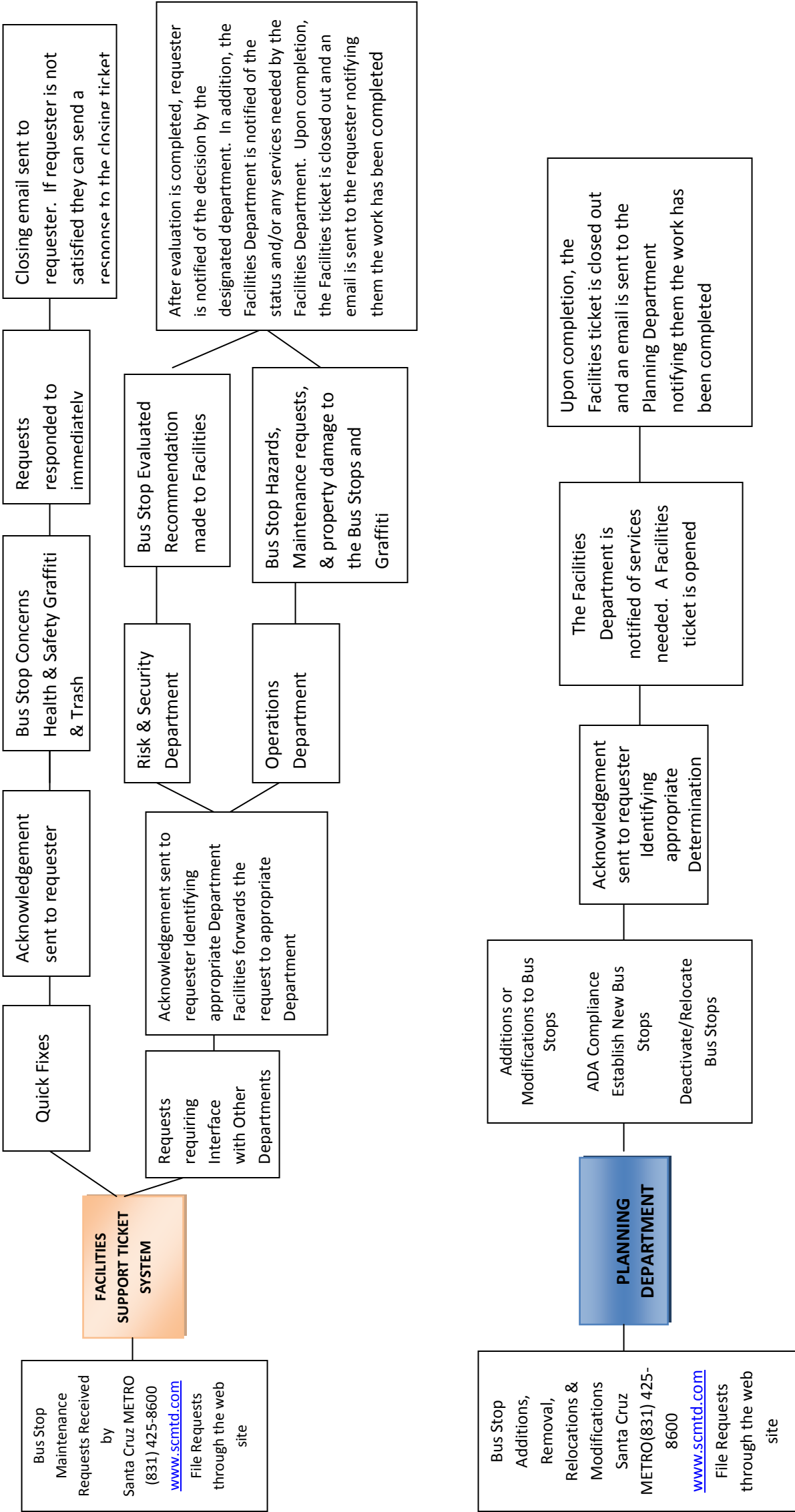


Alex Clifford, CEO/General Manager



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BUS STOP REQUESTS



F:\B&G\Bus Stop Requests Flow Chart

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VERBAL PRESENTATION ONLY

COA UPDATE

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DATE: December 9, 2016
TO: Board of Directors
FROM: Mike Rotkin, Board of Directors Chair
**SUBJECT: CONSIDERATION OF AWARD OF CONTRACT TO HANSON
BRIDGETT LLP FOR GENERAL COUNSEL AND LEGAL SERVICES
NOT TO EXCEED \$1,750,000**

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a contract with Hanson Bridgett LLP for General Counsel and Legal Services in an amount not to exceed \$1,750,000 for a five-year period.

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a need for General Counsel and Legal Services.
- A formal request for proposals was conducted to solicit proposals from qualified firms. Six firms submitted proposals for METRO's review.
- A four-member evaluation team comprised of three METRO Board members and the Assistant County Counsel of Santa Cruz County reviewed and evaluated the proposals, and is recommending an award to Hanson Bridgett LLP.

III. DISCUSSION/BACKGROUND

METRO currently has in-house legal services provided by District Counsel. District Counsel has notified the Board of her intent to retire. The Legal Services Ad Hoc Committee, made up of Board Directors Ed Bottorff, John Leopold, and Mike Rotkin, was formed and met to discuss how to proceed with legal services. The Legal Services Ad Hoc Committee's recommendation to the Board of Directors was to contract with a large law firm that would provide a dedicated General Counsel, as well as a bench of specialized expertise from the same firm.

On October 28, 2016, the Board authorized staff to issue a Request for Proposals for General Counsel and Legal Services. On October 31, 2016, METRO legally advertised and distributed Request for Proposals (RFP) No. 17-08 to thirty-one firms and attorneys, posted notice on its website, and sent email notices to all GovDelivery subscribers. On November 18, 2016, proposals were received and opened from six firms. A list of these firms is provided in Attachment A. A four-member evaluation team comprised of METRO Directors Norm Hagan, John Leopold, and Mike Rotkin, as well as the Assistant County

Counsel of Santa Cruz County, T. Brooke Miller, has reviewed and evaluated the proposals.

The evaluation team used the following criteria as contained in the Request for Proposals:

Evaluation Criteria	Points
General Counsel's qualifications and experience	30
Demonstration of required in-house legal expertise	30
Quality and experience of attorney's support staff	20
Experiences with public transit agencies	20
Total Points Possible	100

Staff is recommending that the Board of Directors authorize the CEO to execute a five-year contract on behalf of METRO with Hanson Bridgett LLP for General Counsel and Legal Services in an amount not to exceed \$1,750,000. Contractor will provide all services meeting all METRO's specifications and requirements of the contract. Alex Clifford, CEO, and Rickie-Ann Kegley, Paralegal, will serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The total five-year value of the contract is anticipated to be \$1,750,000. The three year cost average for the Legal Department has been approximately \$490,000 a year. Funds to support this contract are included in the Legal Department Professional Services FY17 & FY18 Budgets, and planned for the remaining years.

V. ALTERNATIVES CONSIDERED

- A Board Ad-Hoc Committee was formed to consider alternatives, such as hiring a replacement in-house counsel. The Committee recommended the action taken to contract out General Counsel and Legal Services, with the approval of the full Board of Directors.

VI. ATTACHMENTS

Attachment A: List of Responding Firms

Attachment B: Contract with Hanson Bridgett LLP (a full copy of the Contract is available on request)

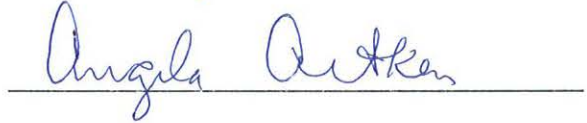
Prepared By: Erron Alvey, Purchasing Manager

VII. APPROVALS:

Alex Clifford, CEO/General Manager



Approved as to fiscal impact:
Angela Aitken, Finance Manager



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Attachment A



Responding Firms for RFP No. 17-08

General Counsel and Legal Services

Received by November 18, 2016 at 5:00 PM

Alvarez-Glasman & Colvin	City of Industry	CA
Atchison, Barisone & Condotti	Santa Cruz	CA
Best, Best & Krieger	Walnut Creek	CA
Burke, Williams & Sorenson	San Rafael	CA
Hanson Bridgett LLC	San Francisco	CA
Meyers Nave	San Francisco	CA

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Attachment B

PROFESSIONAL SERVICES CONTRACT FOR GENERAL COUNSEL AND LEGAL SERVICES (17-08)

THIS CONTRACT is made effective on January 1, 2017 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (“Santa Cruz METRO”), a political subdivision of the State of California, and HANSON BRIDGETT LLP (“Contractor”).

1. RECITALS

1.01 Santa Cruz METRO’s Primary Objective

Santa Cruz METRO is a public entity whose primary objective is providing public transportation and which has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 Santa Cruz METRO’s Need for General Counsel and Legal Services

Santa Cruz METRO has the need for General Counsel and Legal Services. In order to obtain these services, Santa Cruz METRO issued a Request for Proposals, dated October 31, 2016, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor’s Proposal

Contractor is a firm qualified to provide General Counsel and Legal Services and whose principal place of business is 425 Market Street, 26th Floor, San Francisco, California 94105. Pursuant to the Request for Proposals issued by Santa Cruz METRO, Contractor submitted a proposal for General Counsel and Legal Services, which is attached hereto and incorporated herein by reference as Exhibit B

1.04 Selection of Contractor and Intent of Contract

On November 29, 2016, Santa Cruz METRO selected Contractor as the offeror whose proposal was most advantageous to Santa Cruz METRO to provide the General Counsel and Legal Services described herein. This Contract is intended to fix the provisions of these services.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents listed below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties’ Contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 11.15 of the General Conditions to the Contract.

A. Exhibit A

Santa Cruz METRO’s “Request for Proposals” dated October 31, 2016.

Attachment B

B. Exhibit B (Contractor's Proposal)

Contractor's Proposal to Santa Cruz METRO for General Counsel and Legal Services, signed by Contractor and dated November 14, 2016.

C. Exhibit C

Clarifications to the Scope of Services and Consultant's Fee Proposal.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits A, B, and C. Where in conflict, the provisions of Exhibit C supersede Exhibits A and B. The provisions of Exhibit A supersede Exhibit B.

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the Contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Part IV, Section 11.15 of, the General Conditions to the Contract.

3.01.02 CONTRACTOR - The Contractor selected by Santa Cruz METRO for this project in accordance with the Request for Proposals issued October 31, 2016.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued October 31, 2016.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the Contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed five (5) years and shall commence upon the execution of the Contract by Santa Cruz METRO.

Attachment B

Upon satisfactory performance of services, Santa Cruz METRO may extend this agreement beyond the initial term when mutually agreed to in writing by the parties.

5. COMPENSATION

5.01 Terms of Payment

Santa Cruz METRO shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by Santa Cruz METRO. Santa Cruz METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of Santa Cruz METRO's written approval of Contractor's written invoice for said work. Contractor understands and agrees that if they exceed the **\$1,750,000** maximum amount payable under this Contract, they do so at their own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by Santa Cruz METRO on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract.

Said invoice records shall be kept up-to-date at all times and shall be available for inspection by Santa Cruz METRO (or any grantor of Santa Cruz METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to Santa Cruz METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand, or three (3) days after posting if sent by registered mail, receipt requested, to a party hereto at the address hereinunder set forth, or to such other address as a party may designate by notice pursuant hereto.

Santa Cruz METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060

Attention: Alex Clifford, CEO

CONTRACTOR

Hanson Bridgett LLP
425 Market Street, 26th Floor
San Francisco, CA 94105

Attention: Julie Sherman, Senior Counsel
(415) 995-5185
js Sherman@hansonbridgett.com

Attachment B

7. **ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS**

The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

8. **AUTHORITY**

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

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

Contractor –
HANSON BRIDGETT LLP

Julie Sherman, Senior Counsel



DATE: December 9, 2016
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: CY17 STATE AND FEDERAL LEGISLATIVE AGENDA

I. RECOMMENDED ACTION

That the Board of Directors approve the Santa Cruz Metropolitan Transit District CY17 State and Federal Legislative Agenda as presented in this report

II. SUMMARY

- At the start of each new legislative cycle, the CEO requests the Board to review, comment and approve the proposed State and Federal Legislative Agenda for the upcoming calendar year.
- The overall goal of the program is to advocate for stable and growing State and Federal capital and operating funding and to avoid costly unfunded mandates.
- If approved, the CEO will work with Santa Cruz Metropolitan Transit District's (METRO) State and Federal lobbyists, the California Transit Association (CTA), the American Public Transportation Association (APTA), the Bus Coalition and the Community Transportation Association of America (CTAA) to focus on successful outcomes in the key areas presented in this report.

III. DISCUSSION/BACKGROUND

CY16 Favorable State and Federal Outcomes

State

- SB 838 – Committee on Budget & Fiscal Review – STA Fix

In CY16, METRO advocated for the reset of the State Transit Assistance (STA) Program funding methodology. A strong push by METRO at the California Transit Association (CTA) resulted in a statewide approach to advocating for legislation that would cause the State Controller's office to temporarily return to the long-standing methodology for allocating STA for the remainder of the year. SB 838 was signed by the Governor and allows up to two years for the Legislature to look at the issue and determine if a new methodology is necessary.

- SB 824 (Beall) Low Carbon Transportation Operations Program

The bill provides some needed clarifications to Cap and Trade Legislation that will assist METRO by:

- Banking Low Carbon Transit Operations Program (LCTOP) allocations for up to four years;
- Loan or transfer LCTOP allocations to another public agency in the same region; and,
- Allows an agency to receive a letter of no prejudice to expend its own money and be allowed to reimburse itself out of future year's allocations of LCTOP.

- SBX1 1 (Beall) Transportation Funding

The bill would increase STA by increasing the diesel sales tax rate. The bill died in the 2015-2016 Special Session on Transportation Infrastructure Funding; but, we expect the new 2017-2018 class of legislators and the Governor to reconsider transportation funding early in 2017. And, transit advocates are considering a number of other ways to increase transit funding, which could be moved forward when this topic is reconsidered next year.

- LCTOP funding for one zero emissions electric bus to be used in service as a community circulator in Watsonville.

Federal

- Permanent extension of the pre-tax transit benefit program
- Return of the discretionary component of FTA Bus and Bus Facilities Program
- LoNo grant to fund three zero emissions electric over-the-road Highway 17 coaches
- Increase of the STIC from 1.5% to 2% in 2019
- PEPRRA resolved for now with DOL
- METRO joined the Community Transportation Association of America (CTAA)

Economic Background

METRO serves the County of Santa Cruz, which has a population of over 262,000. Surveys show that 39% of METRO riders use the service to get to and from work. Reducing expenses with service reductions will negatively impact the

riding community and result in stranding thousands of commuters who depend on METRO to get to and from work, school, the grocery store, doctor's appointments and church. Santa Cruz County is home to the University of California, Santa Cruz (UCSC) and Cabrillo College. METRO's ridership data also reflects that nearly 50% of METRO riders are students and faculty of these institutions.

METRO helps implement the California Global Warming Solutions Act of 2006 (AB 32) by reducing greenhouse gas emissions with deployment of low-emission, high capacity buses. METRO's buses reduce fuel consumption by delivering more trips with fewer vehicle miles of travel than single-occupant vehicles. METRO's routes 69 A-W, 71 and 91X provide much needed traffic congestion relief to the gridlocked Highway 1, and "METRO has helped UCSC reduce single-occupant vehicle travel to 34% of all campus trips by accommodating 24% of all campus trips via public transit."
(Source: UCSC – 2016, Larry Pageler)

METRO, as a public business entity, is a major asset to the region, employing over 280 people and providing over 5.5 million passenger trips per year with an FY17 budget of \$47 million. METRO supports the local economy through the purchase of goods and services for its operations. Labor costs (wages and benefits) represent approximately 83% (FY17 & FY18) of the operating costs and, since 88% of METRO's employees reside in Santa Cruz County, the local multiplier effect of these labor dollars to the region is high as our employees' income is reinvested locally in housing, goods and services.

Federal Capital Funding

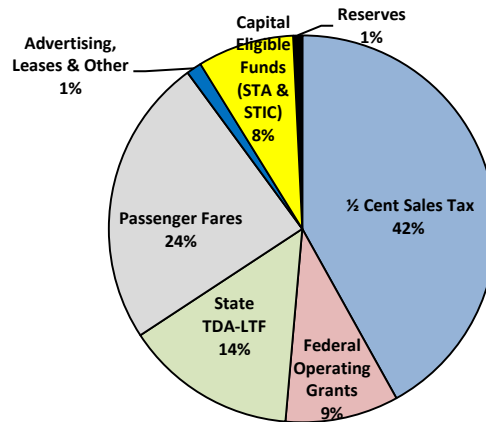
On the Federal government side of capital funding, METRO has received \$9.09 million in grants between 2008 and 2012 or roughly \$1.82 million/year. However, with the advent of Moving Ahead for Progress in the 21st Century Act (MAP-21) in July 2012, Federal capital funding was reduced to about \$500K/year in Federal 5309/5339 formula capital grants. This is the direct result of a significant change in funding under MAP-21 in which the Bus and Bus Facilities grant program was significantly reduced in overall Federal funding and the remainder of the program changed from a discretionary (competitive) program to a formula program.

The Fixing America's Surface Transportation Act (FAST Act) has reinstated the 5339(b) competitive Bus and Bus Facilities program, although it is funded at a reduced level compared to 2012 funding levels. In 2016, METRO submitted a 5339(b) grant application, but did not receive an award. There was \$211 million available in 2016 and there were \$1.647 billion in grant applications.

METRO did receive a 5339(c) LoNo grant award in 2016 for \$3.8 million. This award will fund three Highway 17 over-the-road zero emission electric coaches and an in-ground inductive recharging station. In 2016, the LoNo program awarded \$55 million in grants. There were \$446 million in grant applications.

Current Funding for Operations

The Operations side of the business is substantially supported by the ½ cent local sales tax approved by the voters in 1978, State and Federal grants and customer fares.



IV. FINANCIAL CONSIDERATIONS/IMPACT

- There are no direct financial considerations to approving the proposed State and Federal legislative program. The overall goal of the program is to secure stable and growing State and Federal capital and operating funding for the Agency and to avoid costly unfunded mandates.

V. ALTERNATIVES CONSIDERED

- Take no action. The CEO does not recommend this approach since he will need Board direction on where to focus his State and Federal legislative efforts in CY16.
- Accept the proposed legislative program with Board adopted edits/changes.

VI. ATTACHMENTS

- Attachment A:** State Legislative Agenda
- Attachment B:** Federal Legislative Agenda
- Attachment C:** Message to State Legislature
- Attachment D:** Message to Congress

Prepared By: Alex Clifford, CEO/General Manager

VII. APPROVALS:

Alex Clifford, CEO/General Manager



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Attachment A

CY17 State Legislative Agenda

- Enact, in the context of a comprehensive, multi-modal transportation funding package, a significant component that provides new funds to public transit. METRO specifically supports enhancement of the funds flowing from and according to the statutes that govern the Transportation Development Act (TDA), in this priority order:
 1. Increase Local Transportation Funds (LTF), such as by dedicating a new one-quarter-percent sales tax to existing LTF expenditure purposes.
 2. Increase State Transit Assistance (STA) program funds, by increasing the State sales tax on diesel fuel.
 3. Create a new transit sales tax on gasoline that could be directed to LTF or STA.
 4. Preserve STA's current flexibility for use in both Operations and Capital Programs.
 5. Create a long-term fix for the STA apportionment formula that would continue the long-standing methodology for calculating the distribution of funds statewide.
- Authorize a new transportation capital infrastructure bond, as a successor to Proposition 1B, with a significant component dedicated to public transit projects. Proposition 1B grant funds were allocated over the decade following passage of the 2006 Bond Act.
- Cap-and-Trade:
 - Seek maximum flexibility in the use of Cap-and-Trade dollars.
 - Work to ensure growth in cap-and-trade dollars available to transit.
- Support efforts to amend the State Constitution to reduce the voter threshold required for a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs.
- Protect against the elimination or diversion of any State-directed funds that support Santa Cruz County transportation needs.
- Monitor California Air Resources Board action on the implementation of the State's Zero Emission Bus (ZEB) purchase requirement and support strategies that recognize and address the financial challenges associated with mandating the

Attachment A

procurement of ZEBs and that recognize the still evolving technology, including in-route recharging constraints and costs.

- Seek legislation that could result in electricity providers charging transit properties off-peak or reduced rates at meters used to recharge electric powered buses.
- Support establishing new funding sources for Transit Oriented Development (TOD) and bus facilities.
- Continue active involvement in the California Transit Association (CTA).

Attachment B

CY17 Federal Legislative Agenda

- Increase the Small Transit Intensive Cities (STIC) Program from 1.5% to 2% sooner rather than later. In the near-term, Congress can accelerate the approved adjustment to 2% - prior to its scheduled adjustment in 2019.
- Fund a real and meaningful transportation infrastructure State-of-Good-Repair (SOGR) Program. The nation is overdue for another Federal Capital Program. President-elect Trump has proposed a possible ten-year, \$1 trillion investment program. Such a program must include bus transit and should be structured with a combination of formula and competitive grants.
- Reopen the FAST Act and substantially increase funding to the FTA 5307, 5311 and 5339 (a), (b) & (c) Programs.
- Increase the federal gasoline and diesel fuel tax which will increase funds to the Highway Trust Fund and the Mass Transit Account.
- Expedite the repatriation of U.S. corporate earnings being held overseas, such that the resulting resources can be dedicated to an infrastructure investment program.
- Encourage Congress to continue to seek creative solutions to securing sufficient, long-term revenues to ensure the stability of the Federal Highway Trust Fund and address the growing infrastructure needs of the country.
- Lift the ban on congressionally-directed spending (earmarks).
- Public/Private Partnerships: Establish creative ways to incentivize public/private partnerships that will benefit public transit.
- Support funding for the Transportation Investment Generating Economic Recovery (TIGER) program at or above current levels.
- Develop and advocate strong support for METRO grant submissions to Department of Transportation (DOT) discretionary programs such as TIGER, Bus and Bus Facilities, and Low and No Emissions Bus programs
- Ensure that DOT implementation of MAP-21 and FAST Act rules and regulations do not have a negative impact on METRO operations.
- Enact a permanent extension of the alternative fuels tax credit instead of continuing the annual renewal via the "Tax Extenders" approach and expand the program to include electric buses.

Attachment B

- Enact legislation to allow states and local governments to collect sales taxes on out-of-state online purchases (Marketplace Fairness Act).
- Oppose efforts to eliminate or curb the tax-exempt status of municipal bonds.
- Support establishing new dedicated funding sources for Transit Oriented Development (TOD) and bus facilities.
- Continue active involvement in the STIC Coalition, Bus Coalition, CTAA, APTA and APTA sub-committees.
- Work with Congress and the FTA to help them understand the significant challenges for small to mid-size transit properties to fund operating and capital programs and to keep up with State of Good Repair.
- Oppose unfunded Federal mandates and support the introduction of legislation that will fund the newest unfunded mandate – The Transit Asset Management Plan.
- Begin talking with Congress now about identifying funding sources for the successor to the FAST Act.

Attachment C

California Transit Funding Crisis: A Message to the State Legislature

Presented by Alex Clifford, CEO - Santa Cruz Metropolitan Transit District (METRO)
2017

HOW CAN THE STATE LEGISLATURE HELP?

Santa Cruz Metropolitan Transit District (METRO) is experiencing a capital and operating funding crisis. METRO needs new operating and capital resources with which to reduce dependence on one-time funding sources, such as reserves, that will also allow METRO to make an effort to dedicate more of its capital eligible funds to the Capital Program.

An increase in funding resources will help METRO reduce the anticipated backlog of \$200 million in unfunded capital needs; stabilize the Operating Fund; and provide matching revenues with which to meet the local match requirements for State and Federal grants.

The State Legislature can help by taking the following actions:

1. Enact, in the context of a comprehensive, multi-modal transportation funding package, a significant component that provides new funds to public transit. METRO specifically supports enhancement of the funds flowing from and according to the statutes that govern the Transportation Development Act (TDA), in this priority order:
 - a. Increase Local Transportation Funds (LTF), such as by dedicating a new one-quarter-percent sales tax to existing LTF expenditure purposes.
 - b. Increase State Transit Assistance (STA) program funds, by increasing the State sales tax on diesel fuel.
 - c. Create a new transit sales tax on gasoline that could be directed to LTF or STA.
 - d. Preserve STA's current flexibility for use in both Operations and Capital Programs.
2. Authorize a new transportation capital infrastructure bond, as a successor to Proposition 1B, with a significant component dedicated to public transit projects. Proposition 1B grant funds were allocated over the decade following passage of the 2006 Bond Act.

Without additional funding from the State and Federal government, METRO will continue cutting costs and will not be able to keep up with the unavoidable obligation to purchase replacement buses.

This funding crisis is not unique to METRO. Small to mid-size transit properties across the country face similar funding challenges. As a result of the Great Recession, "Nearly 90% of transit systems in the country have had to cut service or raise fares in the past year." "To plug gaps in their operating budgets, many systems are being forced to shift capital funds into operations, with potential negative long-term impacts on system condition and reliability. Many see this as essentially robbing tomorrow's transit users, as it would reduce the ability to maintain and upgrade systems in the future, leading to further degradation. This could drag us into a dangerous downward spiral."

(Source: TheCityFix's series - Moving through the Recession, Part 2:
Service Cuts Continue, Megan McConville, February 23, 2010)

Attachment C

METRO IS A COMMUNITY ASSET

METRO serves the County of Santa Cruz, which has a population of over 262,000. Surveys show that 39% of METRO riders use the service to get to and from work. Reducing expense with service reductions will negatively impact the riding community and result in stranding thousands of commuters who depend on METRO to get to and from work, school, the grocery store, doctor's appointments and church. Santa Cruz County is home to the University of California, Santa Cruz (UCSC) and Cabrillo College. METRO's ridership data also reflects that nearly 50% of METRO riders are students and faculty of these institutions.

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(Source: UCSC – 2016, Larry Pageler)

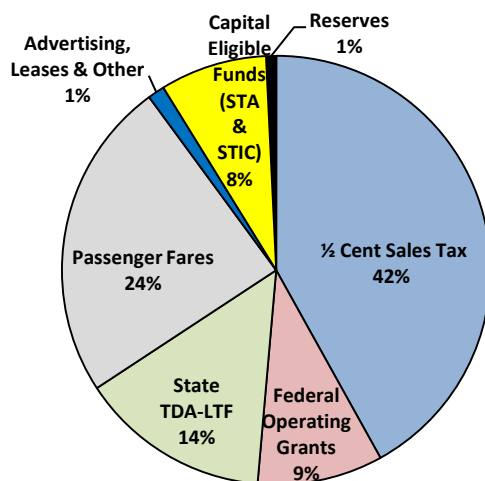
METRO, as a public business entity, is a major asset to the region, employing over 280 people and providing over 5.5 million passenger trips per year with an FY17 budget of \$47 million. METRO supports the local economy through the purchase of goods and services for its operations. Labor costs (wages and benefits) represent approximately 83% (FY17 & FY18) of the operating costs and, since 88% of METRO's employees reside in Santa Cruz County, the local multiplier effect of these labor dollars to the region is high as our employees' income is reinvested locally in housing, goods and services.

As traffic worsens, investments in public transit will become even more critical. The Texas Transportation Institute's 2010 nationwide study documented that traffic in California's major metropolitan regions costs residents as much as two full days per year in wasted time and related fuel consumption.

(Source: All Aboard - How California can increase investments in public transit, July 2011)

CURRENT FUNDING FOR OPERATIONS

The Operations side of the business is substantially supported by the ½ cent local sales tax approved by the voters in 1978, State and Federal grants and customer fares.



Attachment C

Due to the Great Recession of 2008, METRO's ½ cent county-wide sales tax revenue did not return to FY08 levels until FY14 and sales tax revenue growth has been sluggish year-over-year through 2015. Since ridership has been relatively flat, fare revenues have also been flat. However, during the same period of time, expenses have grown at a rate of 1 – 10% year-over-year. Revenue growth has not kept pace with expense growth.

METRO also funds operations by using State Transportation Development Act (TDA) funds. TDA is composed of two programs: the State Transit Assistance (STA) Program and the Local Transportation Fund (LTF). Since FY14, STA has been on the decline and, since FY12, LTF has been growing at a slow pace. STA is derived from the statewide sales tax on diesel fuel, currently at 4.125%, and LTF is derived from a ¼ cent of the general sales tax collected statewide.

There needs to be a bipartisan collaborative effort in the State Legislature to both increase the funds flowing to LTF, as well as increase the sales tax on diesel fuel currently going to transit, and to add an additional gasoline sales tax dedicated to public transit. In FY17, METRO's STA revenues dropped by an estimated \$1 million due to declining diesel fuel prices and consumption. Increasing STA funds will require that the State increase the rate of State sales tax on diesel fuel and dedicate the new revenues to the STA Program. Adding an additional gasoline sales tax and dedicating it to public transit via STA or LTF will also help. And, it has been suggested that the ¼ cent sales tax currently scheduled to expire on 12/31/16 could be extended now, during the final days of the Special Session on Transportation & Infrastructure Funding, as part of a comprehensive, multi-modal transportation funding package. If this existing revenue source, which is otherwise scheduled to go away next year, were allocated starting in 2017 – through the existing TDA statutes – then more than \$1 billion could be available for LTF's local transit purposes, as well as hundreds of millions of dollars more for local streets & roads, all without increasing current taxation levels.

Some fuel tax opponents argue that declining consumption and lower fuel prices make fuel tax funding sources unstable and unreliable. Instead, some argue that we need a more stable transit funding source such as Vehicle Miles Travel (VMT) fees. No argument there. To that end, we need a very short-term strategy as well as a slightly longer-term strategy. VMTs have been debated and studied for years. Unfortunately, as the debate continues, transit has fallen further and further behind in State of Good Repair and operating funds. Tough times call for difficult bipartisan decisions. In the very short-term, the Legislature should increase the diesel fuel taxes and add a new transit-dedicated gasoline sales tax, while simultaneously continuing the debate about VMTs and growing more stable funding sources.

Inadequate funding for transit means local transit operators have less money to operate and maintain their existing services. Moreover, they have few resources available for expanding the existing infrastructure. Stabilizing and improving funds for transit will be necessary for California to improve its transit system and achieve the resulting benefits.

(Source: All Aboard - How California can increase investments in public transit, July 2011)

RESOLVING THE STRUCTURAL DEFICIT

In its FY17 budget, METRO was faced with an Operating budget structural deficit of \$6.3 million. Resolving the structural deficit was challenging and included a yearlong commitment to a Comprehensive Operational Analysis (COA) which resulted in a 15% service reduction. The adopted FY17/18 budget includes an assumption that a county transportation sales tax measure on the ballot will pass in November 2016. If it does not, METRO will need to reduce service further.

Attachment C

Finally, the five-year budget projection shows the structural deficit beginning to return in FY19. Absent new local, State and Federal funding, METRO will need to continue to look for ways to trim further service in an effort to balance the budget in the coming years. At the same time, METRO needs to reduce the operating fund's dependency on capital eligible revenues such as the State Transit Assistance (STA) and the FTA Small Transit Intensive Cities (STIC) grant programs. In FY17, METRO budgeted \$3.7 million of STA and STIC revenues in the operating budget. In the coming years, funds from these two programs are needed for the backlog of unfunded Capital Projects (State of Good Repair). Further operating assistance from the State will help expedite the transition of these two capital eligible funding sources away from the operating budget and back to the Capital Program.

STATE OF GOOD REPAIR

Today, 62% of METRO's bus fleet (60 buses) are past their useful life of 12-years and METRO's average age of the fleet is 12 years. METRO's Paratransit fleet of vans and cutaways are also in need of replacement, with 39 of the 41 vehicles overdue for replacement. Compounding matters further, METRO's unfunded Capital Program requires an investment in excess of \$200 million over the next ten-years in order to achieve a State of Good Repair (SGR). A contributing factor to this capital funding crisis is the end of Proposition 1B, which has provided METRO with over \$36.5 million in capital resources over the life of the program.

The looming bus capital crisis is far from a laughing matter. Aging bus fleets are less safe, cost significantly more to operate and greatly contribute to the poor community image of many transit systems.

(Source: Metro Magazine Sept/Oct 2015, Scott Bogren –
Looming bus capital crisis fuels fight for dedicated investment)

As transit fleets become increasingly deficient relative to demand, interruptions and their costs are expected to impose an increasing burden on the economy, especially in the growing demand-response transit sector, which serves nondriving (and often nonurban) populations with fewer alternative transportation options.

(Source: ASCE 2011 - Failure to Act, The economic impact of
current investment trends in surface transportation infrastructure)

This 2010 National State of Good Repair Assessment evaluates the level of investment required to bring all U.S. transit assets – including the assets of all urbanized area and rural transit operators – to a state of good repair. The analysis presented here describes a current national SGR backlog of an estimated \$77.7 billion (\$2009).

(Source: FTA – 2010 National State of Good Repair Assessment)

METRO is facing a daunting challenge over the next ten years to find the resources with which to achieve an SGR. In a basic sense, the system is in an SGR when all maintenance is performed at scheduled intervals, all facilities are properly maintained and all vehicles receive mid-life overhauls on-time and are replaced as scheduled.

METRO's unfunded capital needs list, estimated at over \$200 million over ten-years, includes replacing fixed-route and Paratransit revenue vehicles; replacing non-revenue vehicles; reconstruction/replacement of the Pacific Station Transit Center; reconstruction/replacement of the Watsonville Transit Center; a new Operations and Maintenance facility in the south county; a Paratransit Operations facility; and timely mid-life bus overhauls.

Attachment C

In spite of the Capital and Operating fiscal challenges, METRO wants to assure the Legislature, and our customers, that we will always dedicate off-the-top the first dollars needed to insure that we run a safe system. Safety is always first.

STATE (CALIFORNIA) CAPITAL FUNDING

On the State funding side of Capital, California Proposition 1B of 2006 provided over \$36.5 million in capital funds to METRO through three different programs:

1. Public Transportation, Modernization, Improvement, and Service Enhancement Account (PTMISEA);
2. California Transit Security Grant Program (CTSGP); and
3. State and Local Partnership Program (SLPP).

Proposition 1B grant funds were allocated over the decade following passage of the 2006 Bond Act.

A new State infrastructure bond program needs to be developed and approved by the State legislature and then approved by the voters which will provide METRO and transit properties throughout the State with new Capital funding.

CLOSING COMMENTS

This analysis of the Capital funding side of the business provides a quick sense that if something on both the State and Federal sides of Capital funding does not change dramatically, and soon, METRO will not have the ability fund the average of \$20 million/year it needs for the unfunded Capital Program. Not keeping up with SGR will result in potentially deep service reductions, loss of ridership and dramatic impacts to service reliability. Not keeping up with SGR results in escalating and compounding Capital costs when trying to catch-up later. Finally, not keeping up with SGR results in escalating and compounding annual Operating costs as the maintenance department attempts to keep buses in revenue service that have reached the end of their useful life.

This analysis of the operation funding side of the business provides a quick sense that if Operating revenues do not increase, METRO will have to again look at reducing service as soon as FY19. If the State Legislature will approve a new comprehensive transportation funding package (highways, roadways & transit) that includes a significant public transit component, METRO will be able to stabilize the Operating budget and avoid harsh service reductions.

In closing, these public transit financial challenges are not unique to METRO. Avoiding deep service reductions will require urgent action by both the State and Federal governments to provide stable and growing Operating and Capital transit funding assistance.

It is important to mobility, congestion relief and air quality goals that public transit becomes sustainable and is able to grow ridership.

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Attachment D

Federal Transit Funding Crisis: A Message to Congress

Presented by Alex Clifford, CEO – Santa Cruz Metropolitan Transit District (METRO)
2017

HOW CAN CONGRESS HELP?

Santa Cruz Metropolitan Transit District (METRO) is experiencing a capital and operating funding crisis. METRO needs new operating and capital resources with which to reduce dependence on one-time funding sources, such as reserves, that will also allow METRO to make an effort to dedicate more of its capital eligible funds to the Capital Program.

An increase in funding resources will help METRO reduce the anticipated backlog of \$200 million in unfunded capital needs and stabilize the Operating Fund.

Congress can help by doing the following:

1. Increase the Small Transit Intensive Cities (STIC) Program from 1.5% to 2% of the Section 5307 formula program sooner rather than later. In the near-term, Congress can accelerate the approved adjustment to 2% - prior to its scheduled adjustment in 2019.
2. Fund a real and meaningful transportation infrastructure State-of-Good-Repair program. The nation is overdue for another Federal Capital Program. President-elect Trump has proposed a possible ten-year, \$1 trillion investment program. Such a program must include bus transit and should be structured with a combination of formula and competitive grants.
3. Reopen the FAST Act and substantially increase funding to the FTA 5307, 5311 and 5339 (a), (b) & (c) Programs.

Without additional funding from the State and Federal government, METRO will continue cutting costs and will not be able to keep up with the unavoidable obligation to purchase replacement buses.

This funding crisis is not unique to METRO. Small to mid-size transit properties across the country face similar funding challenges. As a result of the Great Recession, “Nearly 90% of transit systems in the country have had to cut service or raise fares in the past year.” “To plug gaps in their operating budgets, many systems are being forced to shift capital funds into operations, with potential negative long-term impacts on system condition and reliability. Many see this as essentially robbing tomorrow’s transit users, as it would reduce the ability to maintain and upgrade systems in the future, leading to further degradation. This could drag us into a dangerous downward spiral.”

(Source: TheCityFix’s series - Moving through the Recession, Part 2:
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Attachment D

appointments and church. Santa Cruz County is home to the University of California, Santa Cruz (UCSC) and Cabrillo College. METRO's ridership data also reflects that nearly 50% of METRO riders are students and faculty of these institutions.

METRO helps implement the California Global Warming Solutions Act of 2006 (AB 32) by reducing greenhouse gas emissions with deployment of low-emission, high capacity buses. METRO's buses reduce fuel consumption by delivering more trips with fewer vehicle miles of travel than single-occupant vehicles. METRO's routes 69 A-W, 71 and 91X provide much needed traffic congestion relief to the gridlocked Highway 1, and "METRO has helped UCSC reduce single-occupant vehicle travel to 34% of all campus trips by accommodating 24% of all campus trips via public transit."

(Source: UCSC – 2016, Larry Pageler)

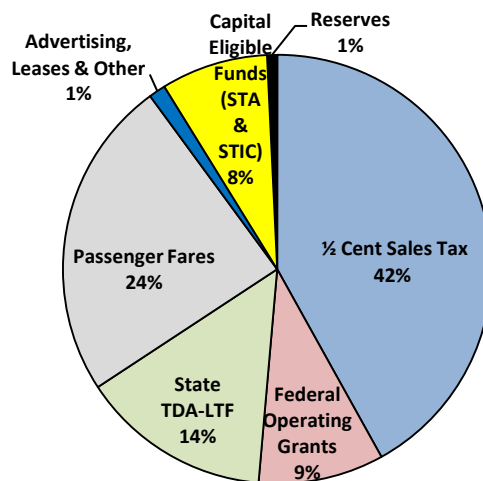
METRO, as a public business entity, is a major asset to the region, employing over 280 people and providing over 5.5 million passenger trips per year with an FY17 budget of \$47 million. METRO supports the local economy through the purchase of goods and services for its operations. Labor costs (wages and benefits) represent approximately 83% (FY17 & FY18) of the operating costs and since 88% of METRO's employees reside in Santa Cruz County, the local multiplier effect of these labor dollars to the region is high as our employees' income is reinvested locally in housing, goods and services.

As traffic worsens, investments in public transit will become even more critical. The Texas Transportation Institute's 2010 nationwide study documented that traffic in California's major metropolitan regions costs residents as much as two full days per year in wasted time and related fuel consumption.

(Source: All Aboard - How California can increase investments in public transit, July 2011)

CURRENT FUNDING FOR OPERATIONS

The Operations side of the business is substantially supported by the ½ cent local sales tax approved by the voters in 1978, State and Federal grants and customer fares.



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Due to the Great Recession of 2008, METRO's ½ cent county-wide sales tax revenue did not return to FY08 levels until FY14 and sales tax revenue growth has been sluggish year-over-year through 2015. Since ridership has been relatively flat, fare revenues have also been flat. However, during the same period of time, expenses have grown at a rate of 1 – 10% year-over-year. Revenue growth has not kept pace with expense growth.

Inadequate funding for transit means local transit operators have less money to operate and maintain their existing services. Moreover, they have few resources available for expanding the existing infrastructure. Stabilizing and improving funds for transit will be necessary for California to improve its transit system and achieve the resulting benefits.

(Source: All Aboard - How California can increase investments in public transit, July 2011)

RESOLVING THE STRUCTURAL DEFICIT

In its FY17 budget, METRO was faced with an Operating budget structural deficit of \$6.3 million. Resolving the structural deficit was challenging and included a yearlong commitment to a Comprehensive Operational Analysis (COA) which resulted in a 15% service reduction.

The five-year budget projection shows the structural deficit beginning to return in FY19. Absent new local, State and Federal funding, METRO will need to continue to look for ways to trim further service in an effort to balance the budget in the coming years. At the same time, METRO needs to reduce the operating fund's dependency on capital eligible revenues such as the State Transit Assistance (STA) and the FTA Small Transit Intensive Cities (STIC) grant programs. In FY17, METRO budgeted \$3.7 million of STA and STIC revenues in the operating budget. In the coming years, funds from these two programs are needed to address the backlog of unfunded Capital Projects (State of Good Repair). Further operating assistance from Congress will help expedite the transition of these two capital eligible funding sources away from the operating budget and back to the Capital Program.

STATE OF GOOD REPAIR (SGR)

Today, 62% of METRO's bus fleet (60 buses) is past their useful life of 12 years and METRO's average age of the fleet is 12 years – it should be 6.5 years. METRO's Paratransit fleet of vans and cutaways are also in need of replacement, with 39 of the 41 vehicles overdue for replacement. Compounding matters further, METRO's unfunded Capital Program requires an investment in excess of \$200 million over the next ten-years in order to achieve a State of Good Repair (SGR).

In 2016, METRO successfully obtained funding for five CNG and electric buses from State and Federal grants. Given the lack of availability of Federal capital funding since 2012, this was considered a good year. However, let's do the math...replacing buses at a rate of five/year means it will take twelve years to replace the sixty obsolete buses that we operate today, with the last group of five buses being retired in 2028 at an average age of twenty-four years old, and during which time, METRO's remaining forty buses will have exceeded their useful life.

The looming bus capital crisis is far from a laughing matter. Aging bus fleets are less safe, cost significantly more to operate and greatly contribute to the poor community image of many transit systems.

(Source: Metro Magazine Sept/Oct 2015, Scott Bogren – Looming bus capital crisis fuels fight for dedicated investment)

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As transit fleets become increasingly deficient relative to demand, interruptions and their costs are expected to impose an increasing burden on the economy, especially in the growing demand-response transit sector, which serves nondriving (and often nonurban) populations with fewer alternative transportation options.

(Source: ASCE 2011 - Failure to Act, The economic impact of current investment trends in surface transportation infrastructure)

This 2010 National State of Good Repair Assessment evaluates the level of investment required to bring all U.S. transit assets – including the assets of all urbanized area and rural transit operators – to a state of good repair. The analysis presented here describes a current national SGR backlog of an estimated \$77.7 billion (\$2009).

(Source: FTA – 2010 National State of Good Repair Assessment)

METRO is facing a daunting challenge over the next ten years to find the resources with which to achieve an SGR. In a basic sense, the system is in an SGR when all maintenance is performed at scheduled intervals; all facilities are properly maintained; and all vehicles receive mid-life overhauls on-time and are replaced as scheduled.

METRO's unfunded capital needs list, estimated at over \$200 million over ten-years, includes replacing fixed-route and Paratransit revenue vehicles; replacing non-revenue vehicles; reconstruction/replacement of the Pacific Station Transit Center; reconstruction/replacement of the Watsonville Transit Center; a new Operations and Maintenance facility in the south county; a Paratransit Operations facility; and timely mid-life bus overhauls.

In spite of the Capital and Operating fiscal challenges, METRO wants to assure Congress, and our customers, that we will always dedicate off-the-top the first dollars needed to insure that we run a safe system. Safety is always first.

FEDERAL CAPITAL FUNDING

There needs to be a dedicated commitment by the President and Congress to stabilized Federal transit funding and to approve a significant transportation infrastructure program that included bus transit and that will make a significant step forward towards resolving the nation's backlog of capital needs and to achieve a national state-of-good-repair.

Possible solutions to the transit challenge include:

- Increasing the gasoline and diesel fuel tax
 - Federal gas tax has been unchanged since 1993 at 18.4 cents/gallon. Federal diesel fuel tax has been unchanged since 1993 at 24.4 cents/gallon. These Federal gas and diesel taxes provide revenues to the Federal Highway Trust Fund (HTF). 2.86 cents/per gallon from each of these two fuel taxes go to the Mass Transit Account. Federal bus transit funding comes from the Mass Transit Account. The Mass Transit Account, combined with other Federal funding sources, help to fund METRO Operations through the FTA-5307 & 5311 grant programs.
- Increase STIC, 5307, 5311 and 5339 (a), (b) & (c) Program funding
 - METRO received \$9.09 million in Federal grants between 2008 and 2012, or roughly \$1.82 million/year. In 2012, Federal "earmarks" went away and were deemed no longer legal. Also, with the advent of Moving Ahead for Progress in the 21st Century Act (MAP-21) in July 2012, Federal FTA-5339 capital funding was reduced to about \$500K/year.

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This, because of a significant change in funding under MAP-21 in which the Bus and Bus Facilities competitive grant program was eliminated and replaced with a new inferior formula program. The Fixing America's Surface Transportation Act (FAST Act) has reinstated the 5339(b) competitive Bus and Bus Facilities program, although it is funded at a reduced level compared to 2012 funding levels. In 2016, METRO submitted a 5339(b) grant application, but did not receive an award. There was \$211 million available in 2016 and there were \$1.647 billion in grant applications.

- Expedite the repatriation of U.S. corporate earnings being held overseas
 - A one-time (“tax Holiday”) adjustment in the tax code could bring an estimated \$2 - 3 trillion in untaxed profits back to the U.S. which will provide the resources with which to fund an infrastructure investment program.
- Lift the ban on congressionally-directed spending (earmarks)
 - Allow congressional representatives represent their districts. House and Senate representatives understand the unique transit funding needs of the transportation agencies within their districts.
- Public/Private Partnerships: Establish creative ways to incentivize public/private partnerships that will benefit public transit
 - For example: From the mid-1990s through the early 2000s, public agencies were allowed to enter into sale/leaseback or lease-leaseback contracts with private investors. In a nutshell, lease-leaseback transactions allowed transit agencies across the country to enter into a transaction with private investors through a third party in which transit assets were purchased or leased. The transit agency would then enter into a sublease agreement to lease the asset back. The private investors would realize the benefit of the write-off associated with the depreciation of the assets (facilities, buses and trains). The transit agencies received a significant upfront cash gain that was sufficient to cover the leaseback costs for the life of the lease and to repurchase the assets at the end of the lease. The transaction also yielded surplus funds with which the transit agencies could invest in new capital assets.

CLOSING COMMENTS

This analysis of the Capital funding side of the business provides a quick sense that if something on both the State and Federal sides of Capital funding does not change dramatically, and soon, METRO will not have the ability fund the average of \$20 million/year it needs for the unfunded Capital Program. Not keeping up with SGR will result in potentially deep service reductions, loss of ridership and dramatic impacts to service reliability. Not keeping up with SGR results in escalating and compounding Capital costs when trying to catch-up later. Finally, not keeping up with SGR results in escalating and compounding annual Operating costs as the maintenance department attempts to keep buses in revenue service that have reached the end of their useful life.

This analysis of the operation funding side of the business provides a quick sense that if Operating revenues do not increase, METRO will have to again look at reducing service as soon as FY19.

In closing, these public transit financial challenges are not unique to METRO. Avoiding deep service reductions will require urgent action by both the State and Federal governments to provide stable and growing Operating and Capital transit funding assistance.

It is important to mobility, congestion relief and air quality goals that public transit becomes sustainable and is able to grow ridership.

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DATE: December 9, 2016
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
**SUBJECT: CONSIDERATION OF AUTHORIZING THE TEMPORARY
APPOINTMENT OF LESLYN SYREN AS SPECIAL COUNSEL**

I. RECOMMENDED ACTION

That the Board of Directors authorize the temporary appointment of Leslyn Syren as Special Counsel.

II. SUMMARY

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

III. DISCUSSION/BACKGROUND

Although Leslyn Syren will soon retire from METRO, her services will continue to be essential in order to complete the successful resolution of construction claims associated with the Judy K. Souza Operations Facility project, among other matters.

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

IV. FINANCIAL CONSIDERATIONS/IMPACT

The expenses associated with this contract will be paid for in the District Counsel budget, Cost Center 1700, Account number 503033 - Legal Services. Cost per fiscal year will not exceed \$96,000.

V. ALTERNATIVES CONSIDERED

Do not authorize appointment of Leslyn Syren. This alternative is not recommended, as METRO will greatly benefit from Leslyn Syren's specialized skills, knowledge of, and experience with the construction of, and associated claims associated with, the Judy K. Souza Operations Facility project.

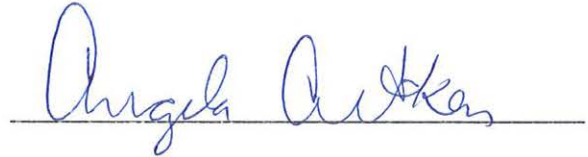
VI. ATTACHMENTS

Attachment A: Authorizing Resolution

Prepared By: Julie Sherman, Interim District Counsel

VII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



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Attachment A



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

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

A RESOLUTION AUTHORIZING THE TEMPORARY APPOINTMENT OF LESLYN SYREN AS SPECIAL COUNSEL

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

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

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

WHEREAS, the Chief Executive Officer/General Manager ("CEO/General Manager") wishes to temporarily appoint Leslyn Syren (the "Appointee") to the position of Special Counsel; and

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

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

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

WHEREAS, Leslyn Syren [insert CalPERS ID #] will retire from the Santa Cruz Metropolitan Transit District in the position of District Counsel, effective December 31, 2016; and

Attachment A

WHEREAS, Government Code section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is July 29, 2017, without this certification resolution; and

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

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

WHEREAS, the Board of Directors of the Santa Cruz Metropolitan Transit District hereby appoints Leslyn Syren as an extra help retired annuitant to perform the duties of the Special Counsel for the Santa Cruz Metropolitan Transit District under Government Code section 21224, effective January 1, 2017; and

WHEREAS, the employment agreement between Leslyn Syren and the Santa Cruz Metropolitan Transit District will be executed by the CEO/General Manager, as authorized by the Board of Directors of the Santa Cruz Metropolitan Transit District; and

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

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

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

WHEREAS, the maximum hourly rate for this position is \$110.41 and the minimum hourly rate for this position is \$78.64, and

WHEREAS, the hourly rate paid to Leslyn Syren will be between \$78.64 and \$110.41, to be determined by the CEO/General Manager as authorized by the Board of Directors of the Santa Cruz Metropolitan Transit District; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, that subject to the District's customary employment practices and the specific terms and conditions of any offer of employment by the District to Leslyn Syren in connection therewith, the Board of Directors hereby certifies the nature of the appointment of Leslyn Syren as described herein, and that this appointment is necessary to fill the critically needed position of Special Counsel for the Santa Cruz Metropolitan Transit District by January 1, 2017 because Leslyn Syren possesses extensive, highly specialized skills and experience needed to complete the successful resolution of construction claims associated with the Judy K. Souza Operations Facility project, and approves the appointment of Leslyn Syren to the position of Special Counsel for up to a six-month term, effective upon appropriate action by the CEO/General Manager.

Attachment A

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

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on December 9, 2016, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSTAIN: DIRECTORS –

ABSENT: DIRECTORS –

MIKE ROTKIN
Chair

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE SHERMAN
Interim District Counsel

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VERBAL PRESENTATION ONLY

CEO UPDATE

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