



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA
REGULAR MEETING
JANUARY 22, 2021 – 9:00 AM**

DUE TO COVID-19, THE JANUARY 22, 2021 SANTA CRUZ METRO BOARD OF DIRECTORS MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR’S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

The public may participate remotely via the Zoom website [at this link](#) and following the instructions or by calling 1-669-900-6833 Meeting ID 824 6330 0647

Public comment may be submitted via email to boardinquiries@scmttd.com. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in the Board’s correspondence that is posted online at the board meeting packet link.

The Board of Directors Meeting Agenda Packet can be found online at www.SCMTD.com.

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

BOARD ROSTER

Director Kristen Petersen	City of Capitola
Vacant	City of Watsonville
Director Aurelio Gonzalez	City of Watsonville
Vacant	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Shebreh Kalantari-Johnson	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Donna Meyers	City of Santa Cruz
Director Larry Pageler	County of Santa Cruz I
Director Dan Rothwell	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Henderson	UC Santa Cruz
Ex-Officio Director Northcutt	Cabrillo College

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

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

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

SECTION I: OPEN SESSION

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

- 1 CALL TO ORDER**
- 2 SWEAR IN NEW DIRECTORS**
- 3 ROLL CALL**
- 4 ANNOUNCEMENTS**
 - 4-1. Today's meeting is being broadcast by Community Television of Santa Cruz County.
- 5 APPROVE: BOARD OFFICERS AND COMMITTEE ASSIGNMENTS**
Mike Rotkin, Board Chair
- 6 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**
- 7 LABOR ORGANIZATION COMMUNICATIONS**
- 8 WRITTEN COMMUNICATIONS FROM THE METRO ADVISORY COMMITTEE (MAC)**
- 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.

- 10-1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTHS OF NOVEMBER AND DECEMBER 2020**
Kristina Mihaylova, Finance Deputy Director
- 10-2 ACCEPT AND FILE: THE NOVEMBER 20, 2020 BOARD OF DIRECTORS MEETING MINUTES, THE JANUARY 8, 2021 CAPITAL PROJECTS STANDING COMMITTEE MEETING MINUTES AND THE JANUARY 8, 2021 FINANCE, BUDGET & AUDIT STANDING COMMITTEE MEETING MINUTES**
Alex Clifford, CEO/General Manager
- 10-3 ACCEPT AND FILE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF NOVEMBER 30, 2020**
Kristina Mihaylova, Finance Deputy Director
- 10-4 ACCEPT AND FILE: ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2020**
Kristina Mihaylova, Finance Deputy Director

- 10-5 APPROVE: CONSIDERATION OF DECLARING VEHICLES AND/OR EQUIPMENT AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION**
Kristina Mihaylova, Finance Deputy Director
- 10-6 ACCEPT AND FILE: INTERLINE AGREEMENT BETWEEN GREYHOUND LINES, INC. AND SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**
John Urgo, Planning and Development Director
- 10-7 ACCEPT AND FILE: SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**
John Urgo, Planning and Development Director
- 10-8 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER TO ASSIGN A NEW DISADVANTAGED BUSINESS ENTERPRISE LIAISON OFFICER (DBELO) FOR THE SANTA CRUZ METRO DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM**
Alex Clifford, CEO/General Manager
- 10-9 APPROVE: CONSIDERATION OF APPOINTING THE CHIEF OPERATIONS OFFICER AS DESIGNATED ALTERNATE TO THE CALIFORNIA TRANSIT INDEMNITY POOL (CALTIP) BOARD OF DIRECTORS**
Alex Clifford, CEO/General Manager
- 10-10 ACCEPT AND FILE: QUARTERLY PROCUREMENT REPORT FOR 3RD QUARTER OF FY21**
Greg Willis, Purchasing Manager
- 10-11 APPROVE: ACCESS CONTROL SYSTEM AT METRO MAINTENANCE FACILITY**
Isaac Holly, IT and ITS Director
- 10-12 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO CLASSIC GRAPHICS FOR BUS STOP IMPROVEMENTS**
Freddy Rocha, Facilities Maintenance Manager
- 10-13 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS**
Rufus Francis, Safety, Security and Risk Management Director

REGULAR AGENDA

- 11 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS: Eileen Wagley (20 years)**
Mike Rotkin, Board Chair

- 12 RETIREE RESOLUTIONS OF APPRECIATION: CIRO AGUIRRE, ANGELA AITKEN, GEORGE CAWALING, PATRICIA CUMMINGS, JOHN DAUGHERTY & BRIAN McHALE**
Mike Rotkin, Board Chair
- 13 CEO ORAL UPDATE**
Alex Clifford, CEO/General Manager
- 14 CEO COVID UPDATE**
Alex Clifford, CEO/General Manager
- 15 UPDATE ON LAUNCH OF CRUZ ON-DEMAND MICROTRANSIT SERVICE**
John Uργο, Planning and Development Director
- 16 ORAL PACIFIC STATION UPDATE**
John Uργο, Planning and Development Director
- 17 ORAL PARACRUZ UPDATE**
Daniel Zaragoza, Operations Manager, ParaCruz Division, & Sandi Woods, Project Manager
- 18 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, FEBRUARY 26, 2021 AT 9:00 AM, VENUE (TELECONFERENCE OR PHYSICAL) TO BE DETERMINED**
Mike Rotkin, Board Chair
- 19 ADJOURNMENT**
Mike Rotkin, Board Chair

Accessibility for Individuals with Disabilities

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@scmted.com. Upon request, Santa Cruz METRO will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to boardinquiries@scmted.com or submitted by phone to the Executive Assistant at 831.426.6080. Requests made by mail (sent to the Executive Assistant, Santa Cruz METRO, 110 Vernon Street, Santa Cruz, CA 95060) must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Public Comment

If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.



DATE: January 22, 2021
TO: Board of Directors
FROM: Mike Rotkin, Chair
SUBJECT: BOARD OFFICERS AND COMMITTEE ASSIGNMENTS

I. RECOMMENDED ACTION

- 1) That the Board of Directors Nominate Directors elect Donna Lind as interim Vice Chair, to fill the position vacated by Director Leopold.**
- 2) That the Board of Directors Nominate Directors to the following positions:**
 - A. Santa Cruz Metropolitan Transit District (METRO) Board Chair and Vice Chair;**
 - B. Vacant Director Positions on various METRO Board Standing Committees;**
 - C. Five Director Positions on the Santa Cruz Civic Improvement Corporation (SCCIC) Board; and,**
 - D. Representatives and Alternates for the Santa Cruz County Regional Transportation Commission (SCCRTC)**

II. SUMMARY

- Article 6 of the Santa Cruz Metropolitan Transit District (METRO) Bylaws provides that the Board of Directors shall annually nominate individuals to the positions of Chair and Vice Chair. At the November 20, 2020, METRO Board meeting, Director John Leopold resigned as Vice Chair.
- In 2020, the Board of Directors nominated individuals to stand for election to the Standing Committee positions referenced in this staff report.
- Article III, Section 3.03 of the Santa Cruz Civic Improvement Corporation (SCCIC) Bylaws provides that the Board of Directors shall appoint METRO Directors to the SCCIC Board.
- In order to maintain representation on the Santa Cruz County Regional Transportation Commission (SCCRTC), it is necessary that the Board of Directors elect individuals to the three positions and three alternate positions that are designated for METRO Board Members.
- Elections for the positions referenced in this Staff Report are scheduled to be held at the beginning of the February 26, 2021 Board of Directors meeting.

III. DISCUSSION/BACKGROUND

At the November 20, 2020, METRO Board meeting, Director John Leopold resigned as Vice Chair. At this meeting, the Board Chair requested that the Board consider appointing Donna Lind to replace Director Leopold as Vice Chair at the January 2021 Board meeting. The terms of the officers and appointees of the Board of Directors in the positions of Chair, Vice Chair and SCCRTC appointees expire in February 2021. Four of the five SCCIC Directors' terms are set to expire in February 2020; the fifth has been vacated, leaving a one-year term remaining.

SCCIC is a non-profit public benefit corporation organized under the non-profit benefit corporation law in the State of California to provide financial assistance to METRO by acquiring, constructing and financing various public facilities, land and equipment and the leasing of facilities, land and equipment for use, benefit and enjoyment of the public served by METRO.

Article III, Section 3.03 of the SCCIC Bylaws provides that METRO's Board of Directors shall appoint METRO Directors to the SCCIC Board.

Staff recommends that the METRO Board of Directors appoint METRO Directors to serve on the SCCIC Board. At this time, five appointees are needed. Three of the positions have been vacated and two are expiring. The Directors filling four of the five expiring positions will hold the office for a term of two years; one Director will complete the remaining year of the vacated term expiring in 2022.

The METRO Bylaws provide that the Board of Directors shall identify nominees to be considered for election to the positions herein referenced.

Staff recommends that the Board of Directors:

Elect a Vice Chair to fill the vacancy created by Director Leopold's resignation in November 2020; and,

Provide slates for CY 2021 to:

- 1) Elect Directors to the positions of Chair and Vice Chair
- 2) Reconfirm or nominate Directors to positions on the current Standing Committees:
 - a. Capital Projects Committee
 - b. Finance, Budget and Audit Committee
 - c. Personnel/Human Resources Committee
- 3) Fill five positions on the SCCIC

- 4) Elect three representatives and three alternates to the SCCRTC.

In accordance with the METRO bylaws, nominations remain open until the positions are filled through election. The election for the referenced positions is scheduled to be held on February 26, 2021.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

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

V. FINANCIAL CONSIDERATIONS/IMPACT

Funding support for the positions identified in this Staff Report is contained under Admin in the FY21 and FY22 Final Budget adopted June 26, 2020 and in the FY22 and FY23 budget yet to be finalized.

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

None.

VIII. ATTACHMENTS

- Attachment A:** Current METRO Board Officers and Appointees
- Attachment B:** Current SCCIC Board Roster
- Attachment C:** Board Nominated Slate(s) Worksheet

Prepared by: Gina Pye, Executive Assistant

IX. APPROVALS

Approved as to fiscal impact:
Kristina Mihaylova, Deputy Finance Director



Alex Clifford, CEO/General Manager



Attachment A
**BOARD CHAIR & VICE CHAIR,
STANDING AND AD HOC
COMMITTEE APPOINTMENTS**



2020 Chair, Vice Chair and Standing Committees

Chair
MIKE ROTKIN

Vice Chair
JOHN LEOPOLD

Capital Projects Standing Committee

Committee Established 8/26/16

ED BOTTORFF
CYNTHIA MATHEWS
BRUCE McPHERSON
LARRY PAGELER

Finance, Budget and Audit Standing Committee

(4-5 Board Members, as a ground rule)

Committee Established 8/26/16

TRINA COFFMAN-GOMEZ
DONNA LIND
DONNA MEYERS
MIKE ROTKIN

Personnel/Human Resources Standing Committee

Committee Established 8/26/16

MIKE ROTKIN, Current Chair
JOHN LEOPOLD, Current Vice Chair
ED BOTTORFF, Immediate Past Chair
AURELIO GONZALEZ
LARRY PAGELER

Attachment A



2020 Ad Hoc Committees

CEO Goals and Objectives Ad Hoc Committee

Committee Established 5/19/17

ED BOTTORFF
BRUCE McPHERSON
MIKE ROTKIN

Legislative Ad Hoc Committee

Committee Established 2/23/18

ED BOTTORFF
JOHN LEOPOLD
CYNTHIA MATHEWS
BRUCE McPHERSON
MIKE ROTKIN

MAC Ad Hoc Committee

Committee Established 3/24/17

ED BOTTORFF
TRINA COFFMAN-GOMEZ
DONNA MEYERS
LARRY PAGELER

2020 Other Committees

SCCIC Representatives

ED BOTTORFF
TRINA COFFMAN-GOMEZ
AURELIO GONZALEZ
JOHN LEOPOLD
BRUCE McPHERSON

SCCRTC Representatives

ED BOTTORFF
AURELIO GONZALEZ
MIKE ROTKIN

SCCRTC Alternates (in order)

DONNA LIND
DONNA MEYERS
DAN ROTHWELL

Attachment B



SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCIC)

BOARD OF DIRECTORS 2020 - 2021

	YEAR TERM BEGAN	YEAR TERM ENDS
Ed Bottorff, President	2019	2021
John Leopold, Vice President	2019	2021
Bruce McPherson, Secretary	2019	2021
Trina Coffman-Gomez, Treasurer	2020	2022
Aurelio Gonzalez, Director	2019	2021

Alex Clifford, Chief Executive Officer

Each Director holds office for a term of two (2) years from the date of appointment. The Board of Directors holds an annual meeting for the purpose of organization, selection of Directors and officers, and the transaction of other business. Annual meetings of the Board are held on the fourth Friday of March. The meetings are held in the same venue as the Santa Cruz METRO Board of Directors meeting.

- THIS PAGE INTENTIONALLY LEFT BLANK -

BOARD OFFICERS AND APPOINTMENTS



Nominate Board Chair (2020: Mike Rotkin)

Nominee:

Nominated by:

1. Donna Lind

Mike Rotkin

2. _____

3. _____

4. _____

SLATE 1

SLATE 2

SLATE 3

SLATE 4



BOARD OFFICERS AND APPOINTMENTS

Nominate Board Vice Chair (2020: John Leopold/ Donna Lind)

Nominee:

Nominated by:

SLATE 1

1. Bruce McPherson

Mike Rotkin

SLATE 2

2. _____

SLATE 3

3. _____

SLATE 4

4. _____



BOARD OFFICERS AND APPOINTMENTS

Reappoint or Nominate 3: Capital Projects Standing Committee

Members

3 Total Members

2020 Members: Ed Bottorff, Cynthia Mathews & Bruce McPherson

Nominee:

1. Bruce McPherson

2. Donna Meyers

3. Larry Pageler

Nominated by:

Currently in place

Mike Rotkin

Mike Rotkin

SLATE 1

Nominee:

1. _____

2. _____

3. _____

Nominated by:

SLATE 2

Nominee:

1. _____

2. _____

3. _____

Nominated by:

SLATE 3

Nominee:

1. _____

2. _____

3. _____

Nominated by:

SLATE 4



BOARD OFFICERS AND APPOINTMENTS

Reappoint or Nominate 4 or 5: Finance, Budget and Audit Standing Committee Members

4-5 Total Members

2020 Members: Trina Coffman-Gomez, Donna Lind, Donna Meyers & Mike Rotkin

Nominee:

1. Donna Lind
2. Shebreh Kalantari Johnson
3. Mike Rotkin
4. Watsonville Appointee

Nominated by:

Currently in place
Mike Rotkin
Mike Rotkin
Mike Rotkin

SLATE 1

Nominee:

1. _____
2. _____
3. _____
4. _____
5. _____

Nominated by:

SLATE 2

Nominee:

1. _____
2. _____
3. _____
4. _____
5. _____

Nominated by:

SLATE 3

Nominee:

1. _____
2. _____
3. _____
4. _____
5. _____

Nominated by:

SLATE 4



BOARD OFFICERS AND APPOINTMENTS

Appoint or Nominate 2: Personnel/Human Resources Standing Committee Members

Current (2021) Board Chair: Current (2021) Board Vice Chair:

Immediate Past (2020) Board Chair, Mike Rotkin and 2 Board Members

5 Total Members

Committee Requires Current Board Chair, Current Board Vice Chair and

Immediate Past Board Chair as members PLUS two Directors

2020 Directors: John Leopold and Larry Pageler

SLATE 1

Nominee:

Nominated by:

1. Current Board Chair, Donna Lind (2021)

Mike Rotkin

2. Current Board Vice Chair, Bruce McPherson(2021)

Mike Rotkin

3. Mike Rotkin, Immediate Past Chair (2020)

Automatic

4. Larry Pageler

Currently in place

5. Kristen Petersen

Mike Rotkin

SLATE 2

Nominee:

Nominated by:

1. Current Board Chair, _____(2021)

2. Current Board Vice Chair, _____(2021)

3. Mike Rotkin, Immediate Past Chair (2020)

Automatic

4. _____

5. _____

Nominee:

Nominated by:

1. Current Board Chair, _____(2021)

2. Current Board Vice Chair, _____(2021)

3. Mike Rotkin, Immediate Past Chair (2020)

Automatic

4. _____

5. _____

SLATE 3



BOARD OFFICERS AND APPOINTMENTS

Nominate 1: SCCIC Representative

President, Ed Bottorff; Vice President, John Leopold;
Secretary, Bruce McPherson; and, Treasurer, Trina Coffman-Gomez

5 Total Members

Terms ending February 2021: Directors Bottorff, Leopold, McPherson, Gonzalez
Departing Director: Trina Coffman-Gomez (term ends Feb 2022)

SLATE 1

Nominee:

Nominated by:

- 1. Bruce McPherson, President
- 2. Aurelio Gonzalez, Vice President
- 3. Board of Supervisors Rep, Secretary
- 4. Larry Pageler, Director
- 5. Donna Meyers, Treasurer

- Mike Rotkin
- Mike Rotkin
- Mike Rotkin
- Mike Rotkin
- Mike Rotkin

Nominee:

Nominated by:

- 1. _____, President
- 2. _____, Vice President
- 3. _____, Secretary
- 4. _____, Director
- 5. _____, Treasurer

- Term expires 2023
- Term expires 2023
- Term expires 2023
- Term expires 2023
- Term expires 2022

SLATE 2

Nominee:

Nominated by:

- 1. _____, President
- 2. _____, Vice President
- 3. _____, Secretary
- 4. _____, Director
- 5. _____, Treasurer

- Term expires 2023
- Term expires 2023
- Term expires 2023
- Term expires 2023
- Term expires 2022

SLATE 3



BOARD OFFICERS AND APPOINTMENTS

Reappoint or Nominate 3: SCCRTC Representatives (2020 Reps: Ed Bottorff, Aurelio Gonzalez & Mike Rotkin) 3 Total Representatives

Nominee:

1. Aurelio Gonzalez

2. Mike Rotkin

3. Kristen Petersen

Nominated by:

Currently in place

Currently in place

Mike Rotkin

SLATE 1

Nominee:

1. _____

2. _____

3. _____

Nominated by:

SLATE 2

Nominee:

1. _____

2. _____

3. _____

Nominated by:

SLATE 3

Nominee:

1. _____

2. _____

3. _____

Nominated by:

SLATE 4



BOARD OFFICERS AND APPOINTMENTS

Reappoint or Nominate 3: SCCRTC Alternates (in order) 2020 Alternates: Donna Lind, Donna Meyers & Dan Rothwell 3 Total Representatives

Nominee:

- 1. Donna Meyers
- 2. Dan Rothwell
- 3. Donna Lind

Nominated by:

- Mike Rotkin
- Mike Rotkin
- Mike Rotkin

SLATE 1

Nominee:

- 1. _____
- 2. _____
- 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 2

Nominee:

- 1. _____
- 2. _____
- 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 3

Nominee:

- 1. _____
- 2. _____
- 3. _____

Nominated by:

- _____
- _____
- _____

SLATE 4



DATE: January 22, 2021
TO: Board of Directors
FROM: Kristina Mihaylova, Finance Deputy Director
**SUBJECT: ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL
DETAIL FOR THE MONTHS OF NOVEMBER AND DECEMBER 2020**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the preliminary approved Check Journal Detail for the months of November and December 2020

II. SUMMARY

- This staff report provides the Board of Directors (Board) with the preliminary approved Check Journal Detail for the months of November and December 2020.
- The Finance Department is submitting the check journals for Board acceptance and filing.

III. DISCUSSION/BACKGROUND

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

All invoices submitted for the months of November and December 2020 have been processed, the checks have been issued and signed by the Chief Financial Officer.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report aligns to METRO's Financial Stability, Stewardship & Accountability strategic plan.

V. FINANCIAL CONSIDERATIONS/IMPACT

The check journals present the invoices paid in November and December 2020 for Board review, agency disclosure and transparency.

VI. CHANGES FROM COMMITTEE

None

VII. ATTACHMENTS

Attachment A: Check Journal Detail for the Month of November 2020

Attachment B: Check Journal Detail for the Month of December 2020

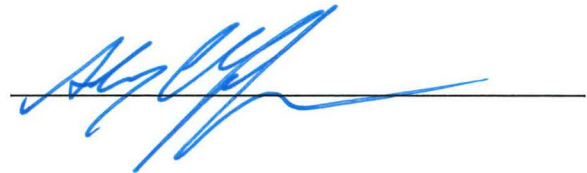
Prepared by: Holly Alcorn, Accounting Specialist

VIII. APPROVALS

Kristina Mihaylova,
Finance Deputy Director



Alex Clifford, CEO/General Manager



- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment A

DATE 12/01/20 07:10

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

PAGE 1

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
64801M11/23/20		-4.56 T331		GUTIERREZ, OSCAR		92252	CASE #: WC-CM-658170	-4.56	**VOID
69298	11/20/20	-94.39 002240		CASE #: WC-CM-658170 KLEEN-RITE PRESSURE WASHERS	7	102582	STEAM CLEANER	-94.39	**VOID
69674	11/02/20	35.14 002941		AA SAFE & SECURITY CO		103685	KEYS FOR MMF	35.14	
69675	11/02/20	83.90 003151		ABC BUS INC		103603	INVENTORY ORDER	83.90	
69676	11/02/20	6,023.37 001D		AT&T		103593	9/19-10/18 DAVENPORT	164.95	
						103736	9/13-10/12 VER/SMC	1,143.16	
						103737	9/19-10/18 OPS	148.93	
						103738	9/19-10/18 OCEAN	281.18	
						103739	9/19-10/18 MAIN ACCT	4,285.15	
69677	11/02/20	265.09 003199		B & H FOTO & ELECTRONICS CORP		103713	EXTERNAL HARDDRIVE	53.14	
						103714	HEADSET	211.95	
69678	11/02/20	147.50 002034		CARLON'S FIRE EXTINGUISHER		103688	FIRE EXT SVC PC	147.50	
69679	11/02/20	109.25 001159		CATTO'S GRAPHICS, INC.		103708	SIGN PACIFIC STATION	109.25	
69680	11/02/20	2,905.61 002627		CDW GOVERNMENT, INC.		103715	COVID 19 SUPPLIES	2,876.15	
						103716	WIRELESS KEYBOARD	29.46	
69681	11/02/20	3,039.68 001346		CITY OF SANTA CRUZ-FINANCE		103711	STORM WATER CHARGE	3,039.68	
69682	11/02/20	56.53 130		CITY OF WATSONVILLE UTILITIES		103731	9/16-10/13 WATER WTC	56.53	
69683	11/02/20	684.00 733		CLAREMONT EAP		103730	NOV 20 EAP PREMIUM	684.00	
69684	11/02/20	28,969.05 001124		CLEAN ENERGY		103595	OCT 20 MAINT	14,842.00	
						103658	10/2 LNG CHARGES	6,992.79	
						103667	10/6 LNG CHARGES	7,134.26	
69685	11/02/20	78.66 075		COAST PAPER & SUPPLY INC.		103700	HAND SOAP MMF	78.66	
69686	11/02/20	1,426.95 508		COMPLETE COACH WORKS INC		103614	RPR VEH#9820-LABOR	1,426.95	
69687	11/02/20	14,779.02 003116		CUMMINS PACIFIC LLP		103640	RPR VEH#2807	17,602.34	
						103641	CORE CREDIT	-546.25	
						103642	CORE CREDIT	-546.25	
						103643	CORE CREDIT	-273.13	
						103644	CORE CREDIT	-546.25	
						103645	CORE CREDIT	-682.81	
						103646	CORE CREDIT	-273.13	
						103670	RPR/PARTS VEH#2812	324.29	
						103671	CREDIT RETURN	-6.66	
						103672	CREDIT RETURN	-273.13	
69688	11/02/20	5,708.64 003520		DONNA NORTH		103605	REPLACEMNT WINDOWWTC	5,708.64	
69689	11/02/20	8,772.47 003274		EAST BAY TIRE CO.		103599	REVENUE TIRES	140.25	
						103600	REVENUE TIRES	3,231.67	
						103601	REVENUE TIRES	1,703.92	
						103608	REVENUE TIRES	1,530.18	
						103669	REVENUE TIRES	2,166.45	
69690	11/02/20	1,020.00 003485		EMPLOYNET INC		102602	TEMP W/E 10/18/20	1,020.00	
69691	11/02/20	6,789.45 432		EXPRESS SERVICES INC.		103639	TEMP W/E 10/18	1,050.43	
						103666	TEMP W/E 10/11	1,096.00	
						103673	TEMP W/E 10/18	4,643.02	
69692	11/02/20	57.36 003279		FRONTIER COMMUNICATIONS - 3025		103687	10/16-11/15SKY-RIVER	57.36	

Attachment A

DATE 12/01/20 07:10

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

PAGE 2

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69693	11/02/20	2,575.89 647		GENFARE A DIV OF SPX CORP		103606	INVENTORY	665.64	
						103607	INVENTORY ORDER	140.29	
						103608	INVENTORY ORDER	656.09	
						103609	INVENTORY ORDER	511.98	
						103610	INVENTORY ORDER	601.89	
						103616	INVENTORY ORDER	297.86	
						103619	INVENTORY ORDER	61.03	
						103620	NON INVENTORY ORDER	353.95	
						103624	INVENTORY ORDER	81.37	
						103628	RPR/PARTS VEH#1901	122.78	
						103649	RPR/PARTS VEH#4203	437.44	
69695	11/02/20	261.33 282		GRAINGER		103615	INVENTORY ORDER	261.33	
69696	11/02/20	302.25 166		HOSE SHOP, THE INC		103617	NON INVENTORY ORDER	68.30	
						103684	HOSE MMF	138.38	
						103699	INVENTORY ORDER MMF	95.57	
69697	11/02/20	1,295.57 003327		IO, RODNEY H		103693	RPR VEH#1401	859.63	
						103725	RPR AC VEH#1707	435.94	
69698	11/02/20	534.10 002158		J. PEREZ ASSOCIATES INC.		103638	BUS AD CARD KEEPER	534.10	
69699	11/02/20	1,398.93 003442		JOHNSON CONTROLS INC		103596	11/20-1/21 OPS	796.39	
						103701	11/20-1/21 ALARM MMF	602.54	
69700	11/02/20	441.08 1117		KELLEY'S SERVICE INC.		103695	INVENTORY ORDER	98.33	
						103696	RPR/PARTS VEH#PC1111	279.14	
						103697	RPR/PARTS VEH#2234	5.10	
						103698	INVENTORY ORDER	58.51	
69701	11/02/20	2,024.66 878		KELLY SERVICES, INC.		103712	TEMP W/E 9/13	2,024.66	VOIDED
69701	11/02/20	-2,024.66 878		KELLY SERVICES, INC.		103712	TEMP W/E 9/13	-2,024.66	**VOID
69702	11/02/20	13,235.35 003017		MANSFIELD OIL CO OF GAINSVILLE		103594	9/30 DIESEL FUEL	13,235.35	
69703	11/02/20	119.63 001052		MID VALLEY SUPPLY INC.		103702	INVENTORY ORDER MMF	119.63	
69704	11/02/20	600.09 041		MISSION UNIFORM		103718	TOWELS/MATS PC	10.50	
						103720	COVID 19 SUPP/LNDRY	333.34	
						103721	COVID 19 SUPP/TOWELS	156.00	
						103722	LAUNDRY/CUSTODIAL	25.25	
						103723	TOWELS/MOPS/MAT	41.75	
						103724	LAUNDRY/CUSTODIAL	33.25	
69705	11/02/20	3,711.38 003529		MONTEREY SANITARY SUPPLY, INC.		103703	COVID 19 SUPPLIES	3,711.38	
69706	11/02/20	1,417.88 001627		NEW PIG CORPORATION		103694	INVENTORY ORDER	1,417.88	
69707	11/02/20	2,336.00 003135		NORCON COMMUNICATIONS, INC.		103704	INVENTORY/COVID SUPP	2,336.00	
69708	11/02/20	157.82 004		NORTH BAY FORD LINC-MERCURY		103652	RPR VEH# PC 1713	15.73	
						103653	RPR/PARTS VEH#1702	35.18	
						103654	RPR/PARTS VEH#602	5.24	
						103660	RPR/PARTS VEH#1101	89.43	
						103665	RPR/PARTS VEH#PC1711	12.24	
						103686	COVID 19-SHIPPING	8.53	
69709	11/02/20	8.53 003504		ORR SAFETY CORPORATION		103659	OFFICE SUPPLIES	8.96	
69710	11/02/20	687.40 043		PALACE ART & OFFICE SUPPLY		103676	CALENDARS PARACRUZ	183.39	
						103677	CALENDARS FACILITIES	151.27	

Attachment A

DATE 12/01/20 07:10

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

PAGE 3

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69711	11/02/20	481	67.50	PIED PIPER EXTERMINATORS, INC.		103678	CALENDARS FACILITIES	43.72	
69712	11/02/20	107A	120.01	PROBUILD COMPANY LLC		103679	CALENDARS PURCHASING	24.46	
						103680	CALENDARS PURCHASING	121.20	
						103681	OFFICE SUPPLIES	5.77	
						103682	OFFICE SUPPLIES	51.92	
						103683	CALENDARS OPS	13.53	
						103707	OFFICE SUPPLIES	83.18	
69711	11/02/20	481	67.50	PIED PIPER EXTERMINATORS, INC.		103705	OCT 20 PEST MMF	67.50	
69712	11/02/20	107A	120.01	PROBUILD COMPANY LLC		103726	DOOR STOP	8.84	
						103727	LUMBER SMC	92.04	
						103728	PATCH MATERIALS SMC	10.29	
						103729	DOOR STOP SMC	8.84	
69713	11/02/20	003059	77.37	QUADIEN LEASING USA, INC.		103710	PROPERTY TAX PC 1/20	77.37	
69714	11/02/20	003024	66.76	RICOH USA, INC CA		103717	10/14-11/13 PARACRUZ	66.76	
69715	11/02/20	135	510.51	SANTA CRUZ AUTO PARTS, INC.		103689	INVENTORY ORDER	312.25	
						103690	INVENTORY ORDER	51.54	
						103691	NON/INVENTORY ORDER	101.52	
						103692	RPR/PARTS PC 1120	45.20	
						103732	SEP 20 IRRIGATE VER	143.34	
69716	11/02/20	079	1,320.35	SANTA CRUZ MUNICIPAL UTILITIES		103733	SEP20 IRRIGATE RIVER	75.86	
						103734	9/9-10/6CEDAR WALNUT	1,050.60	
						103735	9/9-10/6 PACIFIC	50.55	
69717	11/02/20	001307	4,865.45	SANTA CRUZ STAFFING, LLC		103647	TEMP W/E 10/11	2,479.81	
						103648	TEMP W/E 10/18	2,385.64	
69718	11/02/20	003292	10,641.85	SLINGSHOT CONNECTIONS LLP		103629	TEMP W/E 10/18	1,122.00	
						103630	TEMP W/E 10/18	1,122.00	
						103631	TEMP W/E 10/18	1,122.00	
						103632	TEMP W/E 10/18	1,122.00	
						103633	TEMP W/E 10/18	224.40	
						103634	TEMP W/E 10/18	217.39	
						103635	TEMP W/E 10/18	869.55	
						103636	TEMP W/E 10/18	1,093.95	
						103637	TEMP W/E 10/18	1,122.00	
						103674	TEMP W/E 10/11	1,556.48	
						103675	TEMP W/E 10/18	1,070.08	
69719	11/02/20	001976	897.00	SPORTWORKS NORTHWEST, INC.		103709	INVENTORY ORDER	897.00	
69720	11/02/20	002199	402.30	TACONY CORPORATION		103604	BACKPACK VACUUM SMC	386.76	
69721	11/02/20	003285	4,563.48	THE AFTERMARKET PARTS CO LLC		103661	NON INVENTORY ORDER	15.54	
						103597	INVENTORY	135.00	
						103598	INVENTORY ORDER	302.03	
						103611	INVENTORY ORDER	136.84	
						103612	INVENTORY ORDER	608.78	
						103613	INVENTORY ORDER	135.00	
						103626	CREDIT RETURN	-82.98	
						103627	CREDIT FOR RETURN	-82.98	
						103655	NON INVENTORY ORDER	159.59	

Attachment A

DATE 12/01/20 07:10

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

PAGE 4

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69722	11/02/20	320.44 003010	7	TOYOTA MATERIAL HANDLING		103656	INVENTORY ORDER	500.96	
69723	11/02/20	821.85 002829		VALLEY POWER SYSTEMS, INC.		103657	INVENTORY ORDER	135.00	
69724	11/02/20	375.00 001165		VU, THANH DR. MD		103662	INVENTORY ORDER	174.55	
						103663	INVENTORY ORDER	245.98	
						103664	INVENTORY ORDER	2,195.71	
						103650	RPR VEH# 700	160.22	
						103651	SERVICE VEH# 701	160.22	
						103719	RPR/PARTS VEH#2809	821.85	
						103618	DMV EXAM	75.00	
						103621	DMV EXAM	75.00	
						103622	DMV EXAM	75.00	
						103623	DMV EXAM	75.00	
						103625	DMV EXAM	75.00	
69725	11/02/20	4,473.08 001307		SANTA CRUZ STAFFING, LLC		103762	TEMP W/E 9/13/20	2,024.66	
69726	11/09/20	1,164.29 003151		ABC BUS INC		103763	TEMP W/E 10/25/20	2,448.42	
69727	11/09/20	5,221.08 001348		ATHENS INSURANCE SERVICE, INC.		103824	INVENTORY ORDER	1,125.77	
69728	11/09/20	1,402.23 002802		BATTERY SYSTEMS INC.		103840	NOV 20 TPA FEES	5,221.08	
69729	11/09/20	157.65 001159		CATTO'S GRAPHICS, INC.		103835	INVENTORY ORDER	1,402.23	
69730	11/09/20	1,337.01 130		CITY OF WATSONVILLE UTILITIES		103830	DECAL STICKERS	157.65	
						103857	9/23-10/19 WTC	76.22	
						103858	9/23-10/19 WATER WTC	86.99	
						103859	9/23-10/19 WATER WTC	162.58	
69731	11/09/20	7,049.66 001124		CLEAN ENERGY		103860	10/22 WASTE WTC	1,011.22	
69732	11/09/20	2,890.00 003034		COASTAL LANDSCAPING INC. DBA		103822	10/9 LNG CHARGES	7,049.66	
69733	11/09/20	326.08 163		COMMUNITY PRINTERS, INC.		103849	NOV 20 LANDSCAPING	2,890.00	
69734	11/09/20	365.50 367		COMMUNITY TELEVISION OF		103886	COVID/PLEDGE CARD	326.08	
69735	11/09/20	8,209.37 003116		CUMMINS PACIFIC LLP		103749	9/25 BOD MEETING	365.50	
						103743	INVENTORY ORDER	1,873.81	
						103744	CORE CREDIT	-273.13	
						103745	CREDIT FOR RETURN	-1,600.69	
						103746	INVENTORY ORDER	1,873.81	
						103747	INVENTORY ORDER	48.55	
						103748	INVENTORY ORDER	26.48	
						103799	RPR VEH# 4208/4209	1,064.54	
						103800	RPR/PARTS VEH#1002	1,675.67	
						103820	INVENTORY ORDER	3,002.86	
						103821	INVENTORY ORDER	5.65	
						103826	INVENTORY ORDER	511.82	
69736	11/09/20	69,397.50 002943		DON CHAPIN COMPANY, INC.		103880	10/31 FIRE EGRESS	69,397.50	
69737	11/09/20	654.41 003274		EAST BAY TIRE CO.		103819	REVENUE TIRES	654.41	
69738	11/09/20	4,595.00 003153		ENVIRONMENTAL LOGISTICS INC		103792	10/13 HAZ WASTE MMF	2,533.75	
						103793	10/13 HAZ WASTE SBF	2,061.25	
69739	11/09/20	925.21 001297		FASTENAL COMPANY INC		103818	INVENTORY ORDER	889.82	
						103850	BENCH HARDWARE WTC	35.39	
69740	11/09/20	572.88 039		FEDEX OFFICE		103882	PRESS EVENT/COVID19	116.85	

Attachment A

DATE 12/01/20 07:10

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

PAGE 5

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69741	11/09/20	15,553.98 002952		FLYERS ENERGY LLC		103883	PRESS EVENT/COVID 19	97.12	
						103888	PRESS EVENT/COVID 19	78.31	
						103889	PRESS EVENT/COVID19	45.68	
						103890	PRESS EVENT/COVID 19	234.92	
						103774	10/1-10/15 FUEL	2,133.87	
						103775	9/15-9/30 FUEL	2,103.70	
						103817	9/15-9/30 FUEL	5,765.02	
						103825	10/1-10/15 FUEL	5,551.39	
69742	11/09/20	1,349.70 117		GILLIG LLC		103772	INVENTORY ORDER	707.42	
						103773	INVENTORY ORDER	283.96	
						103884	INVENTORY ORDER	347.17	
						103885	RPR/PARTS VEH#4207	11.15	
69743	11/09/20	275.00 003316		GLOBAL WATER TECHNOLOGY INC		103852	10/20 CHEM TEST	275.00	
69744	11/09/20	972.39 282		GRAINGER		103750	WH IGNITOR MMF	232.89	
						103765	NON INVENTORY ORDER	66.64	
						103766	NON INVENTORY ORDER	81.60	
						103785	MOP HOLDERS SBF	17.69	
						103786	EYEWASH DUST COVERS	58.22	
						103787	INVENTORY ORDER MMF	186.94	
						103788	BAND SAW VERNON	48.10	
						103827	NON INVENTORY ORDER	56.81	
						103828	SHOP TOOL REPLACEMNT	34.01	
						103829	DRUM DOLLY	78.03	
						103831	FLUSHBOLT WTC	21.59	
						103832	INVENTORY ORDER	20.29	
						103833	DISINFECTANT CLEANER	48.52	
						103834	HYDRANT CAP SBF	21.06	
69745	11/09/20	36.88 166		HOSE SHOP, THE INC		103777	HOSE ASSY WTC	36.88	
69746	11/09/20	54.85 1117		KELLEY'S SERVICE INC.		103771	RPR VEH#1501/1502	14.36	
						103837	INVENTORY ORDER	40.49	
69747	11/09/20	3,680.00 003293		MAKAI SOLUTIONS		103752	ORTRLY LIFT INSPECT	3,680.00	
69748	11/09/20	200.00 003249		MAXIMUM OIL SERVICE LLC		103784	USED OIL PICKUP MMF	200.00	
69749	11/09/20	1,772.04 001052		MID VALLEY SUPPLY INC.		103853	INVENTORY ORDER MMF	1,772.04	
69750	11/09/20	625.00 003361		MILLER MAXFIELD INC		103881	0CT20 COVID GRAPHICS	625.00	
69751	11/09/20	1,081.43 041		MISSION UNIFORM		103742	TOWELS/MATS	10.50	
						103768	LAUNDRY SERVICE	333.34	
						103770	COVID 19 SUPP/TOWELS	156.00	
						103795	TOWELS/MOP/MAT	41.75	
						103815	COVID 19 SUPP/TOWELS	156.00	
						103816	COVID 19/UNIFORMS	333.34	
						103838	LAUNDRY SERVICE	25.25	
						103839	LAUNDRY/CUST SERVICE	25.25	
69752	11/09/20	3,711.38 003529		MONTEREY SANITARY SUPPLY, INC.		103801	COVID 19 SUPPLIES	3,711.38	
69753	11/09/20	14,930.32 009		PACIFIC GAS & ELECTRIC		103845	9/23-10/22 MMF	5,815.83	
						103846	9/24-10/23 1122RIVER	117.68	
						103847	9/23-10/22 1122RIVER	2,357.60	

Attachment A

DATE 12/01/20 07:10

PAGE 6

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

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69754	11/09/20	2,397.46 023		PACIFIC TRUCK PARTS, INC.		103848	9/23-10/22 VERNON	6,639.21	
						103769	INVENTORY ORDER	904.49	
						103804	INVENTORY ORDER	1,196.29	
69755	11/09/20	251.11 043		PALACE ART & OFFICE SUPPLY		103805	INVENTORY ORDER	296.68	
						103783	OFFICE SUPPLIES	70.63	
						103809	OFFICE SUPPLIES	180.48	
69756	11/09/20	416.00 481		PIED PIPER EXTERMINATORS, INC.		103778	10/20 PESTSMC BETTYS	60.00	
						103779	10/20PEST SMC MARKET	55.50	
						103780	10/20 PEST SMC KIOSK	40.00	
						103781	10/20 PEST VERNON	260.50	
69757	11/09/20	548.26 107A		PROBUILD COMPANY LLC		103841	MEDIA EVENT OPS	8.63	
						103842	TILE REPAIR SMC	5.89	
						103843	LUMBER BUS STOP WTC	480.09	
						103844	TILE REPAIR SMC	17.62	
						103851	TOOLS SMC	36.03	
69758	11/09/20	157.62 003059		QUADIANT LEASING USA, INC.		103802	10/28-11/27 LEASE	157.62	
69759	11/09/20	408.80 003020		QUEST DIAGNOSTIC INC.		103891	10/27 DOT DRUG TESTS	408.80	
69760	11/09/20	92.41 536		RIVERSIDE LIGHTING & ELECTRIC		103796	ELECTRICAL SUPPL PRC	58.15	
						103797	ELECTRICAL SUPP PRC	19.58	
						103798	ELECTRICAL SUPP PRC	14.68	
69761	11/09/20	3,792.07 003154		ROMAINE ELECTRIC CORP		103754	INVENTORY ORDER	3,792.07	
69762	11/09/20	3,307.50 001379		SAFETY-KLEEN SYSTEMS INC		103776	HAZMATRECOVERY/PARTS	3,307.50	
69763	11/09/20	5,384.19 135		SANTA CRUZ AUTO PARTS, INC.		103751	INVENTORY ORDER	5,254.90	
						103807	INVENTORY ORDER	94.91	
						103808	INVENTORY ORDER	34.38	
69764	11/09/20	7.58 848		SANTA CRUZ ELECTRONICS, INC.		103803	RPR/PARTS VEH#2602	7.58	
69765	11/09/20	31,098.95 002917		SANTA CRUZ METRO TRANSIT W/C		103892	OCT 20 REPLENISH W/C	31,098.95	
69766	11/09/20	8,726.41 079		SANTA CRUZ MUNICIPAL UTILITIES		103873	9/9-10/6 MMF	11.83	
						103874	9/9-10/6 PACIFIC ISL	74.63	
						103875	9/9-10/6 SMC	3,043.87	
						103876	9/9-10/6 VERNON	528.62	
						103877	9/9-10/6 MMF	1,373.05	
						103878	9/9-10/6 OPS	828.47	
						103879	9/9-10/6 SBF	2,865.94	
69767	11/09/20	280.00 001292		SANTA CRUZ RECORDS MNGMT INC		103753	OCT20 SHRED MULTI	240.00	
						103887	10/28 SHREDDING PC	40.00	
69768	11/09/20	1,070.08 003292		SLINGSHOT CONNECTIONS LLP		103764	TEMP W/E 10/25	1,070.08	
69769	11/09/20	5,375.00 002871		STATE ELECTRIC GENERATOR		103789	ANNUAL MAINT SBF	1,850.00	
						103790	ANNUAL MAINT PRC	1,650.00	
						103791	ANNUAL MAINT VERNON	1,875.00	
69770	11/09/20	9,934.87 003285		THE AFTERMARKET PARTS CO LLC		103755	INVENTORY ORDER	256.64	
						103756	RPR/PARTS VEH#1005	53.59	
						103757	RPR/PARTS VEH#2807	1.97	
						103758	RPR/PARTS VEH#1612	303.78	
						103759	NON INVENTORY ORDER	469.40	
						103760	INVENTORY ORDER	151.26	

Attachment A

DATE 12/01/20 07:10

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

PAGE 7

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69771	11/09/20	49.22 002829		VALLEY POWER SYSTEMS, INC.		103806	INVENTORY ORDER	49.22	
69772	11/09/20	417.00 001353		VISION COMMUNICATIONS		103836	RADIO REPAIR	417.00	
69773	11/09/20	1,159.32 001165		VU, THANH DR. MD	7	103854	DMV EXAM	75.00	
						103855	DMV EXAM	75.00	
						103856	DMV EXAM	75.00	
						103861	DMV EXAM	75.00	
						103862	DMV EXAM	75.00	
						103863	DMV EXAM	75.00	
						103864	NEW HIRE EXAM	92.16	
						103865	DMV EXAM	75.00	
						103866	DMV EXAM	75.00	
						103867	DMV EXAM	75.00	
						103868	DMV EXAM	75.00	
						103869	DMV EXAM	75.00	
						103870	NEW HIRE EXAM	92.16	
						103871	DMV EXAM	75.00	
						103872	DMV EXAM	75.00	
69774	11/09/20	44.00 003290		WORKFORCEQA LLC		103794	SEP 20 MRO SERVICES	44.00	
69775	11/09/20	63.76 003530		ZORO TOOLS, INC.		103782	BOOTS TRANSIT SUP	63.76	
69776	11/05/20	22,019.18 002872		COOPERATIVE PERSONNEL SERVICES		103893	FINAL PAYMENT 17-07	465.00	
						103894	FINAL PAYMENT 17-07	21,554.18	
69777	11/09/20	997.02 001D		AT&T		103897	9/24-10/23 WIFI BUS	997.02	VOIDED
69777	11/09/20	-997.02 001D		AT&T		103897	9/24-10/23 WIFI BUS	-997.02	**VOID
69778	11/09/20	8,587.55 009		PACIFIC GAS & ELECTRIC		103895	9/28-10/27 SMC	4,055.38	
						103896	9/28-10/27 OPS	4,532.17	
69879	11/16/20	1,052.78 003514		ACE COAST SERVICES, INC.		104011	COVID/WTC WASH STAT.	1,052.78	
69880	11/16/20	430.84 002828		ALLIED ELECTRONICS		103980	INVENTORY ORDER	430.84	
69881	11/16/20	7,658.97 003370		ARI PHOENIX INC		103915	JACK VEH# 4201-4210	7,658.97	
69882	11/16/20	997.02 003105		AT&T MOBILITY		103990	9/24-10/23 WIFI BUS	997.02	
69883	11/16/20	889.83 001268		BUDGET BLINDS OF SANTA CRUZ	7	104007	BLINDS FOR WTC CS	889.83	
69884	11/16/20	1,388.61 002129		CALIFORNIA JANITORIAL SUPPLY		103910	BATTERIES/SPRAYER	1,388.61	
69885	11/16/20	692.58 588		CALTIP		104008	OCT 20 CODE=5100	692.58	
69886	11/16/20	5,928.18 909		CLASSIC GRAPHICS		103931	RPR VEH# 9824	5,928.18	
69887	11/16/20	21,739.68 001124		CLEAN ENERGY		103924	10/23 LNG CHARGES	7,235.62	
						103977	10/16 LNG CHARGES	7,235.62	
						103988	10/13 LNG CHARGES	7,268.44	
69888	11/16/20	5,069.43 003116		CUMMINS PACIFIC LLP		103917	RPR/PARTS VEH#1201	2.41	
						103919	INVENTORY ORDER	117.50	
						103920	INVENTORY ORDER	4,068.54	

Attachment A

DATE 12/01/20 07:10

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

PAGE 8

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69889	11/16/20	602.50 916	602.50	DOCTORS ON DUTY MEDICAL CLINIC		103922	INVENTORY ORDER	636.13	
						103923	INVENTORY ORDER	111.59	
						103970	INVENTORY ORDER	123.34	
						103995	INVENTORY ORDER	9.92	
						104021	DOT DRUG TESTING	77.50	
						104022	DOT DRUG TESTING	77.50	
						104023	DOT DRUG TESTING	32.50	
						104024	DOT DRUG TESTING	77.50	
						104025	DOT DRUG TESTING	32.50	
						104026	DOT DRUG TESTING	32.50	
						104027	DOT DRUG TESTING	32.50	
						104028	DOT DRUG TESTING	32.50	
						104029	DOT DRUG TESTING	32.50	
						104030	DOT DRUG TESTING	32.50	
						104031	DOT DRUG TESTING	32.50	
						104032	DOT DRUG TESTING	32.50	
						104033	DOT DRUG TESTING	32.50	
						104034	DOT DRUG TESTING	45.00	
69890	11/16/20	2,792.80 003274	2,792.80	EAST BAY TIRE CO.		103911	TIRES FOR VEH#1401	915.33	
						103912	REV TIRES	794.25	
						103913	REV TIRES	1,083.22	
69891	11/16/20	1,823.25 003485	1,823.25	EMPLOYNET INC		103952	TEMP W/E 11/1	1,007.25	
						103969	TEMP W/E 10/25	816.00	
69892	11/16/20	4,007.44 432	4,007.44	EXPRESS SERVICES INC.		103951	TEMP W/E 11/1	874.00	
						103959	TEMP W/E 10/18	1,008.00	
						103960	TEMP W/E 10/25	806.40	
						103961	TEMP W/E 11/1	1,008.00	
						103994	TEMP W/E 10/25	311.04	
69893	11/16/20	1,000.93 039	1,000.93	FEDEX OFFICE		103996	PC PROJECT SCANS	627.55	
						104000	WTC POSTERS	63.91	
						104009	SVT FIRE EVAC SIGNS	244.55	
69894	11/16/20	7,756.19 002952	7,756.19	FLYERS ENERGY LLC		104014	COVID 19 SIGNAGE	64.92	
						103925	10/15-10/31 FUEL PC	5,481.49	
						103934	10/15-10/31 FUEL	2,274.70	
69895	11/16/20	5,139.07 001302	5,139.07	GARDA CL WEST, INC.		104016	NOV 20 VAULT SERVICE	5,139.07	
69896	11/16/20	276.44 001189	276.44	GARY KENVILLE LOCKSMITH	7	103989	REKEY OFFICE SMC/SBF	276.44	
69897	11/16/20	1,704.22 117	1,704.22	GILLIG LLC		103908	RPR/PARTS VEH#4207	238.39	
						103918	RPR/PARTS VEH#1903	9.83	
						103921	RPR/PARTS VEH#1903	571.65	
						103968	INVENTORY ORDER	884.35	
69898	11/16/20	104.42 282	104.42	GRAINGER		103907	INVENTORY ORDER	16.95	
						103909	NON INVENTORY ORDER	87.47	
69899	11/16/20	15,098.25 001745	15,098.25	HARTFORD LIFE AND ACCIDENT INS		104017	NOV 20 LIFE AD&D	4,267.87	
69900	11/16/20	876.55 166	876.55	HOSE SHOP, THE INC		104018	NOV 20 LTD	10,830.38	
69901	11/16/20	75.00 003284	75.00	KEISH ENVIRONMENTAL PC CORP		103975	RPR/PARTS VEH#2221	876.55	
						103953	OCT 20 OUTFALL MITIG	75.00	

Attachment A

DATE 12/01/20 07:10

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

PAGE 9

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69902	11/16/20	485.78 1117		KELLEY'S SERVICE INC.		103904	INVENTORY ORDER	262.20	
						103905	CREDIT RETURN	-14.31	
						103906	INVENTORY ORDER	116.22	
						103967	RPR/PARTS VEH#700	121.67	
69903	11/16/20	23,627.38 003366		KEY GOVERNMENT FINANCE INC		103928	NOV 20 LEASE PAYMENT	23,627.38	
69904	11/16/20	100.00 003450		LANGUAGE LINE SERVICES INC		103974	10/20 TRANSLATE SERV	100.00	
69905	11/16/20	204.00 852		LAW OFFICES OF MARIE F. SANG	7	103916	10/30 Cl#2010226708	204.00	
69906	11/16/20	599.44 041		MISSION UNIFORM		103914	TOWELS/MATS PARACRUZ	10.50	
						103979	TOWELS/MOP/MAT	41.75	
						103985	COVID 19/UNIFORMS	391.19	
						104005	COVID 19 SUPP/TOWELS	156.00	
69907	11/16/20	2,948.29 364		OVERHEAD DOOR CO. OF SALINAS		103971	BIANNUAL SERVICE SBF	268.48	
						103972	BIANNUAL SERVICE VER	218.48	
						103973	BIANNUAL SERVICE MMF	2,461.33	
69908	11/16/20	108.57 009		PACIFIC GAS & ELECTRIC		103984	9/29-10/28 CHG STAT	26.74	
69909	11/16/20	5,104.39 043		PALACE ART & OFFICE SUPPLY		103992	10/2-11/2 SVT	81.83	
69910	11/16/20	685.00 481		PIED PIPER EXTERMINATORS, INC.		103927	COVID 19 SUPPLIES	4,916.25	
						103991	OFFICE SUPPLIES	188.14	
						103976	NOV 20 PEST SBF	255.00	
						104003	NOV 20 PEST MMF	217.50	
						104012	NOV 20 PEST OPS PARK	212.50	
69911	11/16/20	43,532.70 002939		PREFERRED BENEFIT		104019	NOV 20 DENTAL	35,117.70	
						104020	NOV 20 VSP	8,415.00	
69912	11/16/20	47.93 107A		PROBUILD COMPANY LLC		103932	PARTS ROOM SIGNAGE	47.93	
69913	11/16/20	200.00 003061		QUADIENT FINANCE USA INC		104013	****-****-****-1598	200.00	
69914	11/16/20	267.66 215		RICOH USA, INC. TX		103998	11/3-12/2 LEASE C/S	267.66	
69915	11/16/20	28.84 536		RIVERSIDE LIGHTING & ELECTRIC		103997	MISC ELECTRICAL MMF	28.84	
69916	11/16/20	2,511.20 001307		SANTA CRUZ STAFFING, LLC		104015	TWMP W/E 11/1/20	2,511.20	
69917	11/16/20	598.19 002459		SCOTT'S VALLEY WATER DISTRICT		104001	10/1-10/31 SVT	396.06	
						104010	8/5-10/5 SVT	202.13	
69918	11/16/20	1,650.00 003261		SCRITTC SOUTHERN CA REGIONAL		103999	7/1-6/30/21 MEMBERSHP	1,000.00	
69919	11/16/20	20,610.43 003292		SLINGSHOT CONNECTIONS LLP		104004	EBEV SAFETY TRAINING	650.00	
						103935	TEMP W/E 10/25/20	448.80	
						103936	TEMP W/E 10/25	448.80	
						103937	TEMP W/E 10/25	673.20	
						103938	TEMP W/E 10/25/20	1,122.00	
						103939	TEMP W/E 10/25	603.08	
						103940	TEMP W/E 10/25	1,122.00	
						103941	TEMP W/E 10/25	448.80	
						103942	TEMP W/E 10/25	1,122.00	
						103943	TEMP W/E 10/25	869.55	
						103944	TEMP W/E 10/25	911.63	
						103945	TEMP W/E 10/25	1,129.02	
						103946	TEMP W/E 10/25	1,009.80	
						103955	TEMP W/E 11/1	869.55	
						103956	TEMP W/E 11/1	1,122.00	

Attachment A

DATE 12/01/20 07:10

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

PAGE 10

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69920	11/16/20	3,963.12 003285		THE AFTERMARKET PARTS CO LLC		103957	TEMP W/E 11/1	448.80	
						103958	TEMP W/E 11/1	1,122.00	
						103962	TEMP W/E 11/1	1,122.00	
						103963	TEMP W/E 11/1	224.40	
						103964	TEMP W/E 11/1	897.60	
						103965	TEMP W/E 11/1	448.80	
						103966	TEMP W/E 11/1	224.40	
						103981	TEMP W/E 11/1	1,122.00	
						103982	TEMP W/E 11/1	929.16	
						103983	TEMP W/E 11/1	1,100.96	
						104006	TEMP W/E 11/1	1,070.08	
						103898	RPR/PARTS VEH#1201	193.33	
						103899	RPR/PARTS VEH#1201	349.77	
						103900	RPR/PARTS VEH#1201	349.77	
						103901	RPR/PARTS VEH#9801	174.67	
						103902	RPR/PARTS VEH#1201	332.44	
						103903	RPR/PARTS VEH#1206	6.94	
						103926	INVENTORY ORDER	405.02	
						103947	INVENTORY ORDER	643.02	
						103948	INVENTORY ORDER	378.49	
						103949	INVENTORY ORDER	342.07	
						103950	RPR/PARTS VEH#9824	787.60	
69921	11/16/20	24,057.10 057		U.S. BANK		104035	XXXX-XXXX-XXXX-4338	24,057.10	
69922	11/16/20	193.69 007		UNITED PARCEL SERVICE		104002	FREIGHT	193.69	
69923	11/16/20	908.03 002829		VALLEY POWER SYSTEMS, INC.		103929	INVENTORY ORDER	72.65	
						103986	INVENTORY ORDER	738.69	
						103987	INVENTORY ORDER	96.69	
69924	11/16/20	51.08 434		VERIZON WIRELESS	0	103993	10/2-11/1 CUST SERV	51.08	
69925	11/16/20	92.16 001165		VU, THANH DR. MD	7	103954	NEW HIRE EXAM	92.16	
69926	11/16/20	6,537.30 001506		WESTERN STATES OIL CO.		103978	INVENTORY ORDER	6,537.30	
69927	11/16/20	37.77 147		ZEE MEDICAL SERVICE CO.		103933	INVENTORY RESTOCKOPS	37.77	
69928	11/16/20	160.00 003347		ZORRA, FRANK		103930	SEWING MACH REPAIR	160.00	
69929	11/23/20	340.00 002069		A TOOL SHED, INC.		104048	PLANNER RENTAL SMC	340.00	
69930	11/23/20	1,426.95 003151		ABC BUS INC		104113	INVENTORY ORDER	1,426.95	
69931	11/23/20	2,105.71 003514		ACE COAST SERVICES, INC.		104090	COVID/SMC WASH STA	1,052.78	
						104091	COVID/SVT WASH STA	1,052.93	
69932	11/23/20	320.00 003541		ALBERTSONS COMPANIES, INC.		104121	2020 FLU SHOTS	320.00	
69933	11/23/20	771.49 002828		ALLIED ELECTRONICS		104075	ULTRASONIC SENSOR	771.49	
69934	11/23/20	34.55 002861		AMERICAN MESSAGING SVCS, LLC		104080	NOV 20 PAGER SERVICE	34.55	
69935	11/23/20	1,292.37 001D		AT&T		104049	10/1-10/31 WTC-VER	574.33	
						104179	10/10-11/9 INTERNET	933.35	
						104180	9/10-10/9 CREDIT	-215.31	
69936	11/23/20	3,739.24 002802		BATTERY SYSTEMS INC.		104112	INVENTORY ORDER	3,739.24	
69937	11/23/20	1,425.00 002035		BOWMAN & WILLIAMS INC		104156	OCT 20 FIRE EGRESS	1,425.00	
69938	11/23/20	15,000.00 616		BROWN ARMSTRONG ACCOUNTANCY		104170	2020 AUDIT WORK	15,000.00	
69939	11/23/20	1,188.65 914		CALTRONICS BUSINESS SYSTEMS		104114	OFFICE SUPPLIES	469.78	

Attachment A

DATE 12/01/20 07:10

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

PAGE 11

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69940	11/23/20	001159	4,561.19	CATTO'S GRAPHICS, INC.		104116	OFFICE SUPPLIES	397.67	
69941	11/23/20	002627	1,363.15	CDW GOVERNMENT, INC.		104117	OFFICE SUPPLIES	195.56	
69942	11/23/20	002109	660.00	CITY OF SANTA CRUZ/PARKING		104082	COVID 19 BUS ADS	125.64	
69943	11/23/20	003373	112.08	CITY OF SANTA CRUZ FINANCE RRF		104111	INVENTORY ORDER	4,233.44	
69944	11/23/20	001124	19,710.92	CLEAN ENERGY		104093	COVID/VIDEO DOOR SYS	327.75	
69945	11/23/20	075	96.14	COAST PAPER & SUPPLY INC.		104157	COVID 19/IP VIDEO PH	699.42	
69946	11/23/20	E1022	85.18	CRUMMIE, DAWN		104144	DEC20 PARKINGPERMITS	663.73	
69947	11/23/20	003116	327.48	CUMMINS PACIFIC LLP		104143	OCT 20 LANDFILL	660.00	
69948	11/23/20	001219	8,428.97	D&B POWER ASSOCIATES, INC		104072	10/30 LNG CHARGES	112.08	
69949	11/23/20	003131	1,430.40	DYNAMIC SYSTEMS INC		104073	10/27 LNG CHARGES	5,801.91	
69950	11/23/20	003274	1,395.06	EAST BAY TIRE CO.		104074	10/20 LNG CHARGES	6,612.12	
69951	11/23/20	003485	1,560.00	EMPLOYNET INC		104074	10/20 LNG CHARGES	7,296.89	
69952	11/23/20	298	875.62	ERGOMETRICS& APPLIED PERSONNEL		104044	INVENTORY ORDER MMF	96.14	
69953	11/23/20	039	859.09	FEDEX OFFICE		104094	VETERANS DAY SIGNS	85.18	
69954	11/23/20	002295	49,289.54	FIRST ALARM SECURITY & PATROL		104070	INV/RPR VEH#4205	324.61	
69955	11/23/20	001302	337.30	GARDA CL WEST, INC.		104071	INVENTORY ORDER	2.87	
69956	11/23/20	117	1,339.12	GILLIG LLC		104139	BATTERIES	8,428.97	
69957	11/23/20	282	10.61	GRAINGER		104152	7/20-7/21 SUPPORT	1,430.40	
69958	11/23/20	001097	1,053.00	GREENWASTE RECOVERY, INC.		104067	REV TIRES	168.76	
69959	11/23/20	003109	33,382.60	HANSON BRIDGETT LLP		104068	REV TIRES	1,020.12	
						104069	INV ORDER/ REV TIRES	206.18	
						104077	TEMP W/E 11/8	540.00	
						104110	TEMP W/E 11/8	1,020.00	
						104120	PRE EMPLOYMENT TESTS	875.62	
						104133	BANNER	463.18	
						104134	A-FRAME WINDOW CS	395.91	
						104135	OCT 20 SECURITY	49,289.54	
						104169	NOV 20 SERVICES	337.30	
						104050	INVENTORY ORDER	768.61	
						104061	RPR/PARTS VEH#4209	55.31	
						104062	RPR/PARTS VEH#4207	64.22	
						104109	BUS SEAT COVERS	450.98	
						104092	MOP HOLDERS SBF	10.61	
						104181	OCT20 AIRPORT/FREED	61.28	
						104182	OCT20 GREEN VALLEY	61.28	
						104183	OCT 20 PRC	376.84	
						104184	OCT 20 SVT	247.20	
						104185	OCT 20 FREEDOM	61.28	
						104186	OCT20 FREEDOM/BOWKER	61.28	
						104187	OCT20 HWY1&BEARCREEK	183.84	
						104172	OCT 20 RETAINER	24,000.00	
						104173	OCT M#032117.006028	920.70	
						104174	OCT M#032117.006026	660.80	
						104175	OCT M#032117.006024	4,410.10	
						104176	OCT M#032117.006007	123.90	
						104177	OCT M#032117.006001	169.60	

Attachment A

DATE 12/01/20 07:10

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

PAGE 12

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69960	11/23/20	6,577.82 003223	JASPER WELLER LLC	104178	OCT M#032117.001001	3,097.50			
				104148	RPR/PARTS VEH#2214	2,627.46			
				104149	RPR/PARTS VEH#2215	4,580.71			
				104150	VEH#2221TRANSMISSION	4,591.22			
				104151	CORE CREDIT	-5,221.57			
69961	11/23/20	816.76 003442	JOHNSON CONTROLS INC	104141	12/20-2/21ALARM1200B	816.76			
69962	11/23/20	181.48 1117	KELLEY'S SERVICE INC.	104063	PARTS/INV VEH#2215	181.48			
69963	11/23/20	2,206.03 003273	MGP XI REIT LLC	104153	DEC 20 RENT CAPITOLA	2,206.03			
69964	11/23/20	572.67 041	MISSION UNIFORM	104045	TOWELS/MATS PC	10.50			
				104047	LAUNDRY/CUSTODIAL	25.25			
				104076	TOWELS/MOP/MAT MMF	41.75			
				104107	COVID 19 SUPP/TOWELS	156.00			
				104108	COVID19 SUP/UNIFORMS	339.17			
69965	11/23/20	142.77 002721	NEXTEL COMMUNICATIONS/SPRINT	104083	9/26-10/25 OPS	142.77			
69966	11/23/20	2,488.73 003504	ORR SAFETY CORPORATION	104146	COVID 19 SUPPLIES	2,352.35			
				104147	COVID 19 SUPPLIES	136.38			
69967	11/23/20	4,266.02 009	PACIFIC GAS & ELECTRIC	104142	10/2-11/2 SVT,WTC,PS	3,377.60			
				104161	10/8-11/1 PARACRUZ	888.42			
69968	11/23/20	209.37 043	PALACE ART & OFFICE SUPPLY	104039	OFFICE SUPPLIES	115.77			
				104122	SPACE HEATER	68.49			
				104131	CALENDARS	25.11			
69969	11/23/20	3,320.25 003376	PASSPORT SOFTWARE INC	104158	2020 ACA FULL SERV	3,320.25			
69970	11/23/20	1,685.00 002947	PEDX COURIER AND CARGO	104084	OCT 20 COURIER SERV	1,685.00			
69971	11/23/20	737.51 107A	PROBUILD COMPANY LLC	104040	MISC. HARDWARE SMC	11.15			
				104041	VAC BAGS/FILTERS SMC	92.38			
				104042	SHELF SUPPORT VERNON	3.92			
				104043	FAUCET REPAIR VERNON	17.20			
				104078	FENCE REPAIR PNR	41.24			
				104079	SENSOR INSTALL SBF	8.15			
				104085	SINKHOLE REPAIR MMF	133.36			
				104086	CUST SERV WINDOW WTC	25.90			
				104087	SINKHOLE REPAIR MMF	317.52			
				104088	SINKHOLE REPAIR MMF	80.62			
				104132	AERATORS SBF	6.07			
69972	11/23/20	925.00 003420	RICHARD HOWARD	104140	CARPET CLEANING ADM	925.00			
69973	11/23/20	331.53 003024	RICOH USA, INC CA	104136	NOV 20 LEASE OPS	110.17			
				104137	8/1-10/31 COPIES C/S	221.36			
69974	11/23/20	453.39 003154	ROMAINE ELECTRIC CORP	104129	RPR/PARTS VEH#2215	453.39			
69975	11/23/20	28.34 135	SANTA CRUZ AUTO PARTS, INC.	104128	INVENTORY ORDER	28.34			
69976	11/23/20	131.68 848	SANTA CRUZ ELECTRONICS, INC.	104118	OFFICE SUPPLIES	127.37			
				104119	OFFICE SUPPLIES	4.31			
69977	11/23/20	2,432.73 001307	SANTA CRUZ STAFFING, LLC	104171	TEMP W/E 11/8	2,432.73			
69978	11/23/20	123.20 149	SANTA CRUZ SENTINEL	104160	OCT 20 LEGAL ADS	123.20			
69979	11/23/20	4,150.00 001277	SUB GLOBALNET, INC.	104138	OCT 20 SERVICE	2,075.00			
				104145	NOV 20 SERVICE	2,075.00			
69980	11/23/20	10,091.68 003292	SLINGSHOT CONNECTIONS LLP	104095	TEMP W/E 11/8	673.20			

Attachment A

DATE 12/01/20 07:10

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

PAGE 13

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69981	11/23/20	134.39 115		SNAP-ON INDUSTRIAL		104096	TEMP W/E 11/8	589.05	
69982	11/23/20	16,776.02 001075		SOQUEL III ASSOCIATES	7	104097	TEMP W/E 11/8	448.80	
69983	11/23/20	1,645.08 001232		SPECIALIZED AUTO AND		104098	TEMP W/E 11/8	434.78	
69984	11/23/20	3,688.48 003465		SWIFT CONSULTING SERVICES INC		104099	TEMP W/E 11/8	1,122.00	
69985	11/23/20	10.08 002199		TACONY CORPORATION		104100	TEMP W/E 11/8	1,114.99	
69986	11/23/20	5,132.60 003285		THE AFTERMARKET PARTS CO LLC		104101	TEMP W/E 11/8	1,122.00	
						104102	TEMP W/E 11/8	434.78	
						104103	TEMP W/E 11/8	1,122.00	
						104104	TEMP W/E 11/8	1,058.89	
						104105	TEMP W/E 11/8	901.11	
						104123	TEMP W/E 11/8	1,070.08	
						104127	TORQUE SCREWDRIVER	134.39	
						104154	DEC 20 RENT RESEARCH	16,776.02	
						104046	INSECTON VEHPC2404	1,645.08	
						104188	OCT20 PCFAC DEVELOP	3,688.48	
						104130	SHOP EXTRACTOR	10.08	
						104051	INVENTORY ORDER	2,315.86	
						104052	REAR AXLE INSTALLER	354.88	
						104053	INVENTORY ORDER	314.17	
						104054	SHOP TOOL/PRESS DYES	118.04	
						104055	INVENTORY ORDER	131.78	
						104056	RPR/PARTS VEH#2215	1,019.49	
						104057	INVENTORY ORDER	216.26	
						104058	RPR/PARTS VEH#2210	181.96	
						104059	CREDIT FOR AIR GAUGE	-80.30	
						104060	RPR/PARTS VEH#2322	80.30	
						104064	CREDIT RETURN #1206	-491.63	
						104065	CREDIT RETURN	-131.78	
						104066	RPR/PARTS VEH#2322	296.78	
						104106	RPR/PARTS VEH #2215	806.79	
						104155	2021 MEMBERSHIP DUES	7,500.00	
						104124	INVENTORY ORDER	4,579.90	
						104125	INVENTORY ORDER	177.36	
						104126	RPR/PARTS VEH#2217	139.88	
						104036	10/2-11/1 PARACRUZ	714.39	
						104037	10/2-11/1 PARACRUZ	308.88	
						104038	10/2-11/1 MMF	232.76	
						104162	NEW HIRE EXAM	17.16	
						104163	DMV EXAM	75.00	
						104164	DMV EXAM	75.00	
						104165	DMV EXAM	75.00	
						104166	DMV EXAM	75.00	
						104167	DMV EXAM	75.00	
						104168	DMV EXAM	75.00	
						104081	FIRST AID SUPPLIES	27.06	
						104089	INVENTORY RESTOCK MMF	309.87	
69991	11/23/20	336.93 147		ZEE MEDICAL SERVICE CO.					

Attachment A

DATE 12/01/20 07:10

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

PAGE 14

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69992	11/23/20	3,533.16 003544	ZOOM VIDEO COMMUNICATIONS, INC	104159	8/20-8/21 ANN SUBSCR	3,533.16			
69993	11/30/20	4.69 002941	AA SAFE & SECURITY CO	104249	DESK KEY VERNON	4.69			
69994	11/30/20	1,500.00 003523	ACCO-WILSON INC	104305	BACKFLOW TESTING	1,500.00			
69995	11/30/20	236.95 002828	ALLIED ELECTRONICS	104262	INVENTORY ORDER	236.95			
69996	11/30/20	70.69 003534	ARGUS GROUP HOLDINGS, LLC	104227	SAFETY/RAIN GEAR	70.69			
69997	11/30/20	6,426.52 001D	AT&T	104248	10/13-11/12 VER-SMC	1,818.37			
				104291	10/19-11/18 OPS	158.80			
				104292	10/19-11/18 MAIN	4,449.35			
69998	11/30/20	396.00 003271	AUTO CARE TOWING	104263	REV VEH#2215 TOW	396.00			
69999	11/30/20	12,227.19 003199	B & H FOTO & ELECTRONICS CORP	104229	COVID 19 SUPPLIES	300.38			
				104230	COVID 19 LAPTOP ADM	840.13			
				104231	COVID 19 LAPTOP	840.13			
				104232	THIN CLIENTS REORDER	4,577.58			
				104233	THIN CLIENTS REORDER	4,359.08			
				104234	COVID 19 TABLETS	327.73			
				104235	COVID19 LAPTOP IT	982.16			
70000	11/30/20	45.93 002363	BATTERIES PLUS #314	104221	BATTERIES OPS	45.93			
70001	11/30/20	3,753.54 001356	BRENCO OPERATING-TEXAS, LP	104261	PARTS ORDER VEH#2215	3,753.54			
70002	11/30/20	15,136.34 003320	CENTER FOR TRANSPORTATION AND	104222	OCT20TRANSITION PLAN	5,669.06			
				104285	9/20 TRANSITION PLAN	9,467.28			
70003	11/30/20	56.53 130	CITY OF WATSONVILLE UTILITIES	104239	10/13-11/10 WTC	56.53			
70004	11/30/20	2,424.49 909	CLASSIC GRAPHICS	104260	RPR VEH# 2810	2,424.49			
70005	11/30/20	1,376.14 003039	CLEAN AIR TECHNOLOGIES INC	104265	VACUUM HOSES FUEL IS	1,376.14			
70006	11/30/20	7,279.80 001124	CLEAN ENERGY	104211	11/3 LNG CHARGES	7,279.80			
70007	11/30/20	187.47 075	COAST PAPER & SUPPLY INC.	104201	INVENTORY ORDER	187.47			
70008	11/30/20	302.53 163	COMMUNITY PRINTERS, INC.	104238	COVID 19 SUPPLIES	224.38			
				104241	COVID 19 SUPPLIES	78.15			
70009	11/30/20	215.00 367	COMMUNITY TELEVISION OF	104225	10/23 BOD MEETING	215.00			
70010	11/30/20	366.06 003116	CUMMINS PACIFIC LLP	104206	RPR/PARTS VEH#4206	342.56			
				104218	INVENTORY ORDER	23.50			
70011	11/30/20	2,422.10 003274	EAST BAY TIRE CO.	104202	REVENUE TIRES	1,083.22			
				104203	REVENUE TIRES	567.97			
				104204	REVENUE TIRES	201.81			
				104205	REVENUE TIRES	412.35			
				104210	REVENUE TIRES	156.75			
70012	11/30/20	864.00 003485	EMPLOYNET INC	104200	TEMP W/E 11/8	324.00			
				104298	TEMP W/E 11/15	540.00			
70013	11/30/20	1,008.00 432	EXPRESS SERVICES INC.	104304	TEMP W/E 11/8	1,008.00			
70014	11/30/20	290.21 001172	FERGUSON ENTERPRISES INC. #795	104226	W/S COMM KIT SBF	290.21			
70015	11/30/20	57.36 003279	FRONTIER COMMUNICATIONS - 3025	104302	11/16-12/15SKY/RIVER	57.36			
70016	11/30/20	300.00 647	GENFARE A DIV OF SPX CORP	104224	CONFIGR PEM IDS/PINS	300.00			
70017	11/30/20	1,452.20 117	GILLIG LLC	104198	INVENTORY ORDER	25.70			
				104199	BUS SEAT COVERS	600.50			
				104246	INVENTORY ORDER	707.42			
				104247	RPR/PARTS VEH# 4208	118.58			
70018	11/30/20	2,648.75 282	GRAINGER	104191	INVENTORY ORDER	533.31			

Attachment A

DATE 12/01/20 07:10

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

PAGE 15

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70019	11/30/20	001144	2,358.00	HARTFORD FIRE/FLOOD INS CO		104197	INVENTORY ORDER	335.70	
70020	11/30/20	002979	3,014.13	HUNT & SONS, INC.		104240	EXTRACTOR/HOSE KIT	971.20	
70021	11/30/20	003327	3,038.33	IO, RODNEY H		104250	INVENTORY ORDER MMF	326.01	
						104251	PARTITION HOOKS MMF	16.05	
						104252	DRAIN VALVES SBF	405.30	
						104253	ELECTRODE SOLUTION	61.18	
						104278	12/13-12/12/21 1200A	2,358.00	
						104196	INVENTORY ORDER	3,014.13	
						104193	RPR VEH#PC1703	136.40	
						104194	RPR VEH# PC1126	819.34	
						104195	RPR VEH#PC1125	1,401.48	
						104266	RPR VEH# PC1714	681.11	
						104192	RPR/PARTS VEH#401	160.50	
						104215	CREDIT RETURN	-17.48	
						104216	RPR/PARTS VEH#502	103.23	
						104217	INVENTORY ORDER	49.16	
						104243	INVENTORY ORDER	16.30	
						104244	INVENTORY ORDER	105.56	
						104245	INVENTORY ORDER	15.05	
						104256	STEAM CLEANER SMC	94.39	
70023	11/30/20	002240	94.39	KLEEN-RITE PRESSURE WASHERS	7	104256	STEAM CLEANER SMC	94.39	
70024	11/30/20	002852	884.00	LAW OFFICES OF MARIE F. SANG	7	104279	CL#11000452/11001281	136.00	
						104280	CL#19004440	748.00	
						104228	TOWELS/MATS PRC	10.50	
						104242	UNIFORMS/LAUNDRY	25.25	
						104255	TOWELS/MOP/MAT MMF	41.75	
						104259	UNIFORM REPAIRS	54.00	
						104271	INVENTORY ORDER	4,224.34	
70026	11/30/20	003504	11,118.26	ORR SAFETY CORPORATION		104272	INVENTORY ORDER	4,226.33	
						104275	COVID 19 SUPPLIES	2,667.59	
						104269	RPR/PARTS VEH#2215	72.63	
						104276	CREDIT RETURN	-4.60	
						104220	OFFICE SUPPLIES	38.96	
						104290	PEST WTC RESTAURANT	79.50	
						104281	MISC HARDWARE OPS	5.48	
						104282	DOOR HOLDER MMF	10.31	
						104283	CORNER BRACES VERNON	19.41	
						104284	SAWZALL BLADES SMC	16.38	
						104286	SHELF WTC	15.06	
						104287	HOSE HANGER MMF	4.91	
						104288	5 GALLON BUCKETS SMC	22.88	
						104289	PUTTY KNIFE/SPACKLE	11.88	
						104303	BUSINESS CARDS	85.22	
						104190	CARPET CLEANING ADM	760.00	
						104299	T8 TUBE OPS	14.38	
						104300	BOX COVER SBF	5.72	
						104301	OUTDOOR COVER SBF	16.67	
70031	11/30/20	882	85.22	RANDY WEST	7				
70032	11/30/20	003420	760.00	RICHARD HOWARD					
70033	11/30/20	536	36.77	RIVERSIDE LIGHTING & ELECTRIC					

Attachment A

DATE 12/01/20 07:10

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

PAGE 16

DATE: 11/01/20 THRU 11/30/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70034	11/30/20	154.05 135	SANTA CRUZ AUTO PARTS, INC.	104267			INVENTORY ORDER	78.18	
70035	11/30/20	9,754.67 079	SANTA CRUZ MUNICIPAL UTILITIES	104268			INVENTORY ORDER	75.87	
				104293			10/1-10/31 IRRIG VER	143.34	
				104294			10/1-10/31 1200RIVER	49.80	
				104295			10/7-11/5 CEDARWALNUT	1,050.60	
				104296			10/7-11/5 SMC	50.55	
				104297			10/7-11/5 IRRIG MMF	11.83	
				104306			10/7-11/5 OPS	355.67	
				104307			10/7-11/5 SBF	3,135.39	
				104308			10/7-11/5 MMF	1,436.45	
				104309			10/7-11/5 VERNON	528.62	
				104310			10/7-11/5 SMC	2,949.31	
				104311			10/7-11/5 PACIFIC IS	43.11	
70036	11/30/20	2,511.20 001307	SANTA CRUZ STAFFING, LLC	104277			TEMP W/E 11/15	2,511.20	
70037	11/30/20	639.17 003545	SCHINDLER ELEVATOR CORPORATION	104254			NOV 20 MAINT ALL	639.17	
70038	11/30/20	2,500.00 002267	SHAW YODER ANTWH	104258			NOV 20 LEGISLATE SVC	2,500.00	
70039	11/30/20	292.37 001040	TERRYBERRY CO., LLC	104257			ANNIVERSARY AWARDS	292.37	
70040	11/30/20	4,435.30 003285	THE AFTERMARKET PARTS CO LLC	104189			INVENTORY ORDER	72.36	
				104207			RPR/PARTS VEH#1207	33.50	
				104208			RPR/PARTS VEH#2215	1,477.50	
				104209			INVENTORY ORDER	942.15	
				104214			INVENTORY ORDER	810.55	
				104219			INVENTORY ORDER	20.04	
				104264			RPR/PARTS VEH#2229	984.58	
				104273			CREDIT RETURN	-87.34	
				104274			RPR/PARTS VEH#2215	181.96	
				104213			FREIGHT	132.88	
70041	11/30/20	132.88 007	UNITED PARCEL SERVICE	104213			10/13-11/12 BUS WIFI	912.24	
70042	11/30/20	912.24 434	VERIZON WIRELESS	104223	0		VEH502/804 RADIO RPR	353.00	
70043	11/30/20	1,818.00 001353	VISION COMMUNICATIONS	104212			SL FIELD SVC RPR	353.00	
				104236			SL FIELD SVC REPAIR	1,112.00	
70044	11/30/20	1,030.00 T350	LIDIA MENDEZ	104313			DEPOSIT REFUND	500.00	
70045	11/30/20	425.00 T349	VERONICA GARCIA	104314			OCT 20 RENT REFUND	530.00	
TOTAL		970,997.07	ACCOUNTS PAYABLE	104312			SECURITY DEPOSIT REF	425.00	
							TOTAL CHECKS	276	970,997.07

Attachment B

DATE 01/04/21 12:19

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

PAGE 1

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
68628	12/15/20	-531.92 003268		TWO GO LLC		100910	RPR VEH #1124 PC	-531.92	**VOID
70046	12/02/20	125.55 001272		CITY OF SANTA CRUZ - PLANNING		104396	PERMITFIREEGRESSMMF	125.55	
70047	12/07/20	76.48 003151		ABC BUS INC		104330	INVENTORY ORDER	76.48	
70048	12/07/20	281.44 001D		AT&T		104318	10/19-11/18 OCEAN	281.48	
70049	12/07/20	5,221.08 001348		ATHENS INSURANCE SERVICE, INC.		104319	10/19-11/18DAVENPORT	0.26	
70050	12/07/20	49.54 002689		B & B SMALL ENGINE CORP		104450	DEC 20 TPA FEES	5,221.08	
70051	12/07/20	1,055.00 002931		CALACT		104321	BAR OIL WOODCUT	16.87	
70052	12/07/20	1,365.28 130		CITY OF WATSONVILLE UTILITIES		104328	TRIMMER LINE	32.67	
70053	12/07/20	686.25 733		CLAREMONT EAP		104435	2021 MEMBERSHIP	1,055.00	
70054	12/07/20	1,657.20 909		CLASSIC GRAPHICS		104431	10/19-11/16WATER WTC	104.75	
70055	12/07/20	6,226.81 001124		CLEAN ENERGY		104432	10/19-11/16WATER WTC	87.09	
70056	12/07/20	70.79 075		COAST PAPER & SUPPLY INC.		104433	10/19-10/22WATER WTC	162.22	
70057	12/07/20	2,890.00 003034		COASTAL LANDSCAPING INC. DBA		104434	11/18 WASTE WTC	1,011.22	
70058	12/07/20	150.77 019		CONNOR WATER SYSTEMS DBA RAYNE		104320	DEC 20 EAP PREMIUM	686.25	
70059	12/07/20	39.08 002814		CREATIVE BUS SALES, INC.		104331	RPR VEH# 2808	1,657.20	
70060	12/07/20	110.00 003120		CSMFO MEMBERSHIP		104332	11/6 LNG CHARGES	6,226.81	
70061	12/07/20	1,350.74 003116		CUMMINS PACIFIC LLP		104333	INVENTORY ORDER	70.79	
70062	12/07/20	4,438.33 003274		EAST BAY TIRE CO.		104439	DEC 20 LANDSCAPING	2,890.00	
70063	12/07/20	1,556.63 003485		EMPLOYNET INC		104441	SALT INV ORDER MMF	150.77	
70064	12/07/20	2,313.15 432		EXPRESS SERVICES INC.		104447	INVENTORY ORDER	39.08	
70065	12/07/20	1,290.88 001297		FASTENAL COMPANY INC		104449	2021 MEMBERSHIP	110.00	
						104334	INVENTORY ORDER	1,396.10	
						104335	INVENTORY ORDER	31.66	
						104336	INVENTORY ORDER	15.86	
						104337	INVENTORY ORDER	32.64	
						104338	CREDIT RETURN	-125.52	
						104339	REVENUE TIRES	851.96	
						104340	REVENUE TIRES	1,083.22	
						104341	REVENUE TIRES	1,083.22	
						104342	REVENUE TIRES	567.97	
						104343	REVENUE TIRES	851.96	
						104344	TEMP W/E 11/8	135.00	
						104345	TEMP W/E 11/15	809.63	
						104442	TEMP W/E 11/22	612.00	
						104327	TEMP W/E 11/15	1,008.00	
						104421	TEMP W/E 11/15	450.52	
						104422	TEMP W/E 11/8	854.63	
						104346	NON INVENTORY ORDER	281.84	
						104347	NON INVENTORY ORDER	58.08	
						104348	NON INVENTORY ORDER	78.00	
						104349	NON INVENTORY ORDER	57.73	
						104350	NON INVENTORY ORDER	357.43	
						104351	NON INVENTORY ORDER	137.21	
						104352	INVENTORY ORDER	773.10	
						104409	CREDIT RETURN	-85.96	
						104410	CREDIT RETURN	-155.59	

Attachment B

DATE 01/04/21 12:19

PAGE 2

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

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
						104411	CREDIT RETURN	-176.55	
						104412	CREDIT RETURN	-33.80	
						104413	CREDIT RETURN	-0.61	
70066	12/07/20		25.00	FEDEX OFFICE		104448	LATE FEE	25.00	
70067	12/07/20		1,175.46	FIS		104444	OCT 20 MERCHANT FEES	568.00	
						104445	SEP 20 MERCHANT FEES	607.46	
70068	12/07/20		57.36	FRONTIER COMMUNICATIONS - 6145		104317	11/13-12/12 SKYLINE	57.36	
70069	12/07/20		1,891.00	GENFARE A DIV OF SPX CORP		104353	RPR/PARTS VEHH2602	31.79	
						104354	INVENTORY ORDER	659.21	
						104416	FARE STRUCTURE MOD	900.00	
						104417	TECH SUPPORT TVM	300.00	
70070	12/07/20		849.08	GILLIG LLC		104355	INVENTORY ORDER	849.08	
70071	12/07/20		56.39	GOUVEIA, ROBERT	0	104399	DEC 20 RETIREE SUPP	56.39	
70072	12/07/20		162.42	GRAINGER		104329	CARPET CLEANER	56.96	
						104356	INVENTORY ORDER	18.42	
						104357	INVENTORY ORDER	87.04	
70073	12/07/20		3,900.00	KANEKO AND KRAMMER CORP		104437	10/20 CLASS/COMP CS	3,600.00	
						104438	11/20 CLASS/COMP CS	300.00	
70074	12/07/20		73.47	KELLEY'S SERVICE INC.		104358	INVENTORY ORDER	73.47	
70075	12/07/20		398.33	MID VALLEY SUPPLY INC.		104359	COVID 19 SUPPLIES	398.33	
70076	12/07/20		254.50	MISSION UNIFORM		104326	LAUNDRY/CUSTODIAL	25.25	
						104360	COVID19 SUPPL/TOWELS	156.00	
						104361	UNIFORM REPAIR	27.00	
						104424	CUSTODIAL/LAUNDRY	25.25	
						104425	TOWELS/MATS PRC	10.50	
						104427	TOWELS/MATS PRC	10.50	
70077	12/07/20		1,600.82	NORTH BAY FORD LINC-MERCURY		104368	INVENTORY ORDER	1,600.82	
70078	12/07/20		2,367.11	PACIFIC GAS & ELECTRIC		104443	10/23-11/22 RIVER ST	2,367.11	
70079	12/07/20		1,744.35	PACIFIC TRUCK PARTS, INC.		104451	INVENTORY ORDER	1,744.35	
70080	12/07/20		126.80	PALACE ART & OFFICE SUPPLY		104316	OFFICE SUPPLIES	63.43	
						104423	OFFICE SUPPLIES	63.37	
70081	12/07/20		56.39	PEREZ, CHERYL		104400	DEC 20 RETIREE SUPP	56.39	
70082	12/07/20		416.00	PIED PIPER EXTERMINATORS, INC.		104323	NOV20 PEST SMCBETTYS	60.00	
						104324	NOV20 PEST SMCMARKET	55.50	
						104325	NOV20 PEST SMC KIOSK	40.00	
						104440	NOV 20 PEST VERNON	260.50	
70083	12/07/20		22.60	PROBUILD COMPANY LLC		104322	RATCHET TIE DOWN	22.60	
70084	12/07/20		157.62	QUADIENT LEASING USA, INC.		104315	11/28-12/27 LEASE	157.62	
70085	12/07/20		255.50	QUEST DIAGNOSTIC INC.		104436	11/24 DOT DRUG TESTS	255.50	
70086	12/07/20		143.58	RICOH USA, INC CA		104406	11/12-12/11 RIVER	76.82	
						104426	11/14-12/13 PARACRUZ	66.76	
70087	12/07/20		20,266.71	S & A SYSTEMS INC		104415	8/21-7/23 MAINT/SUPP	20,266.71	
70088	12/07/20		96.48	SANTA CRUZ AUTO PARTS, INC.		104370	INVENTORY ORDER	96.48	
70089	12/07/20		39,720.65	SANTA CRUZ METRO TRANSIT W/C		104403	NOV 20 REPLENISH W/C	39,720.65	
70090	12/07/20		2,511.20	SANTA CRUZ STAFFING, LLC		104446	TEMP W/E 11/22	2,511.20	
70091	12/07/20		22,913.58	SLINGSHOT CONNECTIONS LLP		104371	TEMP W/E 11/15	1,132.52	

Attachment B

DATE 01/04/21 12:19

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

PAGE 3

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70092	12/07/20	218.50 115		SNAP-ON INDUSTRIAL		104372	TEMP W/E 11/15	890.59	
70093	12/07/20	49.68 001232		SPECIALIZED AUTO AND		104373	TEMP W/E 11/15	1,122.00	
70094	12/07/20	263.84 001040		TERRYBERRY CO., LLC		104374	TEMP W/E 11/15	448.80	
70095	12/07/20	794.10 003285		THE AFTERMARKET PARTS CO LLC		104375	TEMP W/E 11/15	1,122.00	
70096	12/07/20	39.60 007		UNITED PARCEL SERVICE		104376	TEMP W/E 11/15	1,122.00	
70097	12/07/20	1,125.00 001353		VISION COMMUNICATIONS		104377	TEMP W/E 11/15	448.80	
70098	12/07/20	72.00 003290		WORKFORCEQA LLC		104378	TEMP W/E 11/15	722.29	
70099	12/07/20	358.00 915		WORKIN.COM, INC.		104379	TEMP W/E 11/15	561.00	
70100	12/07/20	11,536.79 009		PACIFIC GAS & ELECTRIC		104380	TEMP W/E 11/15	448.80	
70101	12/14/20	624.38 002069		A TOOL SHED, INC.		104381	TEMP W/E 11/15	448.80	
						104382	TEMP W/E 11/15	224.40	
						104383	TEMP W/E 11/15	1,122.00	
						104384	TEMP W/E 11/22	1,122.00	
						104385	TEMP W/E 11/22	1,122.00	
						104386	TEMP W/E 11/22	890.59	
						104387	TEMP W/E 11/22	441.79	
						104388	TEMP W/E 11/22	1,009.80	
						104389	TEMP W/E 11/22	673.20	
						104390	TEMP W/E 11/22	1,122.00	
						104391	TEMP W/E 11/22	1,122.00	
						104392	TEMP W/E 11/22	1,009.80	
						104393	TEMP W/E 11/22	441.79	
						104394	TEMP W/E 11/22	497.89	
						104395	TEMP W/E 11/22	1,122.00	
						104401	TEMP W/E 11/15	1,337.60	
						104402	TEMP W/E 11/22	1,187.12	
						104418	SHOP TOOL	218.50	
						104419	SMOG VEH #PC1123	49.68	
						104397	ANNIVERSARY AWARD	117.95	
						104408	ANNIVERSARY AWARD	145.89	
						104362	RPR/PARTS VEH#1206	66.94	
						104363	RPR/PARTS VEH #9801	87.34	
						104364	RPR/PARTS VEH#1201	3.86	
						104365	INVENTORY ORDER	429.18	
						104366	RPR/PARTS VEH# 1206	159.59	
						104367	RPR/PARTS VEH# 1005	37.19	
						104420	FREIGHT	49.60	
						104428	RPR HANDHELD RADIO	375.00	
						104429	RPR HANDHELD RADIO	375.00	
						104430	RPR HANDHELD RADIO	375.00	
						104404	OCT 20 MRO SERVICES	72.00	
						104405	JOB PLACEMENT AD CS	358.00	
						104452	10/24-11/23 1122 RIV	376.46	
						104453	10/23-11/22 VERNON	5,003.51	
						104454	10/23-11/22 MMF	6,156.82	
						104475	TRAILER RENTAL	169.38	

Attachment B

DATE 01/04/21 12:19

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

PAGE 4

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70102	12/14/20	003507	2,190.00	ACHIEVEMENT ENGINEERING CORP		104524	FORKLIFT RENTAL	455.00	
						104513	8/31 FIRE EGRESS	1,000.00	
						104514	10/31 FIRE EGRESS	1,190.00	
70103	12/14/20	382	1,623.00	AIRTEC SERVICE INC.		104533	PREVENT MAINT MMF	973.00	
						104534	PREVENT MAINT PRC	262.00	
						104535	PREVENT MAINT SMC	388.00	
70104	12/14/20	002363	127.10	BATTERIES PLUS #314		104477	BATTERY BS 2637	63.55	
						104478	BATTERY BS 2638	63.55	
70105	12/14/20	002035	555.00	BOWMAN & WILLIAMS INC		104463	11/20 FIRE EGRESSMMF	555.00	
70106	12/14/20	588	10,520.53	CALTIP		104464	NOV 20 CODE=5100	10,520.53	
70107	12/14/20	002034	2,754.64	CARLON'S FIRE EXTINGUISHER		104461	PRESSURE SWITCH OPS	520.00	
						104486	PYROCHEM SERVICE WTC	249.71	
						104487	FIRE EXT SERVICE MMF	664.77	
						104488	FIRE EXT SERVICE SVT	50.50	
						104489	FIRE EXT SERVICE OPS	198.50	
						104490	FIRE EXT SERVICE SBF	110.50	
						104491	FIRE EXT SERVICE SMC	331.16	
						104492	FIRE EXT SER VER	482.00	
						104493	FIRE EXT SERVICE WTC	147.50	
70108	12/14/20	001159	2,097.87	CATTO'S GRAPHICS, INC.		104470	BUS STOP STICKERS	1,914.33	
						104482	ONBOARD MASKSTICKERS	183.54	
70109	12/14/20	667	92.98	CITY OF SCOTT'S VALLEY		104485	9/16-11/15 SVT	92.98	
70110	12/14/20	001124	14,842.00	CLEAN ENERGY		104455	NOV 20 MAINT	14,842.00	
70111	12/14/20	075	1,077.20	COAST PAPER & SUPPLY INC.		104522	INVENTORY ORDER	968.17	
						104474	COVID 19 SUPPLIES	109.03	
70112	12/14/20	003533	10,620.00	COIT SERVICES, INC.		104458	AIR DUCT CLEANING	10,620.00	
70113	12/14/20	001501	859.66	D & G SANITATION		104459	WASH STATION WTC	283.18	
						104460	WASH STATION SV	288.24	
						104456	WASH STATION PAC STA	288.24	
70114	12/14/20	003520	5,853.66	DONNA NORTH		104526	COVID 19/BARRIER VER	5,853.66	
70115	12/14/20	003485	1,992.00	EMPLOYNET INC		104457	TEMP W/E 11/29	432.00	
						104462	TEMP W/E 11/22	540.00	
						104508	TEMP W/E 11/29	604.80	
						104509	TEMP W/E 11/22	1,008.00	
70116	12/14/20	432	2,509.22	EXPRESS SERVICES INC.		104519	TEMP W/E 11/29	896.42	
						104516	INVENTORY ORDER	85.96	
70117	12/14/20	001297	85.96	FASTENAL COMPANY INC		104525	WINTER HEADWAYS	444.98	
70118	12/14/20	039	444.98	FEDEX OFFICE		104512	DEC 20 VAULT SERVICE	5,139.07	
70119	12/14/20	001302	5,139.07	GARDA CL WEST, INC.		104473	NOV 20 CHEM TEST	275.00	
70120	12/14/20	003316	275.00	GLOBAL WATER TECHNOLOGY INC		104479	HOSE SWIVEL SBF	71.56	
70121	12/14/20	282	202.01	GRAINGER		104480	BATTERY INV ORDER	130.45	
						104498	NOV20 OUTFALL MITIG	908.13	
70122	12/14/20	003284	908.13	KEISH ENVIRONMENTAL PC CORP		104536	PAINT GEN ENCL MMF	68.86	
70123	12/14/20	036	1,165.46	KELLY-MOORE PAINT CO., INC.		104537	BUS BENCH PAINT	1,096.60	
						104505	DEC 20 LEASE PAYMENT	23,627.38	

Attachment B

DATE 01/04/21 12:19

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

PAGE 5

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70125	12/14/20	003368	2,552.00	MDC SYSTEMS CORP		104497	SENSOR CAL/TESTING	2,552.00	
70126	12/14/20	041	108.75	MISSION UNIFORM		104476	TOWELS/MOP/MAT MMF	41.75	
						104481	TOWELS/MOP/MAT	41.75	
						104507	LAUNDRY/CUSTODIAL	25.25	
70127	12/14/20	003542	300.00	NATALIE NIEMAN		104527	HOLIDAY GRAPHIC DES	300.00	
70128	12/14/20	009	7,602.66	PACIFIC GAS & ELECTRIC		104506	10/29-11/30 CHG STA	29.40	
						104520	10/28-11/29 OPS	4,339.77	
						104521	10/28-11/29 SMC	3,233.49	
70129	12/14/20	043	2,320.28	PALACE ART & OFFICE SUPPLY		104467	OFFICE SUPPLIES	123.31	
						104500	COVID 19 SUPPLIES	2,196.97	
						104501	COVID 19 SUPPLIES	4.36	
						104502	CREDIT RETURN	-4.36	
70130	12/14/20	481	685.00	PIED PIPER EXTERMINATORS, INC.		104504	DEC 20 PEST OPS PARK	212.50	
						104494	DEC 20 PEST SBF	255.00	
						104495	DEC 20 PEST SBF	217.50	
70131	12/14/20	107A	226.95	PROBUILD COMPANY LLC		104469	HARDWARE BS 1263	48.24	
						104472	SLEDGE HAMMER	29.49	
						104528	CLEAR ACRYLIC SMC	40.01	
						104529	BRASS VALVES SBF	16.01	
						104530	CONES & ROLLER SMC	52.56	
						104531	GLASSREPLACEMENT SMC	40.64	
70132	12/14/20	003061	400.00	QUADIENT FINANCE USA INC		104466	***-***-***-1598	400.00	
70133	12/14/20	215	267.66	RICOH USA, INC. TX		104504	12/20-1/21 LEASE C/S	267.66	
70134	12/14/20	001292	240.00	SANTA CRUZ RECORDS MNGMT INC		104517	NOV 20 SHRED MULTI	240.00	
70135	12/14/20	001307	1,506.72	SANTA CRUZ STAFFING, LLC		104511	TEMP W/E 11/29	1,506.72	
70136	12/14/20	003545	639.17	SCHINDLER ELEVATOR CORPORATION		104484	DEC MAINT ALL	639.17	
70137	12/14/20	002459	360.57	SCOTT'S VALLEY WATER DISTRICT		104468	11/1-11/30 SVT	360.57	
70138	12/14/20	115	143.34	SNAP-ON INDUSTRIAL		104483	CREDIT RETURN	-75.16	
						104515	SHOP TOOL	218.50	
70139	12/14/20	001817	219.00	SOCIETY FOR HUMAN RESOURCE		104499	SHRM MEMB 2/21-1/22	219.00	
70140	12/14/20	002871	390.00	STATE ELECTRIC GENERATOR		104518	RPR GENERATOR SMC	390.00	
70141	12/14/20	003537	818.75	SUNCOAST AWNING, LLC.		104538	AWNING WTC/COVID 19	818.75	
70142	12/14/20	001040	123.42	TERRYBERRY CO., LLC		104471	ANNIVERSARY AWARD	123.42	
70143	12/14/20	E1063	782.33	URGO, JOHN		104465	REIMB HOUSING RELOC	782.33	
70144	12/21/20	003089	385.00	ACTION AUTO GLASS DBA FOR		104543	WINDSHEILD VEH#103	385.00	
70145	12/21/20	002689	232.92	B & B SMALL ENGINE CORP		104591	INVENTORY PARTS VER	232.92	
70146	12/21/20	003199	4,014.19	B & H FOTO & ELECTRONICS CORP		104572	COVID 19 SUP/LAPTOPS	2,061.55	
						104573	COVID 19/HEADSETS CS	420.54	
						104574	SUPPLIES GRAPHICS WS	844.92	
						104575	COVID 19/LAPTOP	687.18	
70147	12/21/20	002035	1,260.00	BOWMAN & WILLIAMS INC		104603	12/20 FIRE EGRESS	1,260.00	
70148	12/21/20	616	1,500.00	BROWN ARMSTRONG ACCOUNTANCY		104614	2020 AUDIT WORK	1,500.00	
70149	12/21/20	694	18,000.00	CALIFORNIA TRANSIT ASSOC.		104632	1/21-1/22 MEMB DUES	18,000.00	
70150	12/21/20	001324	10,500.00	CAPITALEGE ADVOCACY, INC.		104577	NOV 20 LEGISLATE SVC	5,250.00	
						104646	DEC 20 LEGISLATE SVC	5,250.00	
70151	12/21/20	002627	281.56	CDW GOVERNMENT, INC.		104576	APC-UPS	281.56	

Attachment B

DATE 01/04/21 12:19

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

PAGE 6

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70152	12/21/20	002109	715.00	CITY OF SANTA CRUZ/PARKING		104670	JAN21 PARKING PERMIT	715.00	
70153	12/21/20	003373	254.86	CITY OF SANTA CRUZ FINANCE RRF		104547	NOV 20 LANDFILL	254.86	
70154	12/21/20	001124	36,484.53	CLEAN ENERGY		104540	11/17 LNG CHARGES	5,235.93	
						104541	11/13 LNG CHARGES	6,154.99	
						104542	11/10 LNG CHARGES	7,095.83	
						104667	11/27 LNG CHARGES	5,218.18	
						104668	11/20 LNG CHARGES	7,983.42	
						104669	11/24 LNG CHARGES	4,796.18	
70155	12/21/20	075	1,691.19	COAST PAPER & SUPPLY INC.		104648	INVENTORY ORDER	1,398.40	
						104649	INVENTORY ORDER MMF	292.79	
70156	12/21/20	003116	3,460.81	CUMMINS PACIFIC LLP		104581	INVENTORY ORDER	3,057.60	
						104640	RPR/PARTS VEH#1001	123.97	
						104641	RPR/PARTS VEH#1209	154.16	
						104642	INVENTORY ORDER	334.16	
						104643	INVENTORY ORDER	132.33	
						104644	CORE CREDIT	-273.13	
						104645	CORE CREDIT	-68.28	
70157	12/21/20	003485	2,449.86	EMPLOYNET INC		104552	TEMP W/E 11/22	994.36	
						104553	TEMP W/E 11/22	994.50	
						104588	TEMP W/E 12/6/20	540.00	
						104589	TEMP W/E 12/6	816.00	
70158	12/21/20	001297	88.34	FASTENAL COMPANY INC		104664	NON INVENTORY ORDER	3.99	
70159	12/21/20	039	337.48	FEDEX OFFICE		104665	COVID 19 SUPPLIES	84.35	
						104544	SPLASH PASS FLYER	23.55	
						104545	SPLASH PASS POSTER	157.32	
						104546	SPLASH PASS POSTER	156.61	
70160	12/21/20	002295	47,547.02	FIRST ALARM SECURITY & PATROL		104539	11/1-11/30 SECURITY	47,547.02	
70161	12/21/20	002952	6,374.81	FLYERS ENERGY LLC		104549	11/15-11/30 FUEL	4,631.43	
						104550	11/15-11/30 FUEL	1,743.38	
70162	12/21/20	001302	337.30	GARDA CL WEST, INC.		104615	DECEMBER 20 SERVICES	337.30	
70163	12/21/20	647	20.02	GENFARE A DIV OF SPX CORP		104551	PARTS ORDER VEH#2602	20.02	
70164	12/21/20	117	512.55	GILLIG LLC		104580	INVENTORY ORDER	512.55	
70165	12/21/20	001921	234.65	GLOBAL EQUIPMENT COMPANY		104579	OFFICE CHAIRS	234.65	
70166	12/21/20	282	216.98	GRAINGER		104578	NON INVENTORY ORDER	216.98	
70167	12/21/20	001097	1,053.00	GREENWASTE RECOVERY, INC.		104606	NOV 20 AIRPORT/FREED	61.28	
						104607	NOV20 HWY1/BOULDER	183.84	
						104608	NOV20 FREEDOM/BOWKER	61.28	
						104609	NOV20 2400 FREEDOM	61.28	
						104610	NOV20 KINGS VILLAGE	247.20	
						104611	NOV 20 RESEARCH PARK	376.84	
						104612	NOV 20 GREEN VALLEY	61.28	
						104674	11/30M#032117.001001	247.80	
						104675	11/20M#032117.006001	3,349.60	
						104676	11/20M#032117.006024	621.30	
						104677	11/20M#032117.006026	1,362.90	
70168	12/21/20	003109	30,846.10	HANSON BRIDGETT LLP		104678	11/20M#032117.006027	190.60	

Attachment B

DATE 01/04/21 12:19

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

PAGE 7

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70169	12/21/20	001198	792.67	HARLAND CLARKE CORP		104679	11/20M#032117.006028	866.00	
70170	12/21/20	001745	15,094.07	HARTFORD LIFE AND ACCIDENT INS		104680	11/20M#032117.006030	207.90	
70171	12/21/20	166	939.73	HOSE SHOP, THE INC		104681	NOV 20 RETAINER	24,000.00	
70172	12/21/20	003327	305.90	IO, RODNEY H		104647	A/P LASER CHECKS	792.67	
70173	12/21/20	1117	471.52	KELLEY'S SERVICE INC.		104657	DEC 20 LTD	10,833.92	
70174	12/21/20	003450	100.00	LANGUAGE LINE SERVICES INC		104658	DEC 20 LIFE AD&D	4,260.15	
70175	12/21/20	003017	13,398.00	MANSFIELD OIL CO OF GAINSVILLE		104597	INVENTORY ORDER	939.73	
70176	12/21/20	003273	2,206.03	MGP XI REIT LLC		104631	BRAKE RPR VEH#PC1109	305.90	
70177	12/21/20	041	789.34	MISSION UNIFORM		104600	CREDIT RETURN	-33.78	
70178	12/21/20	003529	197.08	MONTEREY SANITARY SUPPLY, INC.		104626	NON INVENTORY ORDER	108.16	
70179	12/21/20	003326	865.26	NIDAL HALABI & NADA ALGHARIB		104627	RPR/PARTS VEH#602	36.84	
70180	12/21/20	002940	27,723.67	OJO TECHNOLOGY, INC.		104628	INVENTORY ORDER	73.19	
70181	12/21/20	003287	1,066.25	PACIFIC CREST ENGINEERING INC		104629	INVENTORY ORDER	170.69	
70182	12/21/20	009	3,051.50	PACIFIC GAS & ELECTRIC		104630	INVENTORY ORDER	116.42	
70183	12/21/20	023	1,053.56	PACIFIC TRUCK PARTS, INC.		104666	NOV20 TRANSLATE SERV	100.00	
70184	12/21/20	002939	43,330.50	PREFERRED BENEFIT		104548	10/30 DIRSEL FUEL	13,398.00	
70185	12/21/20	107A	49.98	PROBUILD COMPANY LLC		104635	JAN 21 RENT CAPITOLA	2,206.03	
70186	12/21/20	003024	5,022.15	RICOH USA, INC CA		104584	TOWELS/MATS PRC	10.50	
70187	12/21/20	003154	2,021.13	ROMAINE ELECTRIC CORP		104587	TOWELS/MOP/MAT	41.75	
70188	12/21/20	135	51.60	SANTA CRUZ AUTO PARTS, INC.		104593	COVID 19/UNIFORMS	422.59	
70189	12/21/20	002267	2,500.00	SHAW YODER ANTWIH		104596	COVID 19/TOWELS	156.00	
70190	12/21/20	001277	2,075.00	SUB GLOBALNET, INC.		104624	TOWELS FUELING STAT	156.00	
						104637	TOWELS/MATS PRC	10.50	
						104661	OVERCHARGE CREDIT	-8.00	
						104595	COVID 19 SUPPLIES	197.08	
						104634	BOARD MEMBER PLAQUES	865.26	
						104564	SECURITY CAMERAS WTC	1,253.00	
						104565	SECURITY CAMERAS WTC	13,840.75	
						104683	SECURITY CAMERAS PRC	12,629.92	
						104602	11/30 FIRE EGRESS	1,066.25	
						104585	11/7-12/8 PRC	173.41	
						104590	11/3-12/3 SVT	66.70	
						104672	11/3-12/3 SVT.WTC.PS	2,811.39	
						104582	INVENTORY ORDER	1,053.56	
						104659	DEC 20 VSP	8,370.00	
						104660	DEC 20 DENTAL	34,960.50	
						104616	TOILET INSTALL WTC	49.98	
						104604	FOLDING MACHINE	4,561.98	
						104605	INSTALL FOLD MACHINE	350.00	
						104671	DEC 20 LEASE OPS	110.17	
						104583	INVENTORY ORDER	819.38	
						104622	RPR/PARTS VEH# 1209	1,201.75	
						104592	INVENTORY ORDER	20.77	
						104623	INVENTORY ORDER	30.83	
						104633	DEC20 LEGISLATE SVC	2,500.00	
						104613	DEC 20 IT SUPPORT	2,075.00	

Attachment B

DATE 01/04/21 12:19

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

PAGE 8

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70191	12/21/20	9,372.21 003292		SLINGSHOT CONNECTIONS LLP		104555	TEMP W/E 11/29	448.80	
						104556	TEMP W/E 11/29	448.80	
						104557	TEMP W/E 11/29	908.12	
						104558	TEMP W/E 11/29	897.60	
						104559	TEMP W/E 11/29	224.40	
						104560	TEMP W/E 11/29	448.80	
						104561	TEMP W/E 11/29	897.60	
						104650	TEMP W/E 11/29	1,122.00	
						104651	TEMP W/E 11/29	750.34	
						104652	TEMP W/E 11/29	736.31	
						104653	TEMP W/E 11/29	897.60	
						104654	TEMP W/E 11/29	918.64	
						104655	TEMP W/E 11/29	224.40	
						104656	TEMP W/E 11/29	448.80	
70192	12/21/20	21,535.80 001075		SOQUEL III ASSOCIATES	7	104567	DIC INSURANCE 2020	4,759.78	
						104638	JAN 21 RENT RES PARK	16,776.02	
70193	12/21/20	40,590.50 003425		SYNCHROMATICS CORPORATION		104599	OCT 20 MDT INSTALL	37,840.50	
70194	12/21/20	153.67 001040		TERRYBERRY CO., LLC		104601	9/30 HASTUS SOFTWARE	2,750.00	
70195	12/21/20	1,582.73 003285		THE AFTERMARKET PARTS CO LLC		104617	ANNIVERSARY AWARD	153.67	
						104618	INVENTORY ORDER	374.79	
						104619	INVENTORY ORDER	43.55	
						104620	INVENTORY ORDER	350.91	
						104621	RPR/PARTS VEH#2811	464.13	
70196	12/21/20	2,097.61 003242		THE JANEK CORPORATION		104598	RPR/PARTS VEH# 1004	349.35	
70197	12/21/20	3,927.54 001800		THERMO KING OF SALINAS, INC		104562	RPR ELECTRONIC ITEMS	2,097.61	
70198	12/21/20	584.45 003492		TRENTMAN CORP		104586	MERV HVAC RETROFIT	3,927.54	
70199	12/21/20	11,006.46 057		U.S. BANK		104684	RED MARKING PAINT	584.45	
70200	12/21/20	152.22 007		UNITED PARCEL SERVICE		104566	***-***-***-4338	11,006.46	
						104571	FREIGHT	83.67	
70201	12/21/20	166.25 003093		UPS FREIGHT		104682	FREIGHT 10/28/20	68.55	
70202	12/21/20	1,744.51 002829		VALLEY POWER SYSTEMS, INC.		104568	VEH#9817 PARTS ORDER	166.25	
						104569	CORE CREDIT	2,085.91	
70203	12/21/20	592.99 434		VERIZON WIRELESS	0	104570	CORE CREDIT	-170.70	
						104662	11/2-12/1 PARACRUZ	308.88	
						104663	11/2-12/1 CUST SERV	51.08	
						104673	11/2-12/1 MMF	233.03	
70204	12/21/20	547.74 003525		WCDJR, LLC		104563	RPR VEH#1124 PC	531.92	
						104639	RPR/PARTS VEH#PC1123	15.82	
70205	12/21/20	149.63 871		YARDER MANUFACTURING COMPANY		104554	INVENTORY ORDER	149.63	VOIDED
70206	12/28/20	-149.63 871		YARDER MANUFACTURING COMPANY		104554	INVENTORY ORDER	-149.63	**VOID
70207	12/28/20	189.54 002941		AA SAFE & SECURITY CO		104746	CUT KEYS MMF	189.54	
70208	12/28/20	52.13 003151		ABC BUS INC		104737	INVENTORY ORDER	52.13	
						104735	PREVENT MAINT WTC	416.00	
						104762	PREV MAINT OPS	3,077.00	
						104763	SERVICE CALL PRC	228.00	

Attachment B

DATE 01/04/21 12:19

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

PAGE 9

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70209	12/28/20	3,326.05 001D	AT&T			104736	11/13-12/12 VER/SMC	1,818.37	
						104760	11/1-11/30 WTC/VER	574.33	
						104761	11/10-12/9 INTERNET	933.35	
70210	12/28/20	246.58 002034	CARLON'S FIRE EXTINGUISHER			104811	FIRE EXT SERVICE WTC	246.58	
70211	12/28/20	5,399.14 001089	CASEY PRINTING, INC			104749	WINTER HEADWAYS C/S	5,399.14	
70212	12/28/20	109.25 001159	CATTO'S GRAPHICS, INC.			104756	CALL KIOSK SIGN C/S	109.25	
70213	12/28/20	56.53 130	CITY OF WATSONVILLE UTILITIES			104733	11/10-12/7 WTC	56.53	
70214	12/28/20	1,892.97 909	CLASSIC GRAPHICS			104723	RPR VEH#2809	1,892.97	
70215	12/28/20	4,930.59 001124	CLEAN ENERGY			104708	12/1 LNG CHARGES	4,930.59	
70216	12/28/20	292.79 075	COAST PAPER & SUPPLY INC.			104701	INVENTORY ORDER	292.79	
70217	12/28/20	344.00 367	COMMUNITY TELEVISION OF			104709	11/20 BOD MEETING	344.00	
70218	12/28/20	2,458.20 003116	CUMMINS PACIFIC LLP			104702	INVENTORY ORDER	2,657.04	
						104704	CREDIT FOR FREIGHT	-198.84	
70219	12/28/20	16,590.00 916	DOCTORS ON DUTY MEDICAL CLINIC			104703	COVID 19 TESTS OPS	16,590.00	
70220	12/28/20	4,322.68 003274	EAST BAY TIRE CO.			104721	REVENUE TIRES	2,166.46	
						104722	REVENUE TIRES	567.97	
						104724	NON REV TIRES 1403	87.69	
						104725	REVENUE TIRES	90.00	
						104740	REVENUE TIRES	201.81	
						104741	REVENUE TIRES	216.01	
						104742	NON REVENUE TIRES	992.74	
70221	12/28/20	2,917.58 003485	EMPLOYNET INC			104698	TEMP W/E 12/6	809.63	
						104728	TEMP W/E 12/13	930.75	
						104729	TEMP W/E 12/13	486.00	
						104730	TEMP W/E 12/13	691.20	
70222	12/28/20	19.16 001297	FASTENAL COMPANY INC			104799	COURSE WHEEL VER	19.16	
70223	12/28/20	1,160.59 039	FEDEX OFFICE			104807	WINTER TS POSTERS	118.75	
						104808	WINTER TC POSTERS	1,041.84	
70224	12/28/20	17.91 002952	FLYERS ENERGY LLC			104712	PROPANE	17.91	
70225	12/28/20	57.79 003279	FRONTIER COMMUNICATIONS - 3025			104809	12/16-1/15 SKY RIVER	57.79	
70226	12/28/20	123.74 001189	GARY KENNVILLE LOCKSMITH			104810	LOCK REPAIR SMC	123.74	
70227	12/28/20	711.73 282	GRAINGER			104744	INVENTORY ORDER MMF	27.73	
						104750	CUTOFF WHEELS INV	42.17	
						104751	WORK GLOVES MMF	147.96	
						104752	PROPANE TORCH SMC	99.79	
						104753	SWIVEL FITTING SBF	71.56	
						104754	YELLOW FLOOR TAPE	21.44	
						104755	INVENTORY ORDER	129.01	
70228	12/28/20	435.92 166	HOSE SHOP, THE INC			104798	INVENTORY ORDER MMF	172.07	
						104739	NON INVENTORY ORDER	278.59	
70229	12/28/20	805.04 003327	IO, RODNEY H			104767	SWIVEL HOSE REEL MMF	157.33	
70230	12/28/20	1,461.88 003442	JOHNSON CONTROLS INC			104714	RPR VEH# PC1706	805.04	
						104813	1/21-3/21 WTC	414.60	
						104814	1/21-3/21 SVT	661.56	
						104815	1/21-3/21 SMC	385.72	
70231	12/28/20	902.41 003264	KAADY CHEMICAL LLC			104710	DETAILLING SUPPLIES	902.41	

Attachment B

DATE 01/04/21 12:19

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

PAGE 10

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70232	12/28/20	4,625.00 003543		KEITH BRYAN HIGGINS		104788	12/11 TRAFFIC ENG PC	4,625.00	
70233	12/28/20	14.31 1117		KELLEY'S SERVICE INC.		104713	PARTS ORDER PC 1708	14.31	
70234	12/28/20	201.00 003249		MAXIMUM OIL SERVICE LLC		104776	USED OIL PICKUP MMF	201.00	
70235	12/28/20	1,516.55 001052		MID VALLEY SUPPLY INC.		104719	INVENTORY ORDER	199.38	
						104794	INVENTORY ORDER	1,317.17	
70236	12/28/20	1,268.59 041		MISSION UNIFORM		104715	COVID 19/TOWELS	156.00	
						104716	COVID19/VMU&VSM SUPP	340.42	
						104720	LAUNDRY/CUSTODIAL	25.25	
						104745	TOWELS/MOPS/MATS	41.75	
						104757	COVID 19/UNIFORMS	340.42	
						104764	COVID 19/UNIFORMS	364.75	
70237	12/28/20	2,809.73 001627		NEW PIG CORPORATION		104734	INVENTORY ORDER MMF	2,809.73	
70238	12/28/20	45.88 003326		NIDAL HALABI & NADA ALGHARIB		104732	NAME AND TITLE PLATE	24.03	
						104765	NAME PLATE FINANCE	21.85	
70239	12/28/20	61.98 004		NORTH BAY FORD LINC-MERCURY		104711	INVENTORY ORDER	61.98	
70240	12/28/20	305.78 043		PALACE ART & OFFICE SUPPLY		104699	OFFICE SUPPLIES MMF	83.53	
						104700	ADHESIVE LABELS	26.81	
						104727	COVID 19 SUPPLIES	133.07	
						104731	OFFICE SUPPLIES	62.37	
70241	12/28/20	416.00 481		PIED PIPER EXTERMINATORS, INC.		104803	DEC 20 PEST VERNON	260.50	
						104804	DEC 20 PEST SMC MKT	55.50	
						104805	DEC 20 PEST SMC KIOSK	40.00	
						104806	DEC20 PEST SMCBETTYS	60.00	
70242	12/28/20	316.19 107A		PROBUILD COMPANY LLC		104768	HARDWARE SMC	84.36	
						104769	SANDING DISCS MMF	19.64	
						104770	MISC SUPPLIES VERNON	34.36	
						104771	SIKAFLEX VER	11.78	
						104772	COVID 19/OFFICE MOVE	31.02	
						104773	COVID19/OFFICE MOVE	27.47	
						104774	ARROW STAPLES	3.92	
						104775	CABLE TIES FLD	54.04	
						104801	PLUMBERS PUTTY OPS	2.64	
						104802	BUS WASH JET RPR SBF	46.96	
70243	12/28/20	7,500.00 R539		ROBERT MARIN & CELERSTE MARIN		104823	RPR FELTON FAIR SHOP	7,500.00	
70244	12/28/20	3,306.95 001379		SAFETY-KLEEN SYSTEMS INC		104812	HAZMAT RECOVERY MMF	3,306.95	
70245	12/28/20	164.86 135		SANTA CRUZ AUTO PARTS, INC.		104717	INVENTORY ORDER	1.64	
						104718	INVENTORY ORDER	163.22	
70246	12/28/20	9.76 848		SANTA CRUZ ELECTRONICS, INC.		104707	NON INVENTORY ORDER	9.76	
70247	12/28/20	8,519.36 079		SANTA CRUZ MUNICIPAL UTILITIES		104777	11/1-11/30 IRRIG VER	143.34	
						104778	11/1-11/30 IRRIG SBF	160.96	
						104816	11/6-12/7 SMC/BETTY	50.55	
						104817	11/6-12/7 PACIFIC IS	74.63	
						104818	11/6-12/7 SMC	2,728.67	
						104819	11/6-12/7 VERNON	512.86	
						104820	11/6-12/7 MMF	1,357.20	
						104821	11/6-12/7 SBF	3,151.24	

Attachment B

DATE 01/04/21 12:19

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

PAGE 11

DATE: 12/01/20 THRU 12/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
70248	12/28/20	001292	40.00	SANTA CRUZ RECORDS MNGMT INC		104822	11/6-12/7 OPS	339.91	
70249	12/28/20	001307	5,022.40	SANTA CRUZ STAFFING, LLC		104793	12/20 SHREDDING PC	40.00	
70250	12/28/20	149	99.20	SANTA CRUZ SENTINEL	0	104758	TEMP W/E 12/06	2,511.20	
70251	12/28/20	003292	10,918.52	SLINGSHOT CONNECTIONS LLP		104759	TEMP W/E 12/13	2,511.20	
						104748	NOV 20 LEGAL ADS	99.20	
						104685	TEMP W/E 12/6	1,122.00	
						104686	TEMP W/E 12/6	1,051.88	
						104687	TEMP W/E 12/6	1,122.00	
						104688	TEMP W/E 12/6	890.59	
						104689	TEMP W/E 12/6	1,023.83	
						104690	TEMP W/E 12/6	1,458.64	
						104691	TEMP W/E 12/6	448.80	
						104692	TEMP W/E 12/6	224.40	
						104693	TEMP W/E 12/6	897.60	
						104694	TEMP W/E 12/6	448.80	
						104695	TEMP W/E 12/6	897.60	
						104696	TEMP W/E 12/6	883.58	
						104697	TEMP W/E 12/6	448.80	
70252	12/28/20	002199	275.45	TACONY CORPORATION		104800	INVENTORY ORDER	275.45	
70253	12/28/20	003285	4,412.36	THE AFTERMARKET PARTS CO LLC		104705	INVENTORY ORDER	494.04	
						104706	INVENTORY ORDER	3,918.32	
70254	12/28/20	007	80.31	UNITED PARCEL SERVICE		104726	FREIGHT	80.31	
70255	12/28/20	003093	344.50	UPS FREIGHT		104738	FREIGHT	344.50	
70256	12/28/20	002829	10,358.09	VALLEY POWER SYSTEMS, INC.		104779	PARTS ORDER VEH 2215	16.28	
						104780	PARTS ORDER VEH 2215	2,187.53	
						104781	PARTS ORDER VEH#2215	1,298.33	
						104782	PARTS ORDER VEH 2215	291.83	
						104783	PARTS ORDER VEH 2215	62.85	
						104784	PARTS ORDER VEH 2215	3,492.24	
						104785	INVENTORY ORDER	10.93	
						104786	PARTS ORDER VEH 2215	75.07	
						104787	INVENTORY ORDER	236.96	
						104789	PARTS ORDER VEH 2215	1,442.25	
						104790	PARTS ORDER VEH#2215	358.85	
						104791	INVENTORY ORDER	247.90	
						104792	PARTS ORDER VEH 2215	637.07	
70257	12/28/20	434	714.39	VERIZON WIRELESS	0	104747	11/2-12/1 PRC	714.39	
70258	12/28/20	871	149.63	YARDER MANUFACTURING COMPANY		104766	INVENTORY ORDER	149.63	
70259	12/28/20	147	342.63	ZEE MEDICAL SERVICE CO.		104743	INVENTORY ORDER MMF	77.61	
						104795	FIRSTAID RESTOCK SMC	49.64	
						104796	FIRSTAID RESTOCK WTC	130.50	
						104797	FIRSTAID RESTOCK SMC	84.88	
TOTAL			758,339.23	ACCOUNTS PAYABLE			TOTAL CHECKS	758,339.23	

- THIS PAGE INTENTIONALLY LEFT BLANK -



DATE: January 22, 2021
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: ACCEPT AND FILE MINUTES OF THE NOVEMBER 20, 2020 BOARD OF DIRECTORS MEETING, THE JANUARY 8, 2021 CAPITAL PROJECTS STANDING COMMITTEE MEETING AND THE JANUARY 8, 2021 FINANCE, BUDGET & AUDIT STANDING COMMITTEE MEETING

I. RECOMMENDED ACTION

That the Board of Directors Accept and File the Minutes of the November 20, 2020 Board of Directors Meeting, the January 8, 2021 Capital Projects Standing Committee Meeting and the January 8, 2021 Finance, Budget & Audit Standing Committee Meeting

II. SUMMARY

- Staff is providing minutes from the Santa Cruz Metropolitan Transit District (METRO) November 30, 2020 Board of Directors Meeting, the January 8, 2021 Capital Projects Standing Committee Meeting and the January 8, 2021 Finance, Budget & Audit Standing Committee Meeting.
- Each meeting staff will provide minutes from the previous METRO Board and Committee meetings.

III. DISCUSSION/BACKGROUND

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

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

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

V. FINANCIAL CONSIDERATIONS/IMPACT

None.

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

None.

VIII. ATTACHMENTS

Attachment A: Draft minutes for the Board of Directors Meeting of November 20, 2020

Attachment B: Draft minutes for the Capital Projects Standing Committee Meeting of January 8, 2021

Attachment C: Draft minutes for the Finance, Budget & Audit Standing Committee Meeting of January 8, 2021

Prepared by: Gina Pye, Executive Assistant

IX. APPROVALS

Alex Clifford, CEO/General Manager

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

- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment A



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) BOARD OF DIRECTORS MEETING MINUTES* NOVEMBER 20, 2020 – 9:00AM MEETING HELD VIA TELECONFERENCE

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, November 20, 2020, via teleconference.

The Board Meeting Agenda Packet can be found online at www.SCMTD.com. *Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

This document was created with accessibility in mind. With the exception of certain third 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.

- 1 **CALL TO ORDER** at 9:00AM by Board Chair Rotkin.
- 2 **ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

Director Ed Bottorff	City of Capitola
Director Trina Coffman-Gomez	City of Watsonville <i>joined 9:15AM</i>
Director Aurelio Gonzalez	City of Watsonville
Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Donna Meyers	City of Santa Cruz
Director Larry Pageler	County of Santa Cruz
Director Dan Rothwell	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Dan Henderson	UC Santa Cruz
Ex-Officio Director Alta Northcutt	Cabrillo College

Additional METRO staff:
Alex Clifford
Julie Sherman

CEO/General Manager
General Counsel

- 3 **ANNOUNCEMENTS**
Chair Rotkin announced that today’s meeting will be broadcast by Community Television of Santa Cruz County.
- 4 **BOARD OF DIRECTORS COMMENTS**
Director Leopold announced his resignation as Vice Chair from the METRO Board effective with this meeting and spoke briefly of the accomplishments during his tenure. He looks forward to METRO’s continued growth.

Attachment A

Several Directors voiced their appreciation for Director Leopold and his many contributions to the Board and METRO community, calling him a key player in the transit industry. Accolades were also expressed to METRO's other outgoing Directors Bottorff, Coffman-Gomez and Mathews.

General Counsel Julie Sherman weighed in on the timing to replace the Vice Chair; clarifying that the replacement is not agendaized for this meeting, but nominations and voting may take place during the January 2021 meeting.

Having nothing more, Chair Rotkin moved to the next agenda item.

5 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD

Brian Peoples, representing TrailNow, spoke of their organization's support of several elected officials, the successful passage of Measure D and the organization's attempts to open a world class trail.

Having nothing further, Chair Rotkin moved to the next agenda item.

6 LABOR ORGANIZATION COMMUNICATIONS

Union representatives, Michael Rios and James Sandoval, thanked Director Leopold for his support over the years and their successful partnership.

7 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

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

8 WRITTEN COMMUNICATIONS FROM THE METRO ADVISORY COMMITTEE (MAC)

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

CONSENT AGENDA

- 9-01 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF OCTOBER 2020
- 9-02 ACCEPT AND FILE: MINUTES OF THE OCTOBER 21, 2020 METRO ADVISORY COMMITTEE (MAC) MEETING, THE OCTOBER 23, 2020 BOARD OF DIRECTORS MEETING, THE NOVEMBER 13, 2020 PERSONNEL/HR STANDING COMMITTEE MEETING AND THE NOVEMBER 13, 2020 FINANCE, BUDGET & AUDIT STANDING COMMITTEE MEETING
- 9-03 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF AUGUST 31, 2020
- 9-04 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF GRANT APPLICATIONS, ACTIVE & PENDING GRANTS FOR THE FIRST QUARTER OF FY21
- 9-05 ACCEPT AND FILE: THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST AND SEPTEMBER 2020
- 9-06 ACCEPT AND FILE: THE METRO SYSTEM RIDERSHIP REPORTS FOR THE FIRST QUARTER OF FY21
- 9-07 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT WITH GIRO, INC. FOR HASTUS SOFTWARE MAINTENANCE AND SUPPORT

Attachment A

- 9-08 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A SIX-MONTH EXTENSION AGREEMENT (SIXTH AMENDMENT) TO THE CONTRACT FOR TRANSIT SERVICES WITH THE UNIVERSITY OF CALIFORNIA, SANTA CRUZ (UCSC)
- 9-09 APPROVE: PURCHASE OF SEVEN PARATRANSIT VANS FROM CREATIVE BUS SALES
- 9-10 APPROVE: REQUEST FOR AUTHORIZATION AND FUNDING OF A CUSTOMER SERVICE MANAGER POSITION
- 9-11 RECOMMENDED ACTION ON TORT CLAIMS

Referencing Agenda Item 9-06, METRO System Ridership Reports, Director McPherson thanked METRO staff for keeping the buses rolling during these difficult times and he is hopeful that the ridership will return. Chair Rotkin commended the safety measures METRO has put into place.

ACTION: MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED

MOTION: DIRECTOR BOTTORFF

SECOND: DIRECTOR PAGELER

MOTION PASSED WITH 11 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Meyers, Pageler, Rothwell and Rotkin)

REGULAR AGENDA

- 10 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS: 15 YEARS: IDAN ALBARADO, RHIANNON AXTON, ED DAVIDSON, JUAN FERNANDEZ MAGANA, WILLIAM McINTYRE, JOY OLANDER, EZEQUIEL OSORIO, JAIME RENTERIA, CHRISTOPHER SULLIVAN, HECTOR TORRES & VALENTINE ZARATE. 20 YEARS: JOHN OTTO**

Board Chair Rotkin and Daniel Zaragoza, Operations Manager, ParaTransit Division, read short bios and thanked the recipients in absentia.

There was no public comment.

- 11 RETIREE RESOLUTIONS OF APPRECIATION: CHRIS KANE & DAWN MARTIN**

Board Chair Rotkin thanked the recipients in absentia.

Freddy Rocha provided a brief bio for Chris Kane and highlighted her many acts of kindness to her co-workers and staff over her 21-year tenure with METRO.

CEO Clifford and Eddie Benson, Maintenance Manager, provided a brief bio of Dawn Martin's time with METRO.

There was no public comment.

ACTION: MOTION TO APPROVE THE RESOLUTIONS AS RESENTED

MOTION: DIRECTOR LEOPOLD

SECOND: DIRECTOR LIND

Attachment A

MOTION PASSED WITH 11 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Meyers, Pageler, Rothwell and Rotkin)

12 TRANSIT CORRIDOR ALTERNATIVES ANALYSIS / RAIL NETWORK INTEGRATION STUDY – PERFORMANCE MEASURE RESULTS AND PROPOSED LOCALLY PREFERRED ALTERNATIVE

Chair Rotkin provided some background to the project.

John Urgo, Planning and Development Director, spoke briefly and introduced Steve Decker, consultant to the Santa Cruz County Regional Transportation Commission (SCCRTC), who provided commentary to the presentation.

Director McPherson inquired as to the funding and impact of the “last mile”. Mr. Decker responded that this detail will be addressed in the final stage of the project. There is no reason private entities would be excluded; they believe there will be good METRO and private services available for that last mile.

At Director Pageler’s inquiry as to the climate change criteria, Mr. Decker answered that the flood plain areas in the coastal environment and the regulatory issues were examined and evaluated at a general level. Both will be examined more deeply in later project stages.

Public comment:

JL, who identified herself as an Aptos resident, expressed excitement and confusion regarding the proposed alternatives and drew the assembly’s attention to Attachment B as the most helpful element. She believes the benefits of a bus transit system have been overlooked; e.g., frequency, duration of service, number of stations, lowest capital and operating costs, flexibility, co-existence of transit and rail, etc. She requested the BRT option be raised in consideration.

Brian Peoples, TrailNow, said this is a high-level report, which doesn’t go into the details. He asked the Board to consider several elements; e.g., the lack of a location for a train station in the Aptos village, the impact of the trail to climate change, the funneling of funding from bus to train, the integration of this project into widening Highway 1, etc.

Ms. Ginger Dykaar, SCCRTC Sr. Transportation Planner, reminded the assembly that they are seeking board input only. Any actions will take part at the next SCCRTC meeting.

Director Leopold reminded the assembly in January 2019, when RTC decided to pursue transit and trail, they accepted METRO’s recommendation to conduct an alternative analysis as it would be helpful to have METRO intimately involved in the type of transportation for the trail. He believes the use of the corridor is important as well as safe and urged the Board to consider all aspects when making a decision.

Several Directors expressed concern about the project funding, the congestion on Highway 1, frequency of each mode, freight movement, climate change impacts, etc.

Director McPherson said he would most likely vote against this due to the impact to Measure D funding, the cost uncertainty and how the voters will react to the decision when the final cost is known.

13 METRO ADVISORY COMMITTEE (MAC) SEMI-ANNUAL REPORT

Veronica Elsea, MAC Chair, thanked the Board Ad Hoc Committee for its assistance and diligence in replacing those MAC members who moved out of the area and provided a brief report regarding various MAC activities.

At their August 19, 2020 meeting, the MAC members commended the Bus Operators for their help with the CZU Lightning Fire evacuations.

Attachment A

She shared riders' concerns about possible future service reductions and the lack of open public restrooms at the transit centers. She requested METRO remember that not everyone has a smart phone with which to access the METRO route information proposed by the new bus stop design.

In 2021, the MAC Chair will be James von Hendy and Joseph Martinez, Vice Chair. Veronica will continue to serve on the Committee and do what she can to enhance service. The 2021 meeting dates are February 17, April 21, August 18 and October 20.

Chair Rotkin thanked Ms. Elsea for her many years of service on MAC.

There was no public comment.

14 COVID-19 TRANSIT FISCAL CRISIS ORAL REPORT

CEO Clifford discussed the upcoming holidays and the potential for an uptick in COVID activity. He verbally shared information regarding the latest safety guidelines, noting the state guidance is more restrictive than the CDC guidance, the limited stay at home order that put a curfew into place effective November 21 in any "purple tier" county, etc. He noted that METRO would continue to offer service beyond 10:00PM for those who need to get to their essential functions.

There was no public comment.

15 CEO ORAL REPORT

CEO Clifford announced Maria Vickie Sanchez' promotion to Customer Service Assistant.

Due to the lack of agenda items, the Board concurred with CEO Clifford's request to cancel the December 2020 Board meeting.

He spoke briefly of the outgoing Board members and noted they will be formally recognized at the January 2021 meeting.

Noting things have been quiet on the state legislative front, he provided a brief update regarding federal funding. Director Mathews advised the assembly that Supervisor Zach Friend served as a member of President-Elect Biden's communications team and may be a good resource. In response to several Director lobbying effort inquiries, CEO Clifford said METRO continues to communicate with the appropriate legislators.

There was no public comment.

Director Meyers departed at 10:56AM

16 ACCEPT AND FILE: YEAR TO DATE KEY PERFORMANCE INDICATORS (KPI) REPORT FOR QUARTER ONE OF FY21 AS OF SEPTEMBER 30, 2020

Kristina Mihaylova, Deputy Finance Director, and responsible department heads provided commentary to the presentation.

Chair Rotkin requested benchmarks; e.g., year-over-year comparison data and annual comparable peer district data be noted in future presentations. CEO Clifford noted that obtaining current peer-to-peer data takes a lot of staff time due to the official two-year lag in availability. He will ensure that seasonality and accident chargeability are added to future presentations.

Ex-Officio Northcutt requested a change in terminology to reflect "reduced in-person courses are limited" at Cabrillo College.

There was no public comment.

Attachment A

Board of Directors
November 20, 2020
Page 6 of 6

17 REVIEW AND FILE THE JUDY K. SOUZA ELECTRIC VEHICLE CHARGING INFRASTRUCTURE PROJECT CLOSEOUT REPORT

Freddy Rocha, Facilities Maintenance Manager, spoke to the presentation. .

Discussion among the board members regarding METRO's commitment to clean energy and climate change, cost of power, power storage options, facility space restrictions and other related topics ensued. CEO Clifford said METRO is in the process of reviewing hydrogen fuel cell operated buses as an alternative option. We want to be careful not to use all available space for storage in support of this one power option.

There was no public comment.

18 ANNOUNCEMENT OF NEXT MEETING: JANUARY 22, 2021

Upon recommendation from staff and there being no substantial agenda items for a December 2020 Board meeting, Chair Rotkin announced the cancellation of the December 2020 meeting. He also reminded the assembly to check the SCMTD website for venue updates, as we remain dependent upon the public health orders in place at the time.

19 ADJOURNMENT

Chair Rotkin adjourned the meeting at 11:51AM

Respectfully submitted,

Gina Pye
Executive Assistant

10-2A.6

Attachment B



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) CAPITAL PROJECTS STANDING COMMITTEE MEETING MINUTES* JANUARY 8, 2021 – 10:30AM MEETING HELD VIA TELECONFERENCE

A regular meeting of the Capital Projects Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, January 8, 2021, via teleconference.

The Committee Meeting Agenda Packet can be found online at www.SCMTD.com. *Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

This document was created with accessibility in mind. With the exception of certain third 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

- 1 **CALL TO ORDER** at 10:32AM by Director McPherson.
- 2 Kristen Petersen, City of Capitola, was sworn in by CEO Clifford as METRO’s board member.
- 3 **ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

Director Cynthia Mathews	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Larry Pageler	County of Santa Cruz
Director Kristen Petersen	City of Capitola

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

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

John Urgo	METRO Planning & Development Director
Sandi Woods	METRO Project Manager
Daniel Zaragoza	METRO Operations Mgr, Paratransit Div.

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

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

- 4 **ORAL AND WRITTEN COMMUNICATIONS TO THE CAPITAL PROJECTS STANDING COMMITTEE**

The attached email was received from Tina Andretta at 11:59PM January 7, 2021.

There was no public comment:

- 5 **ORAL PACIFIC STATION UPDATE**

John Urgo, Planning & Development Director, provided a brief oral update regarding the Affordable Housing and Sustainable Communities (ASIC) grant proposal status and several meetings with the City of Santa Cruz regarding the development of a new multi-use Pacific Station facility. We are on pace to completing the \$20M grant application which is due late April 2021.

Attachment B

There was some discussion among the assembly regarding the chosen architecture firm, Mithun, the financial consultant, Community Development Resource Group (CPRG), and their respective past projects.

For the benefit of our newest Committee member, Director Petersen, CEO Clifford provided a brief history of METRO's efforts towards the construction of a new Pacific Station. METRO had been looking at our downtown facility for a number of years when approached by the City of Santa Cruz to work on a joint-coordinated project. The result was a Memorandum of Understanding (MOU) wherein METRO committed a total of \$4M over a period of four years for a turnkey bus tarmac to face Front Street.

Director Mathews provided a brief oral listing of the current City of Santa Cruz affordable, mixed use housing projects with offsite parking projects. Due to the critical parking aspects in the downtown area, she asked that METRO go on record in support of the library project.

Director McPherson thanked METRO and the City of Santa Cruz for their persistence in pursuing this project. It will meet a tremendous need.

There was no public comment.

6 **ORAL PARACRUZ UPDATE**

Daniel Zaragoza, Operations Manager, Paratransit Division, and Sandi Woods, Project Manager, provided a brief verbal update to the project to be located at the Soquel Park and Ride lot.

METRO suggested a few revisions to the architect's initial rendering. The building size is now envisioned at 4,815 square feet divided into three sections: Customer Service, ParaCruz and the public area. Boundary survey, environmental and traffic studies have been completed. Soils and noise reports are anticipated at the end of January. We are compiling all the information required for the grant application.

In response to Director Pageler's question, Ms. Woods noted that although we don't yet know the grant application due date, based on historical grant timelines, we are anticipating submittal at the end of February 2021. Margo Ross, COO, added that Wondimu Mengistu, METRO Grants/Legislative Analyst, will be reaching out to our partners in the community in the near future requesting support letters to accompany the grant application.

Director McPherson thanked everyone for their efforts and contributions in keeping this project moving forward.

There was no public comment.

7 **ADJOURNMENT**

Director McPherson adjourned the meeting at 10:55AM.

Respectfully submitted,

Gina Pye

Executive Assistant

Attachment B

From: [Tina Andreatta](#)
To: boardinquiries@scmtd.com
Subject: Santa Cruz Metro Capital Projects Standing Committee Meeting 10:30AM - January 8, 2021 - Agenda Item 5
Date: Thursday, January 07, 2021 11:59:17 PM

To Whom It May Concern,

I wanted to encourage Committee members to include the results of the Regional Transportation Commission's (RTC) Transportation Corridor Alternatives Analysis (TCAA) in Santa Cruz Metro's capital program planning efforts. As passenger rail has been selected as the local preferred alternative, focusing on integration between bus and passenger rail at future stops and stations provides a real opportunity to optimize customer convenience and travel time through our region. Starting early on these planning efforts allows full community engagement, the most effective use of transit and rail planning and project dollars. It will also make sure that Santa Cruz County doesn't miss any opportunities to build a 21st century transit system that not only serves our county, but which connects us to the region.

Sincerely,

Tina Andreatta
[Aptos, CA 95003](#)

Sent from my iPhone

- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment C



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING MINUTES* JANUARY 8, 2021 – 8:00AM MEETING HELD VIA TELECONFERENCE

A regular meeting of the Finance, Budget and Audit Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, January 8, 2021, via teleconference.

The Committee Meeting Agenda Packet can be found online at www.SCMTD.com. *Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

This document was created with accessibility in mind. With the exception of certain third 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

1 **CALL TO ORDER** at 8:05AM by Board Chair Rotkin.

2 **ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

Director Trina Coffman-Gomez
Director Donna Lind
Director Donna Meyers
Board Chair Mike Rotkin

City of Watsonville
City of Scotts Valley
City of Santa Cruz
County of Santa Cruz

Alex Clifford
Julie Sherman

METRO CEO/General Manager
METRO General Counsel

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

Kristina Mihaylova
Lorraine Bayer

METRO Finance Deputy Director
METRO Accountant II

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

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

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

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

5 **MONTHLY FINANCIAL UPDATE**

Kristina Mihaylova, Deputy Finance Director, provided brief commentary to the presentation.

In response to Chair Rotkin’s question as to why the STA and TDA numbers were down, Ms. Mihaylova explained that our budget is based on the respective initial estimates that are not always on target; TDA was based on information provided in June and STA is based on November estimates. CEO Clifford added Local Transportation Fund revenues (LTF) are sales tax based and STA is based on diesel tax.

Attachment C

He believes the LTF revenues will be consistent with our projections as long as sales tax continues to come in over projection, while the diesel tax will probably remain lower than anticipated.

Director Coffman Gomez asked how METRO's CARESAct funding compared to other agencies in terms of covering their respective costs with the received funds. Ms. Mihaylova responded METRO seems to be among the first of the agencies to draw down the funds, carefully following the guidelines that covered most of our qualifying operating expenses. CEO Clifford noted that the other agencies' timing is different all across the nation; in fact, some are having problems. METRO has been extremely lucky in being able to draw down the CARES Act and to dedicate revenue sources to a COVID Reserves Fund to bridge the anticipated deficit gap until we return to a pre-COVID environment. We want to do everything possible to avoid furloughs and layoffs.

Director Coffman-Gomez asked if the reduction in overtime is due to COVID or a result of contract negotiations. Ms. Mihaylova indicated it seems to be COVID-related. Chair Rotkin reminded the assembly that METRO's policy has been, and continues to be, fiscally responsible. CEO Clifford added there was an increase in overtime to compensate for our inability to hire bus operators fast enough to provide service in a pre-COVID environment; while today we've reduced service levels due to reduced service need and we are not always covering vacancies and bus runs with overtime in an effort to reduce costs and preserve revenues for the impending COVID-caused fiscal cliff.

Chair Rotkin asked if there are any monies in internet sales that we are not capturing. Ms. Mihaylova provided a brief timeline of the actions taken, leading her to believe all monies are being captured.

There was no public comment.

6 ORAL SUMMARY OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2020

Kristina Mihaylova, Deputy Finance Director, provided brief commentary to the materials included in the agenda packet and introduced Lorraine Bayer, Accountant II, to explain a few of the new nuances of the reports presented. The big takeaway is there were no findings. The income statement reflected on page 18 of the audit reflects the CARESAct revenue which has allowed METRO to show a surplus this year. We still have a significant amount of OPEB liability on the books; but, each year is fully paid for as we go. These actuarial projections are based on a lot of assumptions and do not affect METRO's status in the short term.

The auditor's letter, attachment 6A, reflected a past best practices recommendation, which METRO has met this year.

There was no public comment.

7 COVID-19 TRANSIT FISCAL CRISIS ORAL UPDATE

Alex Clifford, CEO/General Manager, spoke to the presentation. As of today, 20 METRO employees have tested positive. Two temporary employees also tested positive, but are not included in our count; their individual agency is responsible for reporting any exposure to CalOSHA. Much of our recent weekly testing has proven to be asymptomatic COVID positives. We have been fortunate that the majority of our employees have had moderate symptoms and all have returned to work following their quarantine/recovery.

Addressing Director Coffman-Gomez's earlier question regarding additional funding, CEO Clifford highlighted the funding on slide 7.5.

He noted that Board interface/assistance with our federal legislators and transit agencies may become important in the May 2021 timeframe once the Biden-Harris platform begins development.

Attachment C

We are investigating the possibility of a 2023 federal LoNo grant to fund a pilot of hydrogen fuel cell bus purchase of some yet to be determined number of buses.

Director Lind commended Alex for his recent KSBW coverage highlighting METRO's safety measures.

Director Coffman-Gomez inquired as to METRO's "essential worker" status in the vaccination queue. CEO Clifford noted we, and other transit agencies, are working with the California Transit Association to lobby the state to include transportation workers in Phase IB, Tier 2 of their vaccination rollout plan. He has not received the final decision, but believes transportation workers will be in Tier IB, Tier 2. They are now distributing vaccines in Tier 1B, Tier 1. We should follow that distribution tier; but we do not know when they will get to Tier 2. Bottom line, vaccinations likely remain a couple of months or more away.

Committee members noted that the entire Board appreciates the efforts and contributions of all METRO employees and unions for providing this essential service to many of our community during this difficult time.

Various accolades were expressed to Director Coffman-Gomez for her involvement and contributions to the Committee and the Board at large.

There were no public comments.

8 **ADJOURNMENT**

Board Chair Rotkin adjourned the meeting at 9:15AM.

Respectfully submitted,
Gina Pye
Executive Assistant

- THIS PAGE INTENTIONALLY LEFT BLANK -



DATE: January 22, 2021
TO: Board of Directors
FROM: Kristina Mihaylova, Finance Deputy Director
SUBJECT: ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF NOVEMBER 30, 2020

I. RECOMMENDED ACTION

That the Board of Directors accept and file the Year to Date Monthly Financial Report as of November 30, 2020

II. SUMMARY OF ISSUES

- An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.
- This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of November 30, 2020."
- Staff recommends that the Board of Directors accept and file the attached report.

III. DISCUSSION/BACKGROUND

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of November 30, 2020. The fiscal year has elapsed 42%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of November 30, 2020

Slide 2

FY21 Operating Revenue and Expenses for the Month Ending November 30, 2020

- Operating Revenues for the month are unfavorable by \$633K
- Operating Expenses
 - Labor Regular - favorable by \$279K
 - Labor OT - favorable by \$21K

- Fringe Benefits – favorable by \$172K
- Non-Personnel - favorable by \$137K
- Total Operating Expenses – favorable by \$608K
- Transfers – unfavorable by \$53K
- Operating Balance – favorable by \$28K

Slide 3

FY21 Operating Revenue and Expenses for the Year-to-Date November 30, 2020

- Operating Revenues for the month are unfavorable by \$438K
- Operating Expenses
 - Labor Regular - favorable by \$1,109K
 - Labor OT - favorable by \$272K
 - Fringe Benefits – favorable by \$866K
 - Non-Personnel - favorable by \$515K
- Total Operating Expenses – favorable by \$2,762K
- Transfers – favorable by \$102K
- Operating Balance – favorable by \$2,222K

Slide 4

FY21 Operating Revenue by Major Funding Source - Year to Date as of November 30, 2020

- Passenger Fares – actual is \$1,916K while budget is \$4,368K; variance to budget is unfavorable by \$2,452K primarily due to reduced ridership across all categories as a result of Covid-19
- Sales Tax Revenue (including Measure D) – actual is \$11,596K while budget is \$11,108K; variance to budget is favorable by \$488K, primarily due to higher than anticipated receipts
- Other Revenue – actual is \$300K while budget is \$487K; variance to budget is unfavorable by \$187K, primarily due to reduced advertising and rental revenue as a result of Covid-19
- Federal OP Assistance – actual is \$4,580K while budget is \$4,583K; variance to budget is unfavorable by \$3K
- CARES Act FTA 5307/5311 – actual is \$2,250K related to the final reimbursements for operating expenses incurred in July and August 2020 which was not budgeted in FY21
- STIC OP Assistance – actual and budget are both \$2,703K; there is no variance

- TDA OP Assistance – actual is \$1,576K while budget is \$1,907K; variance to budget is unfavorable by \$331K
- STA – OP Assistance – actual is \$919K, while budget is \$1,124K; variance to budget is unfavorable by \$204K

Slide 5

FY21 Operating Expenses by Major Expense Category Year to Date as of November 30, 2020

- Labor – Regular – actual is \$6,704K while budget is \$7,813K; variance to budget is favorable by \$1,109K, primarily due to vacant funded positions along with extended unpaid leaves of absence
- Labor – OT – actual is \$377K while budget is \$649K; variance to budget is favorable by \$272K, primarily due to significant reduction of OT across the agency.
- Fringe Benefits – actual is \$12,161K (*of which \$4,782K is the total Retirement Expense YTD which includes the prepayment of the CalPERS UAL of \$4,434K in FY21, which resulted in savings of \$153K*) while budget is \$13,027K, overall variance is favorable by \$866K
- Services – actual is \$1,508K while budget is \$1,588K; variance to budget is favorable by \$88K due to lower than anticipated spending for Professional & Tech fees, Admin & Bank fees, and Repairs to Revenue Vehicles, partially offset by increased spending on Temporary Help and Repairs to Buildings & Improvement
- Mobile Materials & Supplies – actual is \$812K while budget is \$1,190K; variance to budget is favorable by \$378K primarily due to lower spending on Fuels & Lube Revenue Vehicles
- Other Expenses – actual is \$1,179K while budget is \$1,236K; variance to budget is favorable by \$57K, primarily due to decreased interest expense, employee training, telecommunications, and travel, partially offset by unanticipated expenses related to COVID-19.

Slide 6

FY21 Transfers to Capital Budget: Measure D Year to Date as of November 30, 2020

- FY21 Transfer to Capital Budget Commitment is \$2.3M (Measure D and STA) “Bus Replacement Program”; actual is \$973K while budget is \$871K; variance to budget is favorable by \$102K primarily due to higher than anticipated receipts for Measure D

Slide 7

FY21 Capital Budget Spending Year to Date (by Funding Source) as of November 30, 2020

- Total Capital Spending year to date is \$935K; FY21 budget is \$27.6M
 - Federal Capital Grants spending is \$536K
 - Operating and Capital Reserve Fund spending is \$231K
 - Transfers from Operating Budget (Measure D) spending is \$115K
 - State Transportation Improvement Plan (STIP) spending is \$53K

Slide 8

FY21 Capital Budget Spending Year to Date as of November 30, 2020

- Total Capital Projects spending year to date is \$935K; FY21 budget is \$27.6M
 - Construction Related Projects spending is \$17K for the following projects:
 - New METRO owned ParaCruz facility
 - Pacific Station/Metro Center redevelopment, conceptual design
 - Facilities Repair & Improvements spending is \$582K for the following projects:
 - Maintenance facility roof replacement
 - Maintenance yard security/expanded parking
 - Fuel management system
 - Bus stop improvements
 - Golf Club Drive fire egress
 - Awning at fueling station
 - Asphalt Repair – Pacific Station
 - Watsonville Bus Shelter
 - Revenue Vehicle Replacement & Campaigns spending is \$180K for the following projects:
 - Principal lease payment on three new Flyer replacement buses
 - AVL/ITS
 - Completion of cameras on six buses
 - Revenue Vehicle Replacement Electrification Projects spending is \$76K for the following project:
 - ZEB deployment and fleet planning
 - Non-Revenue vehicle replacement spending is \$0.98K

- Replace custodial support vehicle
- Bus yard scrubber/sweeper
- Fleet & Maintenance Equipment spending is \$8K for the following project:
 - Transmission Jack – VTA Gillig buses
- Miscellaneous spending is \$72K for the following project:
 - Laptops for Marketing
 - WTC Server and security cameras (3 new, 3 replacement)
 - Four folding machines
 - Four METRO Paracruz cameras

Slide 9 & Slide 10

FY21 Top Nine Capital Projects Status Report Year to Date as of November 30, 2020

A list of the top Capital Projects with budgets of at least \$1 million, current Year-to-Date spending and status of projects

- Electric Bus (3) + Infra & Project Mgmt. (FTA 5339c Low-No FY16) - nothing has been spent against a budget of \$4.7M
 - Project has been on hold due to lack of technology meeting our requirements. Procurement specifications under development for three over-the-road coaches for Hwy 17.
- Replace Six (6) CNG Buses (PTMISEA) - nothing has been spent against a budget of \$4.2M.
 - Purchase placed on Dec 10, 2020
- Metro owned ParaCruz Facility FY20 LPP, Grant Match for 5339(b) - \$16K thousand has been spent against a budget of \$2.3M.
 - Project currently progressing to grant application stage – expected for 2021 FTA 5339b Bus and Bus Facilities Grant application.
- FY18 STIP – 2 ZEBs (STIP, LPP, HVIP = \$300K) & 2 Electric Buses (Watsonville Circulator & Service) (FY15/16 & 17/18 LCTOP) - nothing has been spent against a budget of \$4.4M.
 - Buses now scheduled to arrive in 1st Qtr 2021; these have been delayed several months due to Altoona testing.

- Pacific Station/Metro Center Redevelopment w/City of Santa Cruz (Bus Replacement Funds – Board Commitment: \$4M (\$1M/year: FY20 – FY23) - \$875 has been spent against a budget of \$2.1M.
 - Weekly meetings with City and consultant to prepare for AHS grant application in early 2021.
 - Team reviewed and identified developer to work with.
- 14 CNG Buses, Lease to Buy; Capital Lease - Year 1 of 6 Principle Only - (Bus Replacement Fund: SGR; Measure D) - nothing has been spent against a budget of \$1.5M.
 - Project is on hold pending re-evaluation after the pandemic.
- Two 35' CNG Buses (FY19 Caltrans Discretionary FTA 5339, Bus Replacement Fund) - nothing has been spent against a budget of \$1.4M.
 - CalTrans is working with FTA to finalize the Standard Agreement. Should be ready February 2021, then proceed with procurement.
- Maintenance Yard-Security Hardening/Expanded Parking/Access Control - \$22K has been spent against a budget of \$1.0M.
 - Construction documents have been created. Will pursue contractor in Jan/Feb 2021 for construction to occur post rain season
- 7 Replacement Paracruz Vans (FY19 LLP, Measure D); 3 Paracruz Vans (STBG FY19 via RTC) - nothing has been spent against a budget of \$863K.
 - Funding and project has been approved. Compiling documentation to proceed with procurement.

The top nine projects have spent a total of \$38.9K against a budget of \$22.5M, or 0.2%. All other smaller projects have spent \$896.1K against a budget of \$5.1M, or 17%, for a total spend of \$935K against a total budget of \$27.6M or 3.3%.

Slide 11

(Cover Sheet) - Additional Information

Slide 12

Additional Information for the Month of November 2020

- Unemployment Rate %
 - Santa Cruz County is 6.7%
 - State of California is 8.2%
 - National is 6.7%

- \$ Gasoline per Gallon for the San Francisco-Oakland-San Jose area is \$3.30;
\$ Diesel is \$3.25
- Ridership YTD as of November 2020 changed as follows, year-over-year (FY20 – FY21):
 - 83.5% decrease in Total ridership
 - 86.3% decrease in Highway 17 ridership
 - 83.3% decrease in Local ridership
 - 96.2% decrease in UCSC ridership - 2020 – 2021 school year is primarily online due to COVID-19
 - 98.3% decrease in Cabrillo ridership - 2020 – 2021 school year is primarily online due to COVID-19
 - 64.5% decrease in Non-Student ridership
- Ridership recovery is 71,145 total passengers in November 2020 compared to 36,113 total passengers at the start of the Covid-19 pandemic in April 2020

Slide 13

Operating Reserves as of June 30, 2020

- Workers' Compensation Reserve Fund – fully funded at \$2.2M
- Operations Sustainability Reserve Fund – fully funded at \$7.5M
- Cash Flow Reserve Fund – fully funded at \$3.0M
- Liability Insurance Reserve Fund – fully funded at \$0.7M
- COVID Reserves – balance is \$18M, with no minimum balance required
 - METRO will reinvest the funds into the FY21 Operating budget, to sustain services to the greatest extent possible during the economic recovery, or until these funds are exhausted
 - Source of funds is FY20 Carryover comprised of METRO's 1979 Local Sales Tax, TDA-STA, TDA-LTF and Farebox revenues.
- Operating and Capital Reserve Fund - balance is \$0.7M, with no minimum balance required

Slide 14

FY21 Operating Revenue, Expenses, and Transfers Year to Date as of December 31, 2020: Preliminary

- Revenue – unfavorable by \$1,269K
- Operating Expenses:
 - Personnel Expenses - favorable by \$2,625K
 - Non-Personnel - favorable by \$592K

- Total Operating Expenses - favorable by \$3,217K
- Transfers to Capital Budget – favorable by \$118K
- Transfers from COVID Reserves – none
 - COVID Reserve balance remains \$18M, as the Operating Balance YTD is positive
- Operating Balance – favorable by \$1,828K

Slide 15

FY21 Operating Revenue, Expenses, and Transfers Year to Date as of June 30, 2021: Preliminary

Reflects Actual Data for July-Nov FY21 and projections for Dec, Qtrs. 3 and 4

- Revenue – unfavorable by \$7,775K
- Operating Expenses:
 - Personnel Expenses - favorable by \$4,582K
 - Non-Personnel - favorable by \$1,058K
- Total Operating Expenses - favorable by \$5,640K
- Transfers to Capital Budget – no variance
- Transfers from COVID Reserves – favorable by \$2,135K
 - COVID Reserve balance decreased by \$2M; Anticipated FY21 Year – End Balance: \$16M
- Operating Balance – net zero

Slide 16

Percent Change in All Consumer Spending for Santa Cruz County

- In Santa Cruz, as of December 6, 2020, total spending by all consumers decreased by 6.1% compared to January 2020

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

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

V. FINANCIAL CONSIDERATIONS/IMPACT

Unfavorable budget variances in Operating Revenues, offset by favorable Expenses contributed to higher than anticipated Transfer to Capital Budget and favorable budget variance in Operating Balance, Year to Date as of November 30, 2020.

VI. ALTERNATIVES CONSIDERED

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

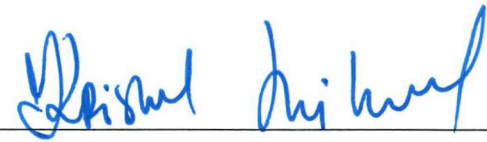
VII. ATTACHMENTS

Attachment A: Year to Date Monthly Financial Report as of November 30, 2020 Presentation

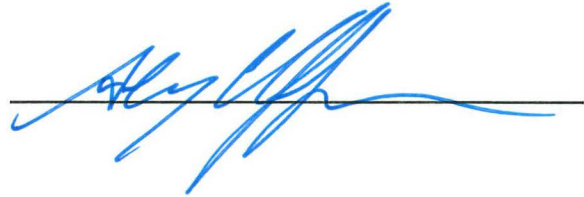
Prepared by: Cathy Downes, Sr. Financial Analyst

VIII. APPROVALS

Approved as to fiscal impact:
Kristina Mihaylova, Finance Deputy Director



Alex Clifford, CEO/General Manager





Year to Date Monthly Financial Report as of November 30, 2020

Board of Directors Meeting

January 22, 2021

Kristina Mihaylova, Finance Deputy Director

FY21 Operating Revenue and Expenses For the Month Ending November 30, 2020

42% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$3,198	\$3,830	(\$633)
Operating Expenses:			
Labor - Regular	\$1,284	\$1,563	\$279
Labor - Overtime	\$109	\$130	\$21
Fringe Benefits	\$1,547	\$1,719	\$172
Non-Personnel Expenses	\$666	\$803	\$137
Total Operating Expenses:	\$3,606	\$4,214	\$608
Transfers:	(\$121)	(\$174)	(\$53)
Operating Balance:			\$28

FY21 Operating Revenue and Expenses

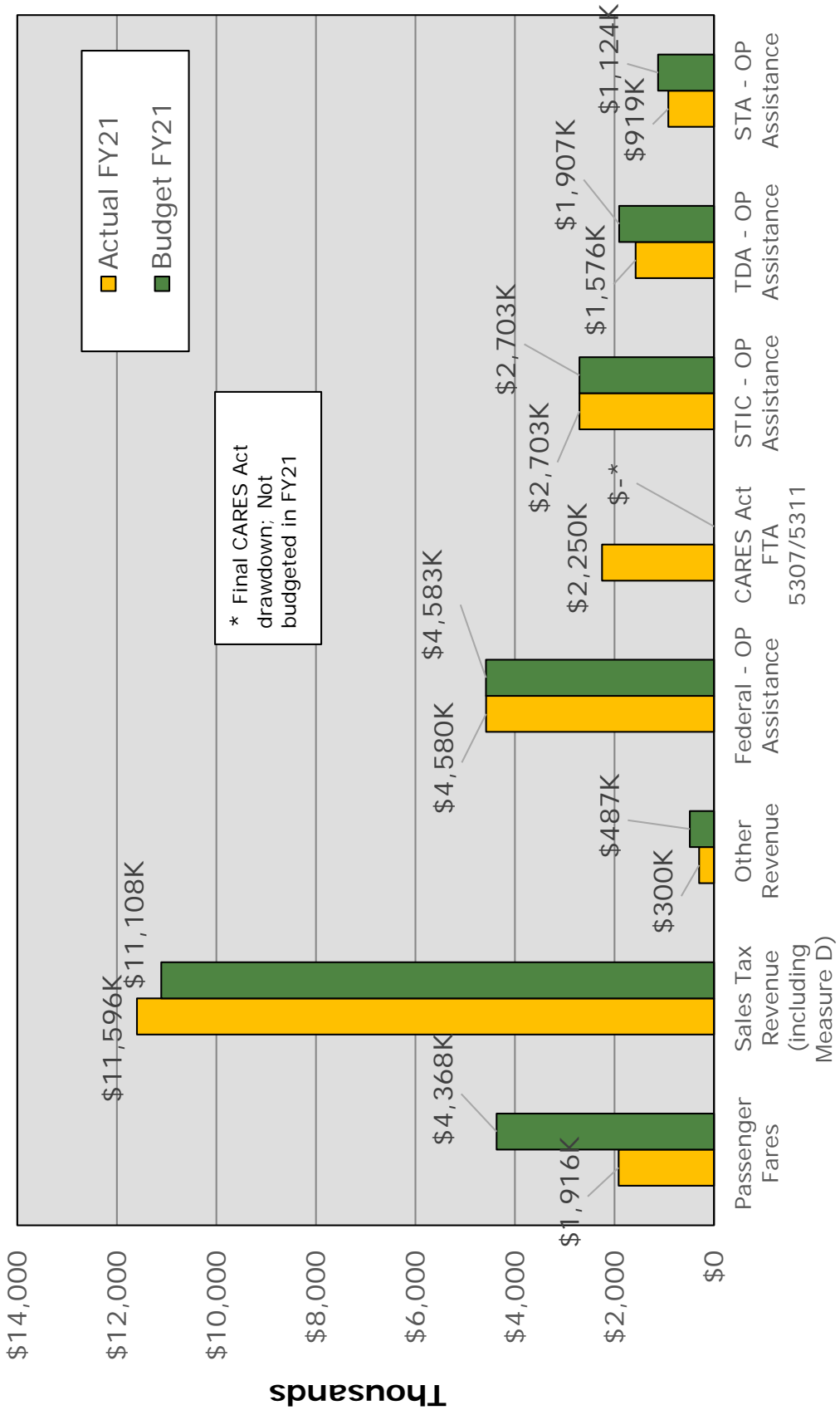
Year to Date as of November 30, 2020

42% of Fiscal Year Elapsed

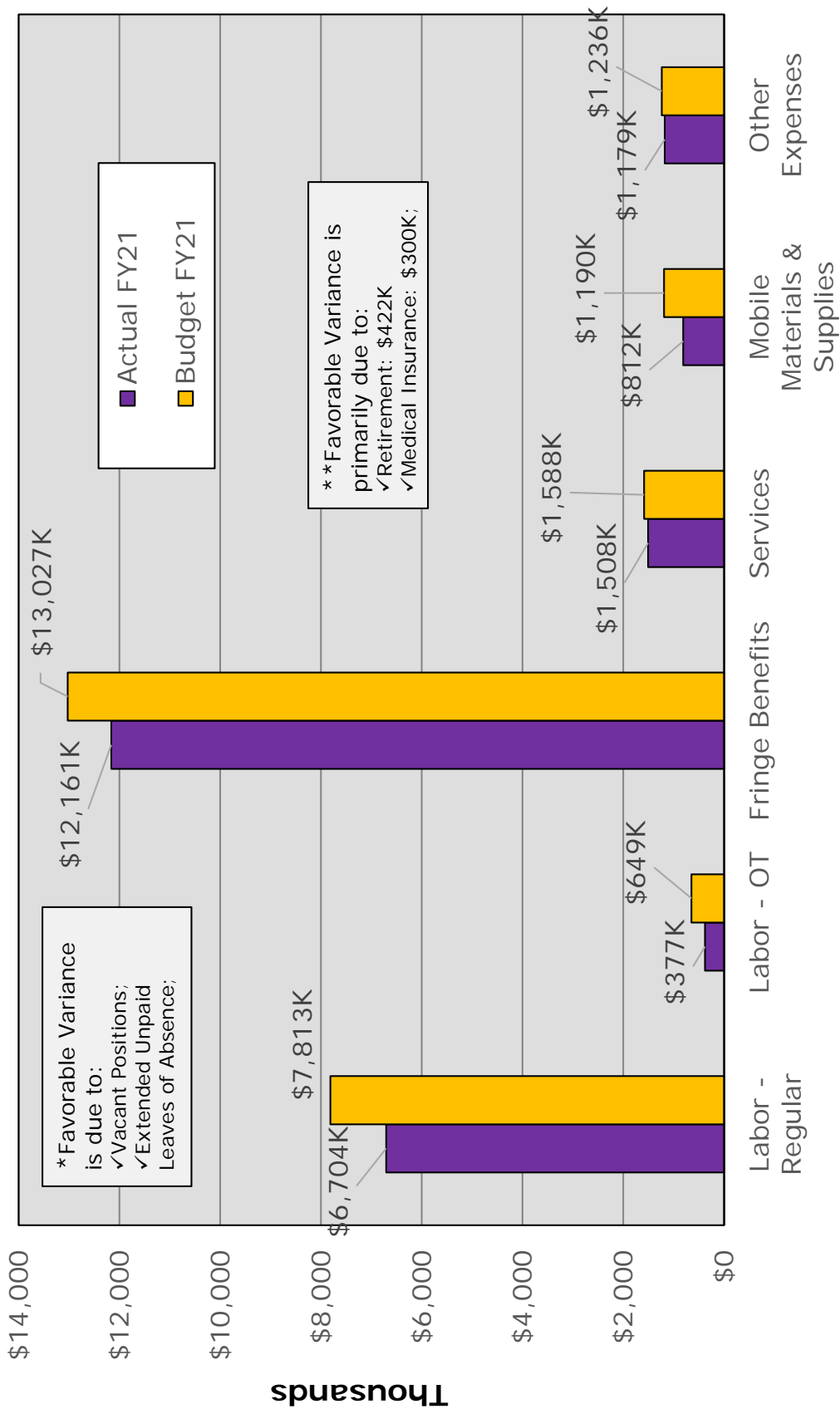
\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$25,841	\$26,279	(\$438)
Operating Expenses:			
Labor - Regular	\$6,704	\$7,813	\$1,109
Labor - Overtime	\$377	\$649	\$272
Fringe Benefits	\$12,161	\$13,027	\$866
Non-Personnel Expenses	\$3,499	\$4,014	\$515
Total Operating Expenses:	\$22,741	\$25,503	\$2,762
Transfers to Capital Budget:	(\$973)	(\$871)	\$102
Transfers from COVID Reserves:	\$0	\$0	\$0
Operating Balance:	<u>\$2,127*</u>	(\$95)	\$2,222

* COVID Reserve balance remains **\$18M**, as the Operating Balance YTD is positive (see slide #13 for most recent final FY20 Schedule of Reserve Account Balances, as of 06/30/2020)

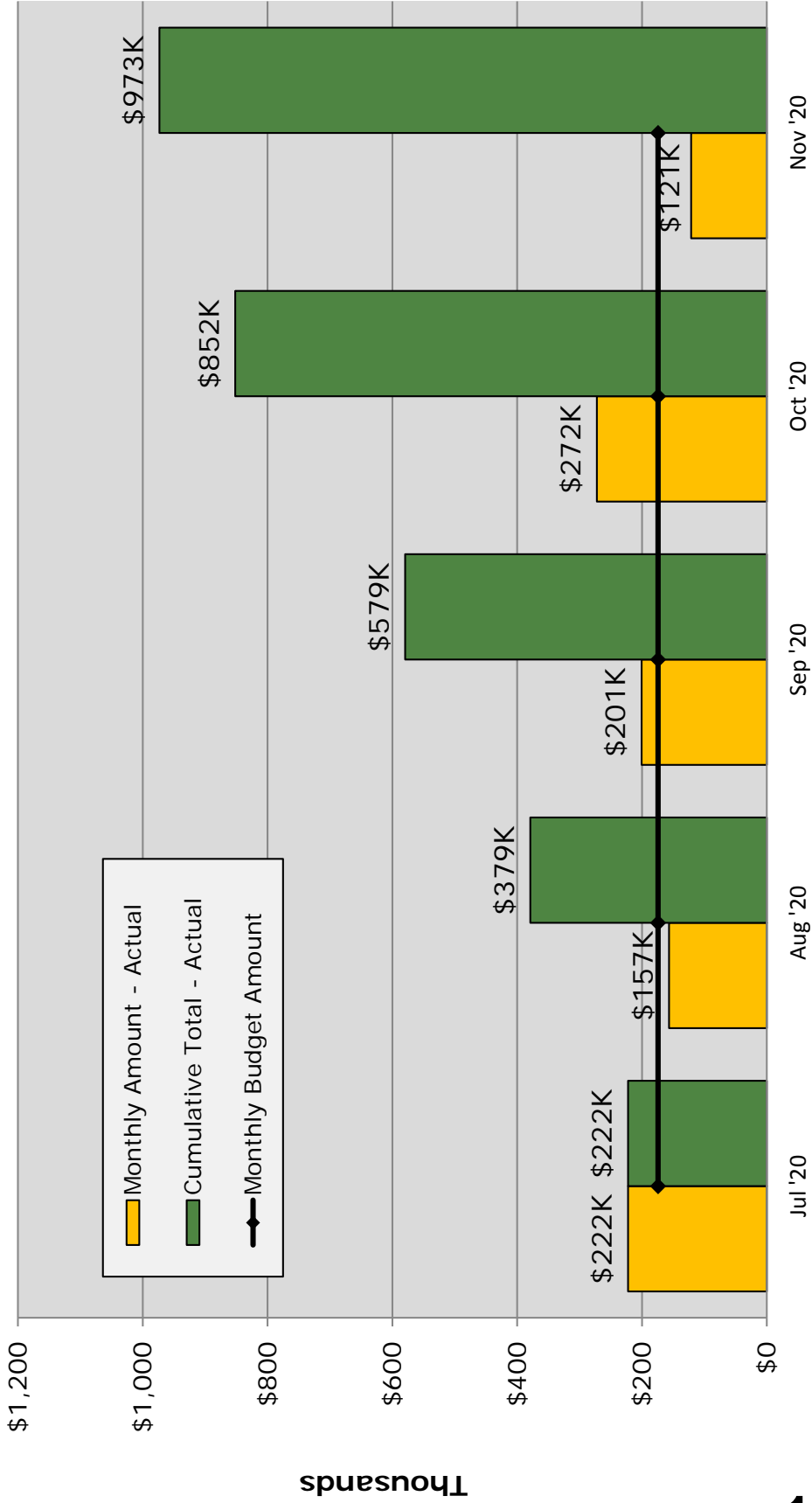
FY21 Operating Revenue by Major Funding Source
Year to Date as of November 30, 2020
42% of Fiscal Year Elapsed



FY21 Operating Expenses by Major Expense Category Year to Date as of November 30, 2020 42% of Fiscal Year Elapsed



FY21 Transfers to Capital Budget: Measure D)
Year to Date as of November 30, 2020
42% of Fiscal Year Elapsed



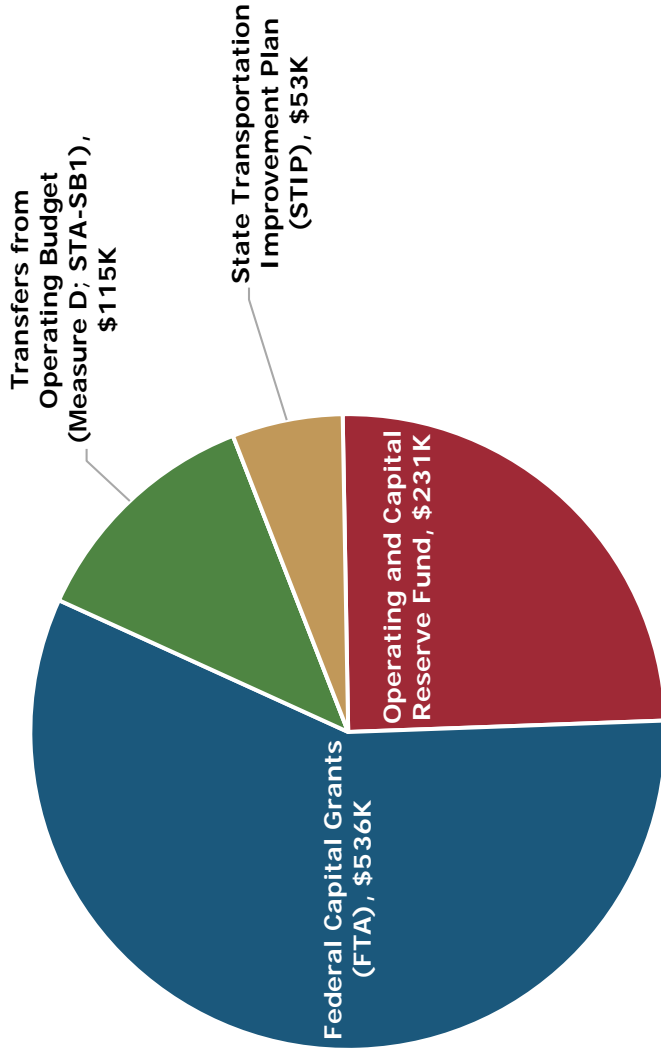
FY21 Transfer to Capital Budget Commitment = \$2.3M (Measure D and STA)
"Bus Replacement Program"

FY21 Capital Budget

Spending Year to Date (by Funding Source) as of November 30, 2020

42% of Fiscal Year Elapsed

	Actual YTD	Total FY21 Budget	% Spent YTD
Total Capital Funding:	\$934,684	\$27,628,620	3.3%



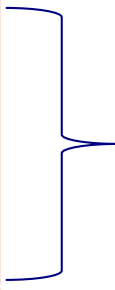
Actual YTD

FY21 Capital Budget

Spending Year to Date as of November 30, 2020

42% of Fiscal Year Elapsed

	Actual YTD	Total FY21 Budget	% Spent YTD
Total Capital Projects:	\$934,684	\$27,628,620	3.3%



Project Category:	Actual Spending YTD:
Construction Related Projects	\$17K
Facilities Repair & Improvements	\$582K
Revenue Veh Replacement & Campaigns	\$180K
Revenue Veh Replacement & Campaigns - Electrification Projects	\$76K
Non-Revenue Vehicle Replacement	\$0.98K
Fleet & Maintenance Equipment	\$8K
Misc.	\$72K

FY21 Top Nine Capital Projects

Status Report: Year to Date as of November 30, 2020

42% of Fiscal Year Elapsed

Top Capital Projects: (=> \$1M)	Actual YTD	Total FY21 Budget: \$27.6M	% Spent YTD	Status:
Electric Bus (3) + Infra & Proj Mgmt. (FTA 5339C Low-No FY16)	\$0	\$4.7M	0%	Project has been on hold due to lack of technology meeting our requirements. Procurement specifications under development for three over-the-road coaches for Hwy 17.
Replace Six (6) CNG Buses (PTMISEA)	\$0	\$4.2M	0%	Purchase placed on Dec 10, 2020
Metro owned Paracruz Facility FY20 LPP, Grant Match for 5339(b)	\$16K	\$2.3M	1%	Project currently progressing to grant application stage – expected for 2021 FTA 5339b Bus and Bus Facilities Grant application.
FY18 STIP – 2 ZEBs (STIP, LPP, HVIP = \$300K) & 2 Electric Buses (Watsonville Circulator & Service) (FY15/16 & 17/18 LCTOP)	\$0	\$4.4M	0%	Buses now scheduled to arrive in 1 st Qtr 2021; these have been delayed several months due to Altoona testing.
Pacific Station/Metro Center Redevelopment w/City of SC (Bus Replacement Funds – Baord Commitment: \$4M (\$1M/year : FY20 – FY23)	\$0.9K	\$2.1M	0%	Weekly meetings with City and consultant to prepare for AHSH grant application in early 2021. Team reviewed and identified developer to work with.

FY21 Top Nine Capital Projects *con't.*

Status Report: Year to Date as of November 30, 2020

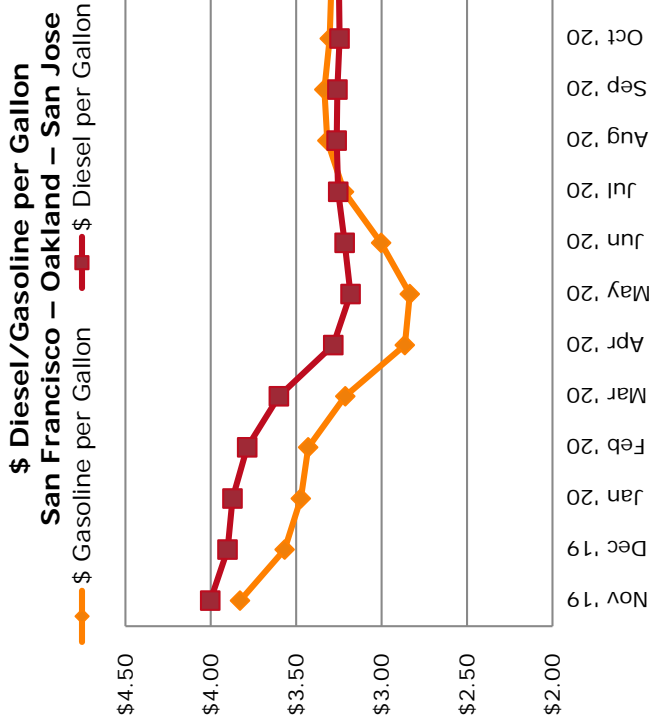
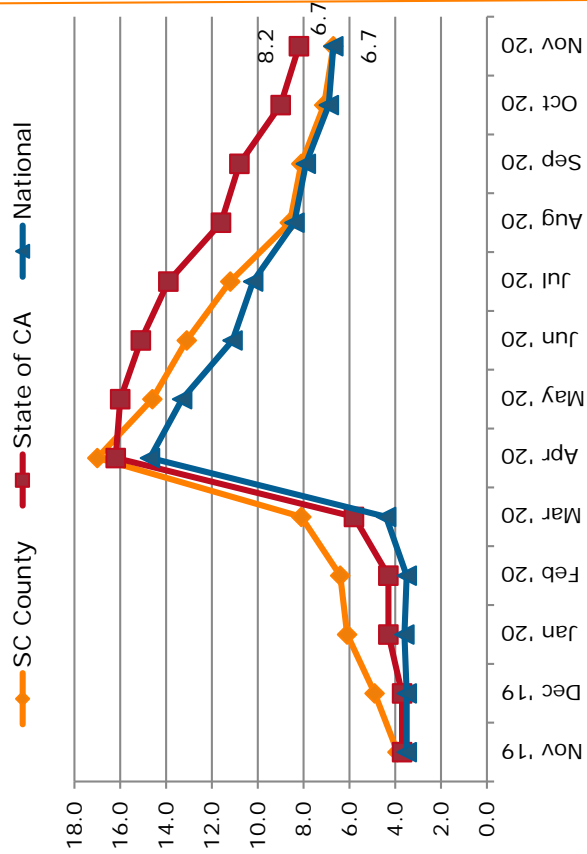
42% of Fiscal Year Elapsed

Top Capital Projects: (=>\$1M)	Actual YTD	Total FY21 Budget: \$27.6M	% Spent YTD	Status:
14 CNG Buses, Lease to Buy; Capital Lease - Year 1 of 6 Prin Only - (Bus Replacement Fund: SGR; Measure D)	\$0	\$1.5M	0%	Project is on hold pending re-evaluation after the pandemic.
2 35' CNG Buses (FY19 Caltrans Discretionary FTA 5339, Bus Replacement Fund)	\$0	\$1.4M	0%	CalTrans is working with FTA to finalize the Standard Agreement. Should be ready February 2021, then proceed with procurement.
Maint Yard-Security Hardening/Expanded Parking/Access Control	\$22K	\$1.0M	2%	Construction documents have been created. Will pursue contractor in Jan/Feb 2021 for construction to occur post rain season
7 Replacement Paracruz Vans (FY19 LLP, Measure D); 3 Paracruz Vans (STBG FY19 via RTC)	\$0	\$0.9M	0%	Funding and project has been approved. Compiling documentation to proceed with procurement.
Total Top 9:	\$38.9K	\$22.5M	0.2%	
Other Smaller Projects:	\$896.1K	\$5.1M	17.0%	
Total All Projects:	\$935K	\$27.6M	3.3%	

Additional Information

Economic Indicators & Ridership:

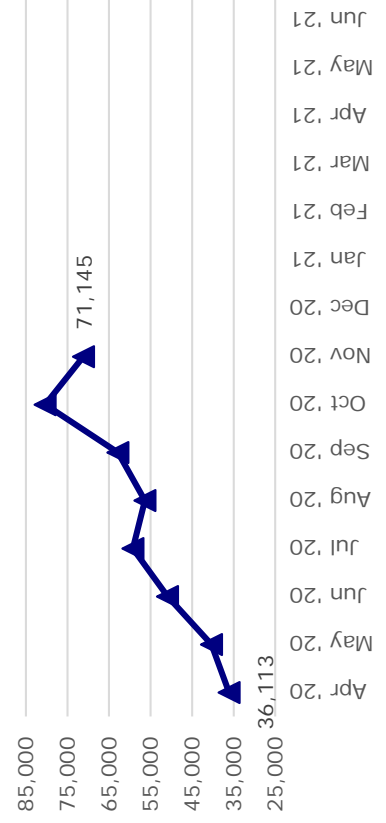
Unemployment Rate %



FY20-FY21 Ridership: November YTD

Ridership	FY20	FY21	% Change
Total	2,000,143	330,291	-83.5%
Hwy 17	119,718	16,427	-86.3%
Local	1,880,425	313,864	-83.3%
UCSC	970,448	37,149	-96.2%
Cabrillo	136,746	2,284	-98.3%
Non-Student	773,231	274,431	-64.5%

FY20-FY21 Ridership Recovery



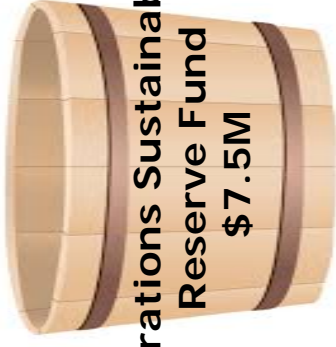
Operating Reserves as of 06/30/2020:

Target: \$2.2M



Fully Funded

Target: \$7.5M



Fully Funded

Target: \$3.0M



Fully Funded

Target: \$0.7M



Fully Funded



No Minimum Balance



No Minimum Balance

10-3A.13

*METRO will reinvest the funds into the FY21 Operating budget, to sustain services to the greatest extent possible during the economic recovery, or until these funds are exhausted. Source of funds is FY20 Carryover comprised of METRO's 1979 Local Sales Tax, TDA-STA, TDA-LTF and Farebox revenues.

FY21 Operating Revenue, Expenses, and Transfers:
Year to Date as of December 31, 2020: PRELIMINARY:

50% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Revenue:	\$30,102	\$31,372	(\$1,269)
Operating Expenses:			
Personnel Expenses	\$22,275	\$24,900	\$2,625
Non-Personnel Expenses	\$4,225	\$4,817	\$592
Total Operating Expenses:	\$26,500	\$29,717	\$3,217
Transfers:			
Transfers to Capital Budget	(\$1,164)	(\$1,045)	\$118
Transfers from COVID Reserves	\$0	\$0	\$0
Total Transfers:	(\$1,164)	(\$1,045)	\$118
Operating Balance:	<u>\$2,438*</u>	\$610	\$1,828

*COVID Reserve balance remains \$18M, as the Operating Balance YTD is positive.

FY21 Operating Revenue, Expenses, and Transfers:

Year to Date as of June 30, 2021: PRELIMINARY*:

100% of Fiscal Year Elapsed

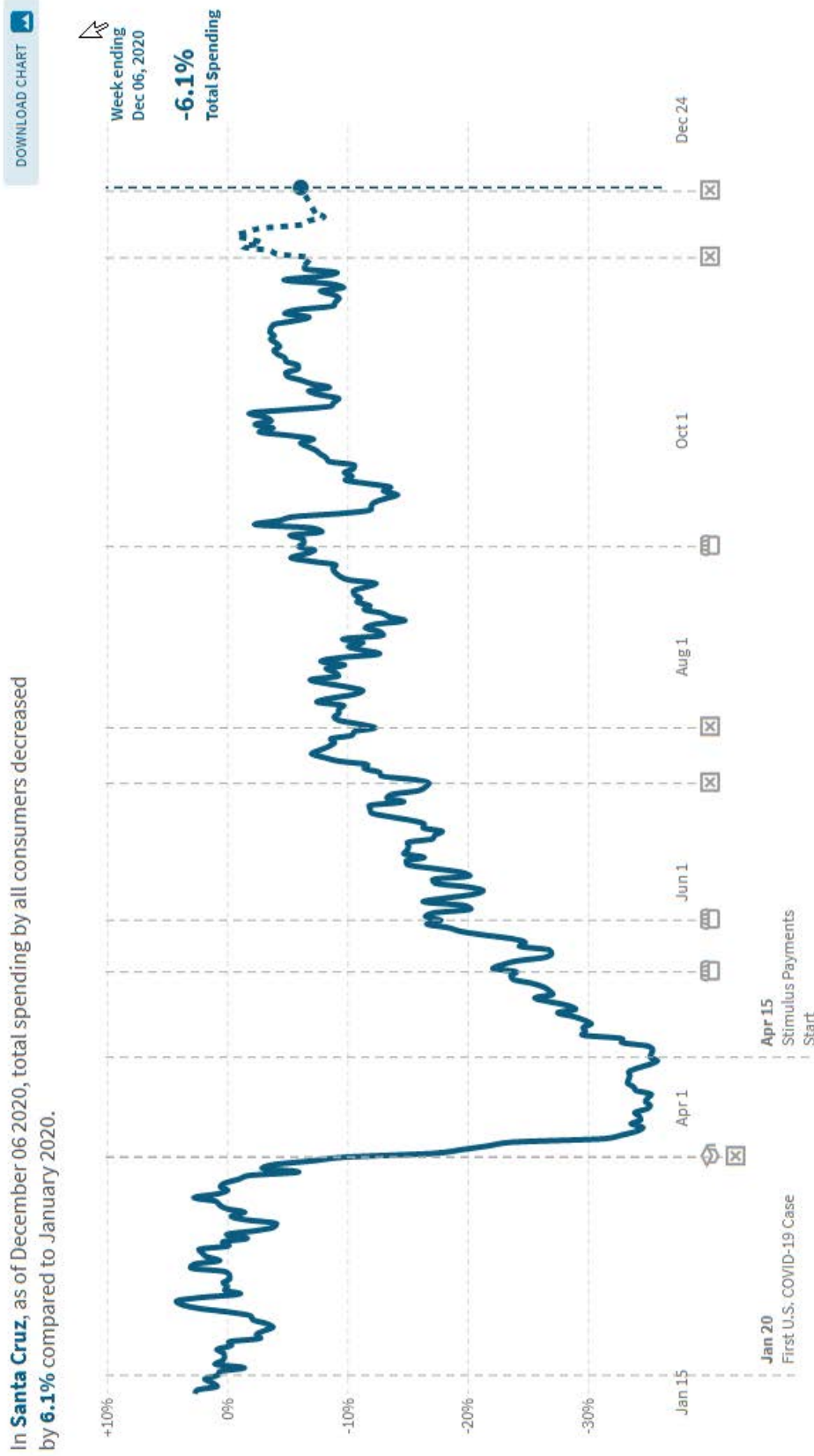
\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Revenue:	\$49,488	\$57,263	(\$7,775)
Operating Expenses:			
Personnel Expenses	\$40,783	\$45,365	\$4,582
Non-Personnel Expenses	\$8,575	\$9,633	\$1,058
Total Operating Expenses:	\$49,358	\$54,998	\$5,640
Transfers:			
Transfers to Capital Budget	(\$2,265)	(\$2,265)	\$0
Transfers from COVID Reserves	\$2,135*	\$0	\$2,135
Total Transfers:	(\$130)	(\$2,265)	\$2,135
Operating Balance:	\$0	\$0	\$0
*COVID Reserve balance decreased by \$2M; Anticipated FY21 Year – End Balance: \$16M.			

*Reflects Actual Data for July-Nov of FY21 and Projections for Dec and Qtrs. 3 & 4

Percent Change in All Consumer Spending for Santa Cruz County

Source: <https://tracktherecovery.org/>

In **Santa Cruz**, as of December 06 2020, total spending by all consumers decreased by **6.1%** compared to January 2020.



Questions

- THIS PAGE INTENTIONALLY LEFT BLANK -



DATE: January 22, 2021
TO: Board of Directors
FROM: Kristina Mihaylova, Finance Deputy Director
**SUBJECT: ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT
AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2020**

I. RECOMMENDED ACTION

That the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ended June 30, 2020

II. SUMMARY

- The Financial Statements with Independent Auditor's Report (Attachment A) prepared by the firm Brown Armstrong, Certified Public Accountants present Santa Cruz Metropolitan Transit District's (METRO) financial position as of June 30, 2020, with a comparison to the financial position as of June 30, 2019. The auditors have found that METRO's financial statements present fairly, in all material respects, the financial position of METRO as of June 30, 2020.
- In the Independent Auditor's Report on Compliance Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with the Statutes, Rules, and Regulations of the California Transportation Development Act and the Allocation Instructions and Resolutions of the Transportation Commission (page 63-64), the auditors found nothing that came to their attention that indicated METRO failed to comply with the Statutes, Rules and Regulations of the California Transportation Development Act, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission (SCCRTC) during the course of their audit. Additionally, the auditors tested Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) program receipts and expenses for the year audited.
- In the Schedule of Findings and Questioned Costs (pages 65-66), the auditors identified no findings associated with their testing of major federal program expenditures in connection with their audit performed under Government Auditing Standards (GAS) and in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
- The Required Communication to the Board of Directors in Accordance with Professional Standards letter (Attachment B) provides information related to

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

- There were no current year findings, and the audit condition from the prior year has been resolved, as reported in the Agreed upon Conditions Designed to Increase Efficiency, Internal Controls and/or Financial Reporting letter (Attachment C) issued by the auditors this year.

III. DISCUSSION/BACKGROUND

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

The Independent Auditor's Report (pages 1-3) attests that the audit was conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The auditors have found that METRO's financial statements present fairly, in all material aspects, the financial position of METRO as of June 30, 2020.

While the basic financial statements and notes (pages 16-51) provide information about METRO's financial position in detail, the Management's Discussion and Analysis (pages 4-15) presents narrative highlights of the financial statements, an overview of the agency's financial activities and information that enhances overall financial disclosure. This report was prepared by METRO management and staff.

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

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

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

The Notes to Basic Financial Statements (pages 21-51) are an integral component of the financial statement report, as they provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of METRO's operations and significant accounting policies, as well as clarify financial information unique to METRO.

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

- The Schedule of Changes in the Net Pension Liability and Related Ratios (page 52) and the Schedule of Contributions (page 53) for METRO's defined benefit pension plan presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.
- The Schedule of Changes in the Net OPEB Liability and Related Ratios for post-employment medical, dental, vision and life insurance benefits (page 54) and the Schedule of Contributions - OPEB (page 55) are required under current standards on accounting and financial reporting for OPEB plans (GASB 75), implemented in FY18. At this time, METRO has not prefunded the liability for retiree medical or other post-employment benefits.

The Statements of Operating Expenses (page 56) are presented as Supplementary Information, showing the total operating costs that were reported in the financials in further detail, broken out by natural expense classification.

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

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

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

The purpose of the Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls and/or Financial Reporting communication (AUC letter) from the auditors is to provide METRO with recommendations for strengthening internal controls and operations efficiency with regard to matters that came to their attention during the course of the audit.

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

The AUC letter reflects no current year conditions or recommendations, and reports the status of the prior year condition as resolved and cleared.

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

As a recipient agency of Measure D funds, METRO is required to submit separate independently audited financial statements of Measure D funds received and used. The FY20 Measure D audited financial statements were submitted to the SCCRTC along with METRO’s district-wide audit and financial reports.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

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

V. FINANCIAL CONSIDERATIONS/IMPACT

There is no fiscal impact from the Board of Director’s formal acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA) payments from the SCCRTC, the final audit must be submitted to the SCCRTC within 180 days of the end of the fiscal year. METRO has met this TDA compliance requirement and the SCCRTC has accepted the FY20 audited financial statements.

In addition, METRO is required to submit annual audit reporting packages to numerous governmental agencies within specified deadlines in order to meet grant compliance requirements and continue to receive Federal, State and Local grant awards and funding. METRO has timely filed and distributed the FY20 audited financial statements to all required grantor agencies.

VI. CHANGES FROM COMMITTEE

None. The Finance, Audit and Budget Standing Committee recommended acceptance and approval of the FY20 audited financial statements and independent auditor's reports, as presented, at their January 8, 2021 meeting.

VII. ALTERNATIVES CONSIDERED

N/A

VIII. ATTACHMENTS

Attachment A: Santa Cruz METRO Financial Statements with Independent Auditor's Report for the year ended June 30, 2020

Attachment B: Required Communication to the Board of Directors in Accordance with Professional Standards (letter from Brown Armstrong, CPAs)

Attachment C: Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting (Management Letter from Brown Armstrong, CPAs)

Attachment D: Santa Cruz METRO Measure D Fund Financial Statements with Independent Auditor's Report for the year ended June 30, 2020

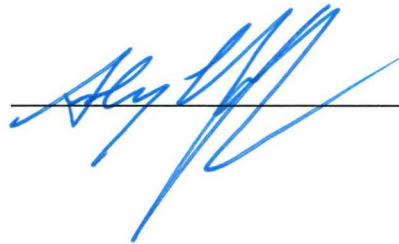
Prepared by: Lorraine Bayer, Accountant II

IX. APPROVALS

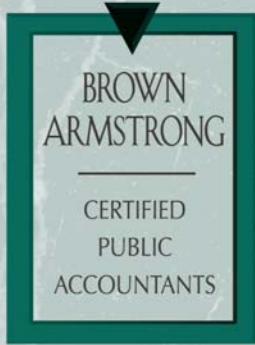
Kristina Mihaylova, Finance Deputy Director



Alex Clifford, CEO/General Manager



Attachment A



BROWN ARMSTRONG

Certified Public Accountants

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

We have audited the financial statements of Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 22, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Santa Cruz METRO are described in Note 1 to the financial statements. During the year ended June 30, 2020, Santa Cruz METRO adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. We noted no transactions entered into by Santa Cruz METRO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Attachment A

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 11, 2020.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Attachment A

Restriction on Use

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

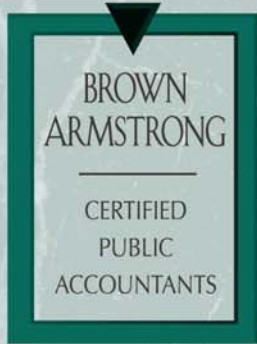
BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 11, 2020

- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment B



BROWN ARMSTRONG
Certified Public Accountants

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

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

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the year ended June 30, 2020, and have issued our report thereon dated December 11, 2020. In planning and performing our audit of the basic financial statements of Santa Cruz METRO, we considered its internal control structure over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control.

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

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

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

Current Year Agreed Upon Conditions and Recommendations

None.

**BAKERSFIELD OFFICE
(MAIN OFFICE)**
4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE
10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE
1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Attachment B

Status of Prior Year Agreed Upon Condition and Recommendation

Agreed Upon Condition 2019-1 – Passenger Sales

Condition:

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

Criteria:

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

Cause of Condition:

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

Potential Effects:

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

Recommendation:

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

Views of Responsible Officials:

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

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

- New models of the PEMs were purchased in 2018 from Genfare (GFI).
- In October 2018, the IT and Planning departments worked with Genfare (GFI) to implement a system-wide software upgrade to the GFI VIP system in an attempt to resolve reporting issues.
- Numerous staff hours were devoted to documenting, reporting, and troubleshooting GFI equipment and system errors in 2018 and 2019; efforts continue to be ongoing. Santa Cruz METRO's IT department, Revenue Account Coordinator, Planning Analyst, Accountant, and Customer Service Coordinators continue to work towards resolving issues in the system, improving the reports and understanding best practices on the PEMs for ensuring accuracy of sales records. New training manuals were delivered by GFI and distributed to Customer Service

Attachment B

to provide instruction to all Customer Service Representatives on how to properly utilize the new PEMs. As a result, user errors were identified, and updated procedures were created to reduce deviations in the accounting of pass sales.

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

Current Year Status:

Resolved.

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 11, 2020

- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

JUNE 30, 2020 AND 2019

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT JUNE 30, 2020 AND 2019

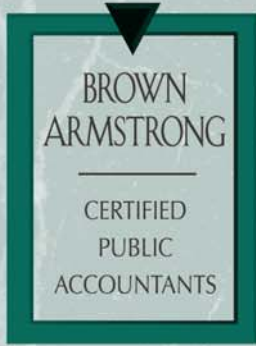
TABLE OF CONTENTS

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report	1
Management's Discussion and Analysis.....	4
 <u>Basic Financial Statements</u>	
Statements of Net Position.....	16
Statements of Revenues, Expenses, and Changes in Fund Net Position.....	18
Statements of Cash Flows	19
Notes to Basic Financial Statements	21
 <u>Required Supplementary Information</u>	
Schedule of Changes in the Net Pension Liability and Related Ratios	52
Schedule of Contributions – Pension.....	53
Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Related Ratios	54
Schedule of Contributions – OPEB.....	55
 <u>Supplementary Information</u>	
Statements of Operating Expenses	56
 <u>Other Schedules and Reports</u>	
Schedule of Expenditures of Federal Awards.....	57
Notes to Schedule of Expenditures of Federal Awards	58
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	59
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	61
Independent Auditor's Report on Compliance Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with the Statutes, Rules, and Regulations of the California Transportation Development Act and the Allocation Instructions and Resolutions of the Transportation Commission.....	63
 <u>Findings and Questioned Costs Section</u>	
Schedule of Findings and Questioned Costs.....	65

Attachment C

FINANCIAL SECTION

Attachment C



BROWN ARMSTRONG *Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

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

Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the fiscal years ended June 30, 2020 and 2019, and the related notes to the basic financial statements, which collectively comprise Santa Cruz METRO's basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

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

Auditor's Responsibility

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

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

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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Attachment C

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of Santa Cruz METRO as of June 30, 2020 and 2019, and the respective changes in financial position, and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Attachment C

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, on our consideration of Santa Cruz METRO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 11, 2020

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020 AND 2019

Introduction

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Santa Cruz Metropolitan Transit District (Santa Cruz METRO or the District) provides a narrative and analytical overview of the financial activities of Santa Cruz METRO with selected comparative information for the fiscal years ended June 30, 2020 and 2019. Following the MD&A are the basic financial statements of Santa Cruz METRO together with the notes thereto, which are essential for a full understanding of the data contained in the financial statements.

Activities and Highlights

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

The Financial Statements

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

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

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

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

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

Attachment C

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

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

Financial Highlights

- The liabilities and deferred inflows of resources of Santa Cruz METRO exceeded its assets and deferred outflows of resources at the close of the fiscal year ended June 30, 2020, resulting in a Total Net Position (Deficit) of \$(46,494,891).
- Of this amount, \$84,536,118 consisted of Net Investment in Capital Assets, which reflects investment in capital assets used for operational and administrative functions (e.g., facilities, vehicles, and equipment). Accordingly, these assets are not available for future spending.
- The remaining balance of Total Net Position (Deficit) represents Unrestricted Net Position (Deficit) of \$(131,031,009). The Unrestricted Net Position (Deficit) is the result, in large part, of the District incurring increasing pension obligations (Net Pension Liability) that reached \$60,657,487 by June 30, 2020, and increasing retiree medical benefits obligations (OPEB) in fiscal year 2020 totaling \$124,340,668 at year-end. These liabilities are required to be accounted for under Governmental Accounting Standards Board (GASB) Statement No. 68, and GASB Statement No. 75, which replaces GASB Statement No. 45, effective fiscal year 2018. Net Pension Liability represents a future long-term pension obligation, but does not significantly affect the District's ability to meet immediate (short-term) operational cash flow needs. Therefore, although the projected long-term pension and OPEB obligation costs have generated a deficit fund net position balance on the financial statements, Santa Cruz METRO is able to utilize current, available funds to pay for ongoing obligations for pension and retiree medical expenses as they come due.
- Total passenger fares revenue decreased by \$2.5 million, or 24.5%, to \$7.7 million due to the suspension of fare collection from March 23, 2020, to June 14, 2020, a measure taken by Santa Cruz METRO in order to protect employee and customer health and safety during the COVID-19 pandemic, along with the implementation of passenger rear-boarding on buses and reduced rider capacities.
- Operating expenses (excluding depreciation) increased 13.1% during the year ended June 30, 2020, to \$60.1 million compared to a 0.69% decrease during the year ended June 30, 2019, over the previous year. The increase in the current year was mainly attributable to the increase in workers' compensations and pension costs net of increased insurance and settlement costs over the prior year. In the prior year, the decrease was mainly attributable to the decrease in pension and settlement costs.
- In 2020, Santa Cruz METRO's Capital Assets (after the application of accumulated depreciation) increased \$1,982,567, compared to a decrease in 2019 of \$2,383,862 over the previous year. Depreciable Asset additions and transfers were \$4.7 million, offset by asset retirements and transfers of \$5.4 million and an increase in accumulated depreciation of \$5.5 million offset by a \$5.4 million write-off of accumulated depreciation associated with retired assets. Asset additions were attributed primarily to the purchase of revenue vehicle replacements during fiscal year 2020. Capital Asset procurements are funded by a combination of federal, state, and local grants as well as Operating and Capital Reserves.

Attachment C

Financial Activities - Operations

The following discussion provides an overview of the financial activities related to operations (operating revenue and expense) for the year ended June 30, 2020. Financial Activities related to capital (e.g., buses, equipment, and facilities improvements) are discussed later in this report.

Operating Revenue and Expense:

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

As with many transit and public agencies across the region and throughout the state, Santa Cruz METRO has faced financial challenges in the past decade due to significant increases in operating and capital costs with lagging increases in operating or capital contributions. Operating expenses nearly doubled in the last ten years, primarily in the categories of labor and fringe benefits due to substantial increases in the retirement and medical insurance costs. Furthermore, the recurring costs for health benefits, retirement, services, materials and supplies, insurance, and utilities have significantly exceeded the annual Consumer Price Index (CPI) for the region since 2012. Faced with constantly increasing costs, Santa Cruz METRO is constantly analyzing the economic and political landscape and redesigning its operations in order to align expenses with the available revenue stream in the current and future fiscal years. Significant fluctuations in the five primary operating revenue sources year-over-year are frequent and in direct correlation to the economy. Periods of economic downturns translate into sharp declines in sales and use tax revenues, and local transportation funds (TDA and STA) and vice versa.

Santa Cruz METRO receives a ½-cent sales tax levied on all taxable sales in Santa Cruz County, collected and administered by the California Department of Tax and Fee Administration (CDTFA). Additionally, in November 2016, the majority of Santa Cruz County approved Measure D, a ½-cent sales tax measure designed to fund a comprehensive and inclusive package of transportation improvements. Santa Cruz METRO receives 16% of the Measure D Sales Tax. Sales Tax revenues account for approximately 45% of METRO's operating revenue sources.

The California Transportation Development Act (TDA) provides two major sources of funding for public transportation: the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA). These funds are for the development and support of public transportation needs that exist in California and are allocated to areas of each county based on population, taxable sales, and transit performance. STA funding is derived from the statewide sales tax on diesel fuel. Since fiscal year 2014, STA funding had been on the decline. On April 28, 2017, Governor Brown signed Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017. SB 1 augments the base of the STA program essentially doubling the funding for this program. Santa Cruz METRO's financial position continues to improve with this much-needed influx of operating and capital funding. The combined share of TDA and STA Operating Assistance is approaching 20% of METRO's operating revenues. The recent decline in the available funding for the fiscal year that ended June 30, 2020, is primarily due to COVID-19 related drops in fuel prices and fuel consumption that will have an impact on transportation funding for several years.

The alarming spread of the pandemic in 2020 and the tight restrictions on travel to halt the spread of the virus affected severely Santa Cruz METRO's Passenger and Special Transit Fares, as well. Ridership in the second quarter of 2020 plummeted. In an effort to respond to the severe decrease in ridership, and in an attempt to reduce Santa Cruz METRO bus operators' exposure, all service was running on weekend schedule, which resulted in fewer busses running and less frequency of service. All school term service was suspended in the second half of March 2020. Additionally, Santa Cruz METRO suspended the collection of fares on buses and paratransit vehicles. On June 15, 2020 fare collections were resumed,

Attachment C

but going beyond health guidelines, Santa Cruz METRO has self-limited bus capacity to a maximum of 15 riders per bus. The direct result of the pandemic and measures taken to halt the spread of the virus caused a nearly 25% decline in passenger and special fares year-over-year. Advertising and Rent income were also negatively impacted, as the Santa Cruz and Watsonville Transit Centers lobbies closed at mid-March 2020. Santa Cruz METRO tenants were told to shut down in March 2020 when the Shelter in Place order for Santa Cruz County was issued and rent was held in abeyance from April 2020 until reopening of the lobbies. Consequently, rental income declined by almost 20% year-over-year.

In response to the pandemic, the U.S. Department of Transportation's Federal Transit Administration (FTA) allocated \$25 billion in federal funding to help the nation's public transportation systems respond to COVID-19. Funding is provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed by President Donald J. Trump on March 27, 2020. Funding is provided at a 100% federal share, with no local match required. The funds are available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19. Additionally, operating expenses incurred beginning on January 20, 2020, for all rural and urban recipients, even those in large urban areas, are also eligible, including operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency. FTA funds account for approximately 32% of the total operating revenues for Santa Cruz METRO for the fiscal year that ended June 30, 2020, which is a substantial increase year-over-year, primarily due to reimbursements of FTA qualifying operating expenses related to the CARES Act. Furthermore, the CARES Act funding would allow Santa Cruz METRO to reinvest other fungible revenues sources, comprised of Santa Cruz METRO's 1979 Local Sales Tax and 2016 Measure D Sales Tax, TDA-STA, TDA-LTF and Farebox revenues into the FY21 Operating budget, to sustain services to the greatest extent possible during the economic recovery, or until these funds are exhausted.

Operating expenses increased by 12% year-over-year, with personnel expenses, comprising 78% of total operating expenses, increasing by 17%. The increase was primarily due to wage increases and contractual obligations, pursuant to labor agreements negotiated and effective during the fiscal year that ended June 30, 2020. Additionally, costs for retirement and medical insurance increased by 11% and 9%, respectively, due to increased unfunded accrued liability (UAL) payments, employer normal cost for retirement, and medical insurance premiums. Due to implemented service modifications related to COVID-19, overtime costs, bus operator and other overtime, decreased by 18% and 10%, respectively. The reduction in regular and overtime labor costs was offset by an increase in the category of other paid absences, directly related to COVID-19. Paid leaves of absence introduced during the first quarter of calendar 2020, along with the implementation of alternative work schedules, were intended to limit the potential exposure of employees to COVID-19. In addition, the Family First Coronavirus Response Act (FFCRA) expanded the Family and Medical Leave Act (FMLA) temporarily (until the end of December 2020) to cover leave and loss of income when an employee needs to care for children because of school and childcare COVID-19 closures. Furthermore, under FFCRA two weeks of paid sick leave for childcare and other leave related to COVID-19 were also made available. The law became effective on April 1, 2020.

Non-personnel operating expenses decreased approximately 3% year-over-year, primarily due to service modifications related to COVID-19, resulting in decreased service hours, mileage, and consequently consumables (mobile materials and supplies). Other expenditures also contracted, as projects, training and travel were put on hold due to the pandemic. There were significant increases in expense categories directly related to the prevention and response to COVID-19.

Ridership:

Fixed Route: At the end of fiscal year 2020, the Santa Cruz METRO fixed-route bus system consisted of 24 routes, and provided 3,544,455 rides with a fleet of 94 CNG and diesel buses. Ridership decreased by 1,501,517 fixed-route rides (-29.76%) from the previous year. As with many transit agencies across the nation, ridership declined significantly due to shelter-in-place directives and ongoing COVID-19 responses.

Attachment C

Paratransit: Paracruz, Santa Cruz METRO's paratransit service, provided 61,631 paratransit rides to mobility-impaired patrons on 32 specially equipped minibuses and minivans during fiscal year 2020. This represents a 16.11% decrease in Paracruz ridership from the prior year (11,836 fewer paratransit rides), resulting primarily from the COVID-19 pandemic Shelter in Place orders in Santa Cruz METRO's paratransit service

Financial Analysis

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

Statements of Net Position:

Condensed Statements of Net Position

	2020	2019	2018	2020 to 2019		2019 to 2018		
				Increase/(Decrease) Amount	%	Increase/(Decrease) Amount	%	
Assets								
Current Assets	\$ 53,220,748	\$ 33,112,067	\$ 28,260,602	\$ 20,108,681	60.7%	\$ 4,851,465	17.2%	
Capital Assets - Net	85,455,125	83,472,558	85,856,420	1,982,567	2.4%	(2,383,862)	-2.8%	
Restricted Assets	12,283,925	11,059,070	8,513,085	1,224,855	11.1%	2,545,985	29.9%	
Total Assets	\$ 150,959,798	\$ 127,643,695	\$ 122,630,107	\$ 23,316,103	18.3%	\$ 5,013,588	4.1%	
Deferred Outflows of Resources								
Pension and OPEB Contributions	\$ 17,880,660	\$ 13,543,340	\$ 16,717,218	\$ 4,337,320	32.0%	\$ (3,173,878)	-19.0%	
Total Deferred Outflows of Resources	\$ 17,880,660	\$ 13,543,340	\$ 16,717,218	\$ 4,337,320	32.0%	\$ (3,173,878)	-19.0%	
Liabilities								
Current Liabilities	\$ 9,531,089	\$ 7,220,527	\$ 6,735,562	\$ 2,310,562	32.0%	\$ 484,965	7.2%	
Non-Current Liabilities	12,297,999	11,633,273	9,339,794	664,726	5.7%	2,293,479	24.6%	
Other Long-Term Liabilities	187,419,193	174,972,058	170,972,880	12,447,135	7.1%	3,999,178	2.3%	
Total Liabilities	\$ 209,248,281	\$ 193,825,858	\$ 187,048,236	\$ 15,422,423	8.0%	\$ 6,777,622	3.6%	
Deferred Inflows of Resources								
Pension and OPEB deferrals	\$ 6,087,068	\$ 5,818,771	\$ 8,918,033	\$ 268,297	4.6%	\$ (3,099,262)	-34.8%	
Total Deferred Inflows of Resources	\$ 6,087,068	\$ 5,818,771	\$ 8,918,033	\$ 268,297	4.6%	\$ (3,099,262)	-34.8%	
Net Position								
Net Investment in Capital Assets	\$ 84,536,118	\$ 82,302,120	\$ 84,442,069	\$ 2,233,998	2.7%	\$ (2,139,949)	-2.5%	
Unrestricted Net Position (Deficit)	(131,031,009)	(140,759,714)	(141,061,013)	9,728,705	6.9%	301,299	-0.2%	
Total Net Position (Deficit)	\$ (46,494,891)	\$ (58,457,594)	\$ (56,618,944)	\$ 11,962,703	-20.5%	\$ (1,838,650)	3.2%	

2020 vs 2019 Analysis

Key changes include:

- *Current assets* increased by \$20.1 million, or 60.7%, to \$53.2 million, primarily due to the significant increase in grants receivables for Federal CARES Act funding operating assistance at year-end. These funds were received in July and August 2020.
- *Capital assets – net* increased by \$2.0 million, or 2.4%, to \$85.5 million, primarily due to the acquisition of 6 CNG buses in fiscal year 2020.
- *Restricted assets* increased by \$1.2 million, or 11.1%, to \$12.3 million due to Measure D sales tax allocations and State Transit Assistance – State of Good Repair (STA-SGR) unspent funds that are currently committed as cost sharing on awarded grants.
- *Deferred outflows of resources* totaling \$17.9 million reflect \$9.6 million in OPEB retiree medical, dental and vision insurance premium payments and \$8.3 million in pension contributions that were recorded in the current fiscal year, as required by GASB Statements No. 75 and No. 68, respectively.

Attachment C

- *Current liabilities* increased by \$2.3 million, or 32.0%, to \$9.5 million in total, in large part due to costs incurred at year-end: the purchase of one CNG bus and the refurbishment of 4 CNG buses were accrued in June 2020.
- *Non-current liabilities* increased by \$0.7 million, or 5.7%, to \$12.3 million due to the receipt of Measure D sales tax allocations restricted for capital costs, LCTOP and STA-SGR grant funding throughout fiscal year 2020. Capital grant funds and subsidies received are restricted and reported as liabilities (unearned revenue) until spent on the specific project or purpose for which they were awarded.
- *Other long-term liabilities* increased by \$12.4 million, or 7.1%, to \$187.4 million, primarily as a result of the increases in retirement-related obligations: the actuarially-determined Net OPEB Liability (NOL) balance increased \$ 9.8 million and the Net Pension Liability (NPL) increased \$2.8 million over prior year.
- *Deferred inflows of resources* that netted to \$6.1 million in pension investment earnings and OPEB deferrals were recognized in the current year through the application of GASB Statements No. 68 and No. 75, respectively.

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

	2020	2019	2020 to 2019	
			Increase/(Decrease)	
			Amount	%
Operating Revenues	\$ 7,733,701	\$ 10,238,963	\$ (2,505,262)	-24.5%
Operating Expenses	65,613,570	58,447,338	7,166,232	12.3%
Net Operating Loss	(57,879,869)	(48,208,375)	(9,671,494)	20.1%
Non-Operating Revenues	62,797,855	43,341,253	19,456,602	44.9%
Capital Grant Contributions	7,044,717	3,028,472	4,016,245	132.6%
Increase (Decrease) in Net Position	<u>\$ 11,962,703</u>	<u>\$ (1,838,650)</u>	<u>\$ 13,801,353</u>	<u>-750.6%</u>

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

2020 vs 2019 Analysis

Operating Revenues (Passenger Fares) of \$7.7 million reflects a decrease variance of \$2.5 million, or 24.5%, over prior year revenues, primarily due to the suspension of fare collection from March 23, 2020, to June 14, 2020, a measure taken to protect employee and customer health and safety during the COVID-19 pandemic.

Attachment C

Operating Expenses of \$65.6 million reflects a year over year adverse increase variance of \$7.2 million, or 12.3%, due to several factors: increases in retiree-related expenses (pension and OPEB), negotiated wage increases, direct COVID-19 response-related costs (e.g., temporary workers to sanitize buses), increase in Workers' Compensation year-end reserves, as well as a rise in medical insurance costs.

Non-Operating Revenues increased overall by \$19.5 million, or 44.9%, over last year revenues, primarily due to the receipt of \$18.5 million in CARES Act emergency operating assistance.

Capital Grant Contributions represents the total amount of capital grant and Measure D sales tax funds that were used to subsidize the purchase of facilities improvements and capital equipment, including revenue vehicles, during fiscal year 2020. The receipt and application of capital funds can fluctuate year over year based on a variety of factors including project eligibility conditions, formula-based funding criteria, government procurement processes, the economy, etc. Capital contributions increased by \$4.0 million, or 132.6%, over last year. The purchase of six (6) CNG buses for \$3.9 million in fiscal year 2020, which was fully funded with federal grant and Measure D sales tax capital contributions, significantly contributed to the increase.

Budgetary Highlights

The annual Operating and Capital budgets are used as management tools to monitor Revenues and Expenses, evaluate operating performance, and track the progress of Capital projects at any given time period. The District's Board approves these items prior to implementation. The fiscal year 2020 budget total of \$85,325,061 included \$51,717,646 for Operating Expenses and \$33,607,415 for Capital Projects (amended). The District finished fiscal year 2020 with operating expenses of \$51,440,857, net of depreciation, workers' compensation IBNR, and retirement-related actuarial adjustments; Capital expenses of \$7,750,816 included \$706,099 Capital Reserve spending and \$7,044,717 of pass-through grant expenses.

Financial Activities - Capital

Capital Program:

In fiscal year 2020, Santa Cruz METRO spent \$7.8 million on the purchase of capital assets and on new and ongoing capital projects. A total of \$7.0 million of these capital additions were paid for with capital contributions funded by a variety of sources, including from the Federal Transit Administration (FTA), California Proposition 1B Transportation Bonds Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) and California Office of Emergency Services California Transit Security Grant Program (Cal-OES CTSGP), STA, STA State of Good Repair (STA-SGR). Surface Transportation Block Grant (STBG), the State Transportation Improvement Program (STIP), and Measure D local sales tax allocations. A total of \$0.7 million of these capital purchases were made using Operating and Capital Reserve Funds.

Zero Emission Buses (ZEBs):

In early 2017, the Santa Cruz METRO Board renewed their commitment to air quality and sustainability by adopting a resolution to achieve a fully zero emissions bus fleet by 2040, in anticipation of the California Air Resources Board mandating this goal in late 2018 for all publicly operated bus fleets in California. Santa Cruz METRO has secured funding that will purchase seven (7) zero emissions buses. Two of the buses that are being funded with assistance from LCTOP are required to serve Watsonville's designated Disadvantaged Community. Currently, an order is in progress with Proterra for four ZEBs with a delivery commitment to Santa Cruz METRO by the end of fiscal year 2021.

- In June 2016, Santa Cruz METRO was awarded a grant for the its first electric bus from the LCTOP administered through Caltrans, to be run as a circulator in Watsonville – see additional information in the section below.
- In July 2016, Santa Cruz METRO was awarded a FTA 5339(c) Low-No grant for three zero emissions buses.

Attachment C

- In October 2018, the California Transportation Commission approved an allocation of State Transportation Improvement Program (STIP)/Local Partnership Program (LPP) funding to Santa Cruz METRO for the purchase of two electric buses.
- In June 2018, the fiscal year 2017 and fiscal year 2018 LCTOP awards, in combination, were approved to fund two ZEBs to be operated as Watsonville Circulators. Fiscal year 2019 LCTOP funding will fund EV charging infrastructure for electric buses.

Electric Bus Infrastructure and Implementation:

- Santa Cruz METRO is working with the Center for Transportation and the Environment (CTE) to develop Santa Cruz METRO's Zero Emission Bus Implementation plan, including a ZEB transition plan, service and fuel assessments, route and charge modeling and the creation of an EV charging master plan.
- Electric Vehicle Charging Infrastructure – The first phase of Santa Cruz METRO's first EV charging station was completed in Fall 2020 at the Judy K. Souza Operations Facility. Four electric vehicle chargers have been installed initially on the site, with three additional charging pedestals planned in anticipation of the delivery of four Proterra electric buses in fiscal year 2021.
- Watsonville Circulator – Two Zero Emission Buses (ZEB) are expected to arrive in fiscal year 2021 with this service to start in early fiscal year 2022. Depending on the final routing, two buses are assumed to be needed to run the Watsonville Circulator for service all day. However, if a two-way loop is implemented then it could require all four buses to operate this service. Monterey Bay Air Resources District (MBARD) gave Santa Cruz METRO a one-year operating grant for \$200,000. Delays in delivery of the buses have required an extension for the operating grant.
- Charging Infrastructure at Watsonville Transit Center – Consulting work continues on Santa Cruz METRO's FTA § 5339 Low and No Emission Bus Program (Low-No) project to install EV charging infrastructure in South County. The State of California Low-No program (Low-No) makes funding available nationwide to purchase battery-electric, fuel cell, or hybrid-energy buses and infrastructure to accelerate the deployment and acceptance of advanced vehicle technologies to reduce greenhouse gas emissions. This project is in alignment with the District's "Electric Bus Implementation Strategy" adopted in September 2015.

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

- AVL (Automatic Vehicle Location) describes the use of computers and Global Positioning Systems (GPS) in dispatching and tracking transit vehicles. On-board technology in the transit industry has afforded transit operators the ability to utilize detailed data to optimize services and offer an array of conveniences to their riders. Santa Cruz METRO is utilizing GMV Syncromatics for the purchase and installation of an AVL system to maximize operational efficiency and customer amenity. The AVL system is scheduled to be implemented system-wide in late fiscal year 2021. The Planning and Information Technology (IT) Departments are coordinating to introduce this technology to improve operational efficiency, data gathering and analysis, and provide a customer facing Predictive Arrival and Departure System (PADS). Transit agencies and its riders benefit from these improvements to service planning and customer service through real-time location information, accessible to the public through a smartphone application. This technology will provide Santa Cruz METRO with much needed data that will be used to improve the accuracy of on-time performance, making for better system service. AVL will also significantly enhance the customer's experience by providing up to date information on bus arrival times and system disruptions. The successful passage of SB 1 resulted in providing Santa Cruz METRO with state funds to purchase components of an AVL system for the fixed-route bus network in fiscal year 2019 and fiscal year 2020, with implementation system-wide expected by late fiscal year 2021.

Attachment C

- AVAS provides automatic audio announcements and visual displays of destination and stop information for passengers with disabilities utilizing GPS to obtain a vehicle's location on a path of travel. Santa Cruz METRO procured an AVAS in response to ADA-related litigation in 2002. Santa Cruz METRO's current AVAS is no longer supported and is faced with dwindling parts availability. Therefore, an updated AVAS is deemed an essential element to this project.

Additional noteworthy capital project activity in fiscal year 2020 includes:

- Cameras on Buses – Santa Cruz METRO was one of the last public transit agencies in the nation operating without an onboard security surveillance system; however, with funding from Cal-OES California Transit Security Grant Program funds (CTSGP), Measure D sales tax revenues and Capital Reserves, cameras were installed on most Santa Cruz METRO's buses in fiscal years 2020 through 2018. This project will be completed in fiscal year 2021. All future new buses purchased by Santa Cruz METRO will come outfitted and installed with fully operational cameras. Having this type of equipment on Santa Cruz METRO's buses and paratransit vehicles is important to the safety and security of bus riders and employees, and fulfills Santa Cruz METRO's commitment to follow TDA triennial audit recommendations to install them.
- Purchase of six (6) CNG Buses – Six replacement CNG buses were acquired with funding from the FTA 5339(b) program, Caltrans FTA 5339 Statewide Discretionary funds, and a Surface Transportation Block Grant (STBG). Matching funds were provided by Santa Cruz METRO's Bus Replacement Fund which includes STA-SGR and Measure D funding.
- Three (3) 2016 New Flyer Buses – Santa Cruz METRO entered into a lease-to-purchase agreement (capital lease) in fiscal year 2018 for three New Flyer Xcelsior buses that extends through November 2023. This purchase is part of Santa Cruz METRO's effort to replace and update its aging fleet. The principal portion of the ongoing monthly lease payments is funded by Measure D funds.
- Mid-Life Bus Engine Overhauls Campaign – The Mid-Life Bus Engine Overhauls Campaign increases bus reliability and reduces maintenance cost during years 7 to 12 of the life of a bus, usually enabling an additional 2 years of lower maintenance cost. This project is funded by FTA § 5339 funds matched with Capital Reserve funds. Four (4) buses received a mid-life engine overhaul in fiscal year 2020.
- Refurbishing Fleet – Four (4) older CNG buses in the Santa Cruz METRO fleet were refurbished in fiscal year 2020, through STIP grant funds and Measure D sales tax revenues. This reconditioning will add 4-6 years to their useful life and serve to maintain the fleet in a state of good repair while new buses are procured to replace them in the future.

Future Outlook

In July 2019, Santa Cruz METRO started the new fiscal year with a balanced budget and a sustainable five-year projection of revenues and expenses, providing a clear road map for the delivery of service, future planned improvements and addressing anticipated challenges. Years of fiscally responsible decisions, enhanced focus on service efficiency, productivity, and sustainability coupled with favorable economic environment all contributed to METRO's improved financial position. The renewed focus on prudent financial planning by shoring up Operating and Capital reserve levels, allow public agencies the ability to navigate difficult times and respond to short-term crisis and funding disruptions. The COVID -19 pandemic that started at the beginning of 2020 is yet another example of the critical importance of sound financial planning and fiscal responsibility. Spreading with alarming speed and infecting millions, the pandemic brought the economy to a near standstill as shelter in place orders were imposed. According to the June 2020 Global Economic Prospects report from the World Bank, global GDP will contract by 5.2% in 2020 – the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturns with fiscal and monetary policy support. Over the longer horizon, the deep recessions triggered by the pandemic are expected to leave lasting scars through lower investments, an erosion of human capital through lost work and schooling, and fragmentation of global trade and supply linkages. The impacts of the pandemic on transit agencies was immediate and devastating. Public transit

Attachment C

has plummeted nationwide as people telecommuted and avoided buses for fear of contracting COVID-19, resulting in less revenue from fares. And as the economy cratered, so too have the sales tax revenues upon which many transit systems depend. Transit agencies in California are especially sensitive to this drop because they rely more on sales tax funding for their core, non-fare-based revenue than most other agencies across the country. Pandemic uncertainties, fires, childcare issues, and bankruptcies are expected to shape the future economic landscape. Even with effective COVID-19 vaccines developed by Pfizer, Moderna, and others, it is unclear how many remote workers will return to the office or to what extent virtual instruction will be integrated into schools permanently once vaccines are available and widely distributed. A paradigm shift in remote education and workplace arrangements could permanently alter transit ridership in the future.

Operational Improvements and Service Initiatives

The ability to restore public and customer confidence when riding a bus is a priority for Santa Cruz METRO and it would be an essential step in the long and uncertain journey ahead. The ability to retain existing customers and ideally attract new ones is of vital importance for the survival of the organization. To that end, Santa Cruz METRO will focus the first phase of the recovery planning to retain frequent riders by restoring service to previous pre-pandemic levels, while ensuring a safer customer experience through enhanced cleaning and requiring that all customers wear personal protective equipment. The second phase of the recovery would be centered on the concept of adding additional value to services provided to our customers by exploring and expanding mobile ticketing technologies.

Cashless/Contactless Fare Payment

Due to strict physical distancing requirements related to COVID-19, transit agencies moved away from on-board fare payment to halt the spread of the virus. As agencies resumed fare collection, many looked toward contactless onboard fare payment due to a number of benefits of these programs, such as lower risk of exposure to COVID-19, reduced cost of cash collection and processing, faster boarding process, improved convenience and expanded access.

Santa Cruz METRO launched a Masabi mobile ticketing system in September 2020 on local routes and the Highway 17 Express, with tickets visually validated by bus operators. Electronic validators are slated to be installed on Highway 17 Express vehicles as a pilot program later in fiscal year 2021. The validators will electronically validate QR codes on mobile tickets (replacing visual validation). In addition, the validators are anticipated to accept “cEMV” contactless credit and debit card payment directly as an additional non-cash fare payment option. After the pilot phase of 3-6 months, Santa Cruz METRO may deploy these electronic validators on local routes, as well. Additional features in the roadmap include transit smart cards that can be reloaded online (current Santa Cruz METRO Cruz Pass cards lack this capability) and a retail network that allows customers to load value on a card at a neighborhood retailer. The overall goal is reduced cash intake/handling by Santa Cruz METRO, contactless fare payment onboard the bus, and greater ease and convenience for Santa Cruz METRO customers.

On – Demand Service

Envisioned as a pilot program, this service will allow customers to book on-demand trips. It would take advantage of existing capacity and allow customers to make reservations through Santa Cruz METRO’s Eco Pass mobile application, as well as by phone. Additionally, customers will be able to board according to a published schedule available at Santa Cruz METRO transit centers.

Bus Stop Signage

Santa Cruz METRO has 798 active bus stops and the signage update will be in line with industry best practices and would guide customers through Santa Cruz METRO’s service and information system. Furthermore, it would reduce maintenance costs associated with updating schedules and maps at all active stops due to service modifications. This effort aims to strengthen Santa Cruz METRO’s brand identity as a safe, reliable transportation provider and ultimately improve the customer experience.

Attachment C

Bus On Shoulders

Santa Cruz METRO collaborated with the Santa Cruz County Regional Transportation Commission (SCCRTC) on a Caltrans Planning Grant to assess the feasibility of bus on shoulders operations on the Highway 1 corridor. Santa Cruz METRO contributed to the environmental/design costs and will ultimately contribute to California Highway Patrol (CHP) and Caltrans operational support costs as the project commences. SCCRTC is managing the bus on shoulder project in conjunction with an auxiliary lane project with Caltrans, which will allow transit buses the ability to travel in an auxiliary lane between intersections and on the shoulders at intersections to bypass traffic, thereby improving on-time reliability and decreasing overall trip time. Construction will begin in fiscal year 2021 on the first segment from Soquel Avenue to 41st Avenue, with the other two segments of Highway 1 to follow pending funding.

Other Initiatives

In addition to the physical distancing concerns related to COVID-19, Santa Cruz METRO plans to install new automated passenger counters (APCs) which will help monitor passenger levels in real time. The APC module will also provide passengers the opportunity to make more informed travel plans when using local public transit and will provide Santa Cruz METRO with a rich dataset for future route and service planning.

The third phase of the recovery will be dedicated to the analysis and response to the post COVID-19 Transit Service. A number of pilot programs and concepts, including the on - demand service, would be evaluated. As much as financially feasible, the pre-COVID levels of service will be restored and will be available for customers when they return. Additionally, the focus will shift towards evaluating and rethinking the role, functionality and layout of Transit Centers, Ticket Vending Machines, Paper fare media, cash and coins.

Economic Factors and Next Year's Budget

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

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

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

The Board adopted the fiscal year 2021 Operating budget on June 26, 2020, totaling \$54,998,408 representing a 6.3% growth over that of the previous year. The fiscal year 2021 budget does not factor in a projection for the passage of an additional federal pandemic relief aid package for the nation's public transit systems nor does it include receipt of emergency federal funding to cover pandemic-related costs. The adopted budget reflects pre-COVID-19 data and assumptions regarding revenues and expenses; Consequently, significant budget fluctuations are anticipated due to the unprecedented nature of the pandemic. Reductions in all forms of Revenues, particularly in Passenger & Special Transit Fares and Sales Tax based revenue sources are currently expected and various budget-balancing actions in fiscal year 2021 will be considered and analyzed, as more information becomes available.

The Capital budget of \$29,136,935 contains projects necessary and essential to sustain the District's existing service and operating facilities.

Attachment C

These significant factors were considered as budget assumptions when preparing Santa Cruz METRO's budget for the fiscal year 2021:

- Expectation that passenger fare revenue will experience a 2.2% decrease from prior year budget primarily due to decreased fixed-route ridership.
- Anticipated slight decrease in Special Transit (contract) fares revenue: 0.8% from prior year as there are no anticipated contract increases for the University of Santa Cruz (UCSC) and Cabrillo College in FY21.
- Expectation that sales and use tax revenues will decrease by 1.0% from prior year budget due to the general economic outlook for 2020 and 2021.
- Expectation that Santa Cruz County Measure D will infuse approximately \$3.5 million of sales tax revenue funding into the annual budget for fiscal year 2021.
- TDA – STA Operating revenue to decrease by 0.8% from prior year budget.
- Bus service plans must continue to be sensitive to funding constraints and revenue projections due to economic uncertainty and legislative issues.
- California Public Employees Retirement System (CalPERS) retirement employer contribution rate increases from 29.4% in fiscal year 2020 to 32.8% in fiscal year 2021.
- An average increase of 5% in medical insurance premiums is anticipated.
- Sensitivity to and monitoring of controllable costs and consumables.
- Continued efforts to identify efficiencies in costs.

Contacting Santa Cruz METRO's Financial Management

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

Attachment C

BASIC FINANCIAL STATEMENTS

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF NET POSITION JUNE 30, 2020 AND 2019

ASSETS	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 23,614,362	\$ 17,015,381
Sales and Use Taxes, Grants, and Other Receivables	27,940,861	14,597,555
Inventory	780,278	783,335
Prepaid Expenses	<u>885,247</u>	<u>715,796</u>
Total Current Assets	<u>53,220,748</u>	<u>33,112,067</u>
RESTRICTED ASSETS		
Cash and Cash Equivalents	<u>12,283,925</u>	<u>11,059,070</u>
CAPITAL ASSETS		
Building and Improvements	78,316,464	78,251,147
Revenue Vehicles	43,574,425	44,779,255
Operations Equipment	7,399,411	6,856,983
Other Equipment	2,131,733	2,131,733
Other Vehicles	1,280,286	1,328,914
Office Equipment	<u>3,983,176</u>	<u>4,019,562</u>
Total Depreciated Capital Assets	136,685,495	137,367,594
Less Accumulated Depreciation	<u>(68,106,307)</u>	<u>(67,975,486)</u>
Total Depreciated Capital Assets Net of Accumulated Depreciation	68,579,188	69,392,108
Construction-in-Progress	5,279,626	2,484,139
Land	<u>11,596,311</u>	<u>11,596,311</u>
Total Capital Assets	<u>85,455,125</u>	<u>83,472,558</u>
Total Assets	<u>150,959,798</u>	<u>127,643,695</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amounts from Other Postemployment Benefits (OPEB)	9,599,183	3,906,373
Deferred Amounts from Pension Activities	<u>8,281,477</u>	<u>9,636,967</u>
Total Deferred Outflows of Resources	<u>\$ 17,880,660</u>	<u>\$ 13,543,340</u>

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

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF NET POSITION (Continued) JUNE 30, 2020 AND 2019

LIABILITIES	2020	2019
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 3,603,186	\$ 1,833,617
Accrued Payroll and Employee Benefits	5,023,324	4,257,786
Deferred Rent	3,365	3,275
Workers' Compensation Liabilities, Current	458,313	437,183
Other Accrued Liabilities	169,910	423,426
Security Deposit	13,809	13,809
Capital Lease	259,182	251,431
Total Current Liabilities	9,531,089	7,220,527
NON-CURRENT LIABILITIES		
Unearned Revenue	64,077	-
Unearned Revenue - State Transit Assistance (STA)	243,612	271,804
Unearned Revenue - State of Good Repair (SGR)	1,433,329	1,359,574
Unearned Revenue - PTMISEA Grant	4,802,783	4,778,292
Unearned Revenue - Proposition 1B Grant	2	1,737
Unearned Revenue - Measure D	3,266,636	2,953,657
Unearned Revenue - LCTOP	2,487,560	2,268,209
Total Non-Current Liabilities	12,297,999	11,633,273
OTHER LONG-TERM LIABILITIES		
Workers' Compensation Liabilities, Net of Current	1,761,213	1,668,551
Capital Lease	659,825	919,007
Net OPEB Liability	124,340,668	114,516,198
Net Pension Liability	60,657,487	57,868,302
Total Other Long-Term Liabilities	187,419,193	174,972,058
Total Liabilities	209,248,281	193,825,858
DEFERRED INFLOWS OF RESOURCES		
Deferred Amounts from OPEB	3,810,361	3,003,868
Deferred Amounts from Pension Activities	2,276,707	2,814,903
Total Deferred Inflows of Resources	6,087,068	5,818,771
NET POSITION (DEFICIT)		
Net Investment in Capital Assets	84,536,118	82,302,120
Unrestricted Net Position (Deficit)	(131,031,009)	(140,759,714)
Total Net Position (Deficit)	\$ (46,494,891)	\$ (58,457,594)

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

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
OPERATING REVENUES		
Passenger Fares	\$ 3,139,475	\$ 4,382,160
Special Transit Fares	4,594,226	5,856,803
	7,733,701	10,238,963
OPERATING EXPENSES		
Wages, Salaries, and Employee Benefits	50,993,087	43,409,624
Materials and Supplies	3,136,730	3,255,180
Other Expenses	5,969,465	6,495,732
Depreciation	5,514,288	5,286,802
	65,613,570	58,447,338
Total Operating Revenues	7,733,701	10,238,963
Total Operating Expenses	65,613,570	58,447,338
Net Operating Loss	(57,879,869)	(48,208,375)
NON-OPERATING REVENUES (EXPENSES)		
Sales and Use Taxes	22,899,749	23,842,398
Transportation Development Act (TDA) Assistance	7,930,060	7,288,209
State Transit Assistance (STA)	4,346,687	4,253,929
Federal Transit Administration (FTA) Section 5307 Operating Assistance	25,371,205	6,794,772
FTA Section 5311 Rural Operating Assistance	381,393	174,321
Alternative Fuel Tax Credit	826,532	-
Interest Income	456,082	319,195
Rental Income	120,566	147,301
Other Revenue	424,224	492,562
Gain on Sale and Disposal of Property, Equipment, and Inventory	41,357	28,566
	41,357	28,566
Total Non-Operating Revenues (Expenses)	62,797,855	43,341,253
Net Loss Before Capital Contributions	4,917,986	(4,867,122)
CAPITAL CONTRIBUTIONS		
Grants Restricted for Capital Expenditures	7,044,717	3,028,472
	7,044,717	3,028,472
NET POSITION		
Change in Net Position	11,962,703	(1,838,650)
Net Position, Beginning of Year	(58,457,594)	(56,618,944)
Total Net Position (Deficit), End of Year	\$ (46,494,891)	\$ (58,457,594)

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

Attachment C

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 8,406,716	\$ 9,973,392
Payments to Employees	(43,820,114)	(37,383,679)
Payments to Suppliers	(7,756,446)	(9,394,655)
Payments from (to) Other	2,250,989	(1,786,464)
Net Cash Used in Operating Activities	<u>(40,918,855)</u>	<u>(38,591,406)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Operating Grants Received, Including Sales and Use Taxes	<u>61,800,531</u>	<u>42,694,343</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Sale of Property and Equipment	41,357	28,566
Capital Grants Received	(5,927,559)	(1,400,327)
Capital Expenditures	(7,496,855)	(2,902,940)
Payments Made on Capital Lease	<u>(251,431)</u>	<u>(243,913)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(13,634,488)</u>	<u>(4,518,614)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment and Rental Income Received	<u>576,648</u>	<u>466,496</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,823,836	50,819
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>28,074,451</u>	<u>28,023,632</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 35,898,287</u>	<u>\$ 28,074,451</u>
FINANCIAL STATEMENT PRESENTATION:		
Cash and Cash Equivalents	\$ 23,614,362	\$ 17,015,381
Cash and Cash Equivalents - Restricted	<u>12,283,925</u>	<u>11,059,070</u>
Total Cash and Cash Equivalents	<u>\$ 35,898,287</u>	<u>\$ 28,074,451</u>

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

Attachment C

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF CASH FLOWS (Continued)
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Net Operating Loss	\$ (57,879,869)	\$ (48,208,375)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	5,514,288	5,286,802
Changes in Assets and Liabilities:		
Decrease (Increase) in Receivables	673,015	(265,571)
Decrease (Increase) in Inventory	3,057	(60,402)
(Increase) in Prepaid Expenses	(169,451)	(146,532)
Increase in Accounts Payable and Accrued Liabilities	1,769,569	304,920
Increase in Net Pension Liability	3,606,479	1,509,176
Increase in Net OPEB Liability	4,938,153	3,932,379
Increase/(Decrease) in Other Liabilities	625,904	(943,803)
Net Cash Used in Operating Activities	<u>\$ (40,918,855)</u>	<u>\$ (38,591,406)</u>

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

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) was formed February 9, 1969, following a favorable election in conformity with Section 9800 et. seq. of the Public Utilities Code (PUC). The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola, and the unincorporated areas of Santa Cruz County. The Board of Directors (Board) consisting of eleven directors and two ex-officio directors representing the University of California, Santa Cruz and Cabrillo College govern Santa Cruz METRO. At June 30, 2020, the Board was as follows:

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

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

B. Reporting Entity

Santa Cruz METRO and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Corporation as a blended component unit of Santa Cruz METRO. Accordingly, the financial activities of the Corporation have been included in the basic financial statements of Santa Cruz METRO. For the fiscal years ended June 30, 2020 and 2019, these activities were minimal.

Scope of Public Service:

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

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

Accountability:

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

Attachment C

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

B. Reporting Entity (Continued)

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

C. Basis of Accounting and Presentation

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

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

Contributed Capital/Reserved Retained Earnings:

Santa Cruz METRO receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant had been incurred. Capital grant funds earned, less amortization, equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, Santa Cruz METRO changed its method of accounting for capital grants from capital contributions to reserved non-operating revenues. In accordance with GASB Statement No. 33, capital grants are required to be included in the determination of net income (loss) resulting in an increase in net revenue of \$7,044,717 and \$3,028,472 for the fiscal years ended June 30, 2020 and 2019, respectively.

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

Attachment C

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

C. Basis of Accounting and Presentation (Continued)

Proprietary Accounting and Financial Reporting:

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

Net Position:

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

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

D. Cash and Cash Equivalents

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

E. Inventory

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

F. Restricted Assets

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

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

Attachment C

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

F. Restricted Assets (Continued)

Restricted assets at June 30 are as follows:

	2020	2019
Cash and Cash Equivalents		
Proposition 1B PTMISEA Grant	\$ 4,802,783	\$ 4,778,292
Proposition 1B OHS and CTSGP Grants	2	1,737
STA Grant	243,612	271,804
STA- SGR Grant	1,308,569	1,247,795
Measure D	4,410,793	3,137,729
LCTOP Grant	1,518,166	1,621,713
 Total Restricted Assets	 \$ 12,283,925	 \$ 11,059,070

G. Property and Equipment

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

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

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

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

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

H. Sales and Use Taxes Receipts

1979 Gross Sales Tax (1/2-cent): In June 1978, voters in Santa Cruz County approved Measure G which changed the basis of transit support for Santa Cruz METRO from property tax to a ½-cent sales and use tax effective January 1979. This ½-cent sales and use tax levied on all taxable sales in Santa Cruz County is collected and administered by the California State Board of Equalization. Actual receipts of Measure G sales and use tax for the fiscal years ended June 30, 2020 and 2019, were \$21,587,491 and \$22,473,422, respectively.

Attachment C

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

H. Sales and Use Taxes Receipts (Continued)

2017 Net Sales Tax (Measure D): This local ordinance to fund a comprehensive package of county-wide transportation improvements passed in November 2016 by over 2/3 of Santa Cruz County voters. The transportation tax measure levies a 0.5% sales and use tax on retail sales within Santa Cruz County for a thirty-year period, effective April 1, 2017. Measure D sales and use tax receipts are administered by the Santa Cruz County Regional Transportation Commission according to the Expenditure Plan identified in the ordinance. Santa Cruz METRO is allocated 16% of Measure D local sales and use tax receipts collected, net of administrative costs, to provide transit and paratransit service for seniors and people with disabilities. Measure D sales and use tax receipts were \$3,376,695 and \$3,491,041 for the fiscal years ended June 30, 2020 and 2019, respectively. During fiscal year 2020, \$1,312,258 of Measure D funds were earned and spent on operating expenses, and \$1,751,458 of Measure D funds were earned and spent on capital projects. During fiscal year 2019, \$1,368,976 of Measure D funds were earned and spent on operating expenses, and \$730,075 of Measure D funds were earned and spent on capital projects. At June 30, 2020 and 2019, \$3,266,636 and \$2,953,657, respectively, of Measure D funds were unspent and recorded as unearned (deferred) revenue.

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

I. Operating Assistance Grants

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

J. Self-Insurance

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

K. Employee Benefits

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

L. Payroll

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

M. Pension Costs

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

Attachment C

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

N. Other Postemployment Benefits (OPEB)

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

O. Use of Estimates

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

P. Implementation of GASB Statements

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The requirements of this standard are effective immediately. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. There was no effect on the District's accounting and financial reporting as a result of implementing this standard.

Q. Future GASB Statements

GASB Statement No. 84 – *Fiduciary Activities*. The requirements for this statement are effective for reporting period beginning after December 15, 2019. Santa Cruz METRO believes the statement will not apply.

GASB Statement No. 87 – *Leases*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Santa Cruz METRO has not fully judged the effect of implementation of GASB Statement No. 87 as of the date of the basic financial statements.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Santa Cruz METRO has not fully judged the effect of implementation of GASB Statement No. 89 as of the date of the basic financial statements.

GASB Statement No. 90 – *Majority Equity Interests—an Amendment of GASB Statements No. 14 and No. 61*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Santa Cruz METRO has not fully judged the effect of implementation of GASB Statement No. 90 as of the date of the basic financial statements.

GASB Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. Santa Cruz METRO will implement GASB Statement No. 91 if and where applicable.

GASB Statement No. 92 – *Omnibus 2020*. The requirements of this statement for paragraphs related to Statement No. 87 and implementation guide 2019-3, reinsurance recoveries, to implement with GASB Statement No. 87; all others are effective reporting periods beginning June 15, 2021. Early application is encouraged. Santa Cruz METRO will implement GASB Statement No. 92 if and where applicable.

Attachment C

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

Q. Future GASB Statements (Continued)

GASB Statement No. 93 – Replacement of Interbank Offered Rates. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Early application is encouraged. Santa Cruz METRO will implement GASB Statement No. 93 if and where applicable.

GASB Statement No. 94 – Public-Private and Public-Private Partnership and Availability Payment Arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Early application is encouraged. Santa Cruz METRO will implement GASB Statement No. 94 if and where applicable.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Santa Cruz METRO will implement GASB Statement No. 96 if and where applicable.

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans. The requirements in paragraph 4 as it applies to defined contribution plans, defined contribution OPEB plans, and other employee benefit plans, and paragraph 5 are effective immediately. All other requirements are applicable for reporting periods beginning after June 15, 2021. Santa Cruz METRO will implement GASB Statement No. 97 if and where applicable.

NOTE 2 – CASH AND CASH EQUIVALENTS

Total cash and cash equivalents (restricted and unrestricted) consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash on Hand	\$ 11,391	\$ 15,384
Demand Deposits	711,938	280,035
Certificates of Deposit (CD)	111,538	110,150
Deposits in Santa Cruz County Pooled Investment Fund	<u>35,063,420</u>	<u>27,668,882</u>
	<u>\$ 35,898,287</u>	<u>\$ 28,074,451</u>

Attachment C

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks

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

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

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

Disclosures Relating to Interest Rate Risk

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

Attachment C

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

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

2020

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Santa Cruz County Pooled Investment Fund	\$ 35,063,420	\$ 35,063,420	\$ -	\$ -	\$ -

2019

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

Disclosures Relating to Credit Risk

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

2020

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End		
				AAA	Aa	Not Rated
Santa Cruz County Pooled Investment Fund	\$ 35,063,420	N/A	\$ -	\$ -	\$ -	\$ 35,063,420

2019

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

Attachment C

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Concentration of Credit Risk

The investment policy of Santa Cruz METRO contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Santa Cruz METRO did not have any investments in any one issuer (other than external investment pools) that represent 5% or more of total Santa Cruz METRO's investments at June 30, 2020 or 2019.

Custodial Credit Risk

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

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

Investment in Santa Cruz County Pooled Investment Fund

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

Fair Value Measurements

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

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

Attachment C

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Fair Value Measurements (Continued)

Santa Cruz METRO has the following recurring fair value measurements as of June 30, 2020 and 2019:

2020

		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Certificates of Deposit (CD)	\$ 111,538	\$ 111,538	\$ -	\$ -
Total investments measured at fair value	111,538	<u>\$ 111,538</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at amortized cost:				
Santa Cruz County Pooled Investment Fund	<u>35,063,420</u>			
Total pooled and directed investments	<u>\$ 35,174,958</u>			

2019

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

Investments in the Santa Cruz County Pooled Investment Fund totaling \$35,063,420 and \$27,668,882 as of June 30, 2020 and 2019, respectively, are measured at amortized cost, which approximates fair value.

NOTE 3 – RECEIVABLES

Receivables at June 30 are as follows:

	2020	2019
Federal Grants	\$ 18,915,063	\$ 6,986,648
State Grants	4,170,650	2,466,345
Sales and Use Tax Revenue	4,564,693	4,185,374
Other	290,455	959,188
	<u>\$ 27,940,861</u>	<u>\$ 14,597,555</u>

Attachment C

NOTE 4 – CHANGES IN CAPITAL ASSETS

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

June 30, 2020

	Balance July 1, 2019	Additions and Transfers	Retirements and Transfers	Balance June 30, 2020
Non-Depreciated Assets				
Land	\$ 11,596,311	\$ -	\$ -	\$ 11,596,311
Construction-in-Progress	2,484,139	7,750,816	(4,955,329)	5,279,626
Total Non-Depreciated Assets	14,080,450	7,750,816	(4,955,329)	16,875,937
Depreciated Assets				
Building and Improvements	78,251,147	65,317	-	78,316,464
Revenue Vehicles	44,779,255	3,971,483	(5,176,313)	43,574,425
Operations Equipment	6,856,983	587,201	(44,773)	7,399,411
Other Equipment	2,131,733	-	-	2,131,733
Other Vehicles	1,328,914	-	(48,628)	1,280,286
Office Equipment	4,019,562	77,467	(113,853)	3,983,176
Total Depreciated Assets	137,367,594	4,701,468	(5,383,567)	136,685,495
Less Accumulated Depreciation	(67,975,485)	(5,514,288)	5,383,466	(68,106,307)
Depreciated Assets Net of Accumulated Depreciation	69,392,109	(812,820)	(101)	68,579,188
Total Capital Assets	\$ 83,472,559	\$ 6,937,996	\$ (4,955,430)	\$ 85,455,125

Depreciation expense at June 30, 2020, was \$5,514,288.

June 30, 2019

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

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

Attachment C

NOTE 5 – CAPITAL CONTRIBUTIONS

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

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

	2020	2019
Federal Grants	\$ 2,531,116	\$ 1,231,017
State Grants	2,762,143	1,067,380
Measure D Local Sales Tax Allocations	1,751,458	730,075
Total Capital Contributions	\$ 7,044,717	\$ 3,028,472

NOTE 6 – COMMITMENTS

Santa Cruz METRO leases its Paracruz facilities under an operating lease that extends through August 2021. For the fiscal years ended June 30, 2020 and 2019, rental costs relating to the leases were \$184,627 and \$189,742, respectively. In addition, Santa Cruz METRO receives rent income from retail space in its transit centers. Minimum net lease payments for existing operating leases are as follows:

Year Ending June 30	Lease Commitments	Rental Income	Net
2021	\$ 186,586	\$ 225,104	\$ (38,518)
2022	33,552	74,102	(40,550)
2023	-	27,786	(27,786)
2024	-	14,438	(14,438)
2025	-	14,727	(14,727)
2026-2027	-	3,700	(3,700)
	\$ 220,138	\$ 359,857	\$ (139,719)

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

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

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

Attachment C

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

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

	<u>2020</u>	<u>2019</u>
Total Assets	\$ 41,204,259	\$ 36,325,260
Total Liabilities	<u>18,200,833</u>	<u>19,256,672</u>
Fund Balance	<u>\$ 23,003,426</u>	<u>\$ 17,068,588</u>
Total Revenues	\$ 16,065,565	\$ 14,862,694
Total Expenditures	<u>10,130,727</u>	<u>7,640,584</u>
Net Increase in Fund Balance	<u>\$ 5,934,838</u>	<u>\$ 7,222,110</u>

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

NOTE 8 – WATSONVILLE FLEET MAINTENANCE FACILITY SETTLEMENT RECEIPT

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

In addition, due to design and construction deficiencies by the design and building contractors involved in the original project, Santa Cruz METRO initiated litigation against the contractors and came to a settlement agreement with said contractors on May 30, 1995. In accordance with this agreement, the contractors remitted \$4,776,858 (including \$171,538 in costs) to Santa Cruz METRO during fiscal year 1996, representing damages less attorney fees. FTA Section 3/5309 restricts the use of these proceeds, and the interest earned thereon. As of June 30, 2020, all settlement funds have been expended.

NOTE 9 – CONTINGENCIES

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLAN

A. General Information About the Pension Plan

Plan Description

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

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information About the Pension Plan (Continued)

Plan Description (Continued)

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

Funding Policy

There were 301 and 302 active members in the Plan as of June 30, 2020 and 2019, respectively, who were required to contribute a percentage of their annual covered salary. Santa Cruz METRO is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. Beginning in fiscal year 2018, CalPERS changed how it bills/collects employer contributions. The total minimum required employer contribution is now the sum of the Plan's Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars). The required employer contribution for fiscal year 2020 was 9.439% of covered payroll plus twelve (12) monthly payments of \$349,071. The required employer contribution for fiscal year 2019 was 9.211% of covered payroll plus twelve (12) monthly payments of \$300,849. The contribution requirements of the Plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS.

The Plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

Hire Date	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Benefit Formula	2.5%@55	2%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	2.000% - 2.500%	1.000%-2.500%
Required Employee Contribution Rates	8.000%	6.250%
Required Employer Normal Cost Contribution Rates	9.439%	9.439%
Required Monthly Employer Dollar UAL Payment	\$349,071/month	\$349,071/month

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

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

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information About the Pension Plan (Continued)

Funding Policy (Continued)

Employees Covered – At June 30, 2020 and 2019, the following employees were covered by the benefit terms for the Plan:

	2020	2019
Inactive Employees or Beneficiaries Currently Receiving Benefits	383	366
Inactive Employees Entitled to but not yet Receiving Benefits	201	180
Active Employees	301	302
Total	885	848

B. Net Pension Liability

Santa Cruz METRO's net pension liability for the Plan is measured as the total pension liability, less the Plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 and 2017 actuarial valuations were determined using the following actuarial assumptions:

	June 30, 2018	June 30, 2017
Valuation Date	June 30, 2018	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service ⁽¹⁾	Varies by Entry Age and Service ⁽¹⁾
Investment Rate of Return	7.375% ⁽²⁾	7.50% ⁽²⁾
Mortality	Derived using ⁽³⁾ CalPERS' Membership Data for all Funds	Derived using ⁽³⁾ CalPERS' Membership Data for all Funds

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

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

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

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

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

Discount Rate – The discount rate used to measure the total pension liabilities for June 30, 2020 and 2019, was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate for 2020 and 2019, is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate 7.15% for 2020 and 2019, will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the reporting periods ended June 30, 2020 and 2019, the 7.15% discount rate was not reduced for administrative expenses.

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

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

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

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability (Continued)

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

2019 Measurement Date

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

^(a) An expected inflation of 2.00% used for this period.

^(b) An expected inflation of 2.92% used for this period.

2018 Measurement Date

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

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

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

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018 ⁽¹⁾	\$ 180,968,790	\$ 123,100,488	\$ 57,868,302
Changes in the year:			
Service Cost	3,267,506	-	3,267,506
Interest on the Total Pension Liability	12,800,717	-	12,800,717
Differences between Actual and Expected Experience	1,427,437	-	1,427,437
Contribution - Employer	-	5,300,243	(5,300,243)
Contribution - Employee	-	1,560,484	(1,560,484)
Net Investment Income ⁽²⁾	-	7,933,310	(7,933,310)
Administrative Expenses	-	(87,847)	87,847
Benefit Payments, Including Refunds of Employee Contributions	(9,997,925)	(9,997,925)	-
Other Miscellaneous Income/(Expense)	-	285	(285)
Net Changes	<u>7,497,735</u>	<u>4,708,550</u>	<u>2,789,185</u>
Balance at June 30, 2019 ⁽¹⁾	<u>\$ 188,466,525</u>	<u>\$ 127,809,038</u>	<u>\$ 60,657,487</u>

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

⁽²⁾ Net of administrative expenses.

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017 ⁽¹⁾	\$ 177,020,413	\$ 116,948,291	\$ 60,072,122
Changes in the year:			
Service Cost	3,267,575	-	3,267,575
Interest on the Total Pension Liability	12,278,470	-	12,278,470
Differences between Actual and Expected Experience	(1,025,273)	-	(1,025,273)
Changes in Assumptions	(1,231,759)	-	(1,231,759)
Net Plan to Plan Resource Movement	-	(285)	285
Contribution - Employer	-	4,686,264	(4,686,264)
Contribution - Employee (Paid by Employer)	-	-	-
Contribution - Employee	-	1,592,606	(1,592,606)
Net Investment Income ⁽²⁾	-	9,742,558	(9,742,558)
Administrative Expenses	-	(182,238)	182,238
Benefit Payments, Including Refunds of Employee Contributions	(9,340,636)	(9,340,636)	-
Other Miscellaneous Income/(Expense)	-	(346,072)	346,072
Net Changes	3,948,377	6,152,197	(2,203,820)
Balance at June 30, 2018 ⁽¹⁾	\$ 180,968,790	\$ 123,100,488	\$ 57,868,302

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

(2) Net of administrative expenses.

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

2019

1% Decrease Net Pension Liability	\$ 83,854,188
Current Discount Rate Net Pension Liability	\$ 60,657,487
1% Increase Net Pension Liability	\$ 41,322,388

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

C. Changes in the Net Pension Liability (Continued)

2018

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

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

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

For the fiscal years ended June 30, 2020 and 2019, Santa Cruz METRO recognized a pension expense of \$9,492,662 and \$6,802,193, respectively. At June 30, 2020 and 2019, Santa Cruz METRO reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,886,183	\$ -
Differences between Actual and Expected Experience	1,061,428	(1,086,917)
Changes in Assumptions	1,333,866	(583,465)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(606,325)
Total	\$ 8,281,477	\$ (2,276,707)

2019

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

Attachment C

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

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

The \$5,886,183 and \$5,293,017 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability, as determined by CalPERS, in the measurement periods ended June 30, 2020 and 2019, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	
2020	\$ 1,306,229
2021	(1,166,699)
2022	159,234
2023	<u>(180,177)</u>
Total	<u>\$ 118,587</u>

E. Payable to the Pension Plan

At June 30, 2020 and 2019, Santa Cruz METRO reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the fiscal years ended June 30, 2020 and 2019.

NOTE 11 – DEFERRED COMPENSATION PLAN

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

At June 30, 2020 and 2019, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying statements of net position as required under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.

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

NOTE 12 – RISK MANAGEMENT

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

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

Attachment C

NOTE 12 – RISK MANAGEMENT (Continued)

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

	<u>2020</u>	<u>2019</u>
Workers' Compensation Liabilities:		
Unpaid Claims, Beginning of Fiscal Year	\$ 2,105,734	\$ 3,495,798
Other Adjustments (Including IBNRs)	(1,014,694)	(2,200,996)
Claim Payments	<u>1,128,486</u>	<u>810,932</u>
Unpaid Claims Liability, End of Fiscal Year	<u>\$ 2,219,526</u>	<u>\$ 2,105,734</u>

NOTE 13 – TRANSPORTATION DEVELOPMENT ACT/CALIFORNIA CODE OF REGULATIONS

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

Section 6634

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

Section 6637

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

Sections 99267, 99268.1, and 99314.6

Santa Cruz METRO is defined in the TDA as an older operator, having started service prior to July 1, 1974. Older operators may qualify for TDA under the 50% expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2).. Pursuant to the TDA, Santa Cruz METRO meets the 50% expenditure limitation required by PUC §99268 and does not use the alternative revenue ratio to determine eligibility for TDA funds.

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

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

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

Attachment C

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

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

During the fiscal year ended June 30, 2020, Santa Cruz METRO applied for and received proceeds of \$0 and earned interest of \$94,574 from the State's PTMISEA account for construction funding for the Consolidated MetroBase Project. During the fiscal year ended June 30, 2020, qualifying expenditures of \$70,083 were incurred and the remaining balance of \$4,802,783, including accrued interest, was deferred. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of encumbrance.

**Schedule of PTMISEA Proposition 1B Grants
For the Year Ended June 30, 2020**

	2020
Balance - beginning of the year	\$ 4,778,292
Receipts:	
Interest accrued 7/1/2019 through 6/30/2020	94,574
Expenses:	
Transit bus	(70,083)
Balance - end of year	\$ 4,802,783

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

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

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

Attachment C

NOTE 15 – OPEB

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

Employees Covered – As of the June 30, 2019 and 2018 valuations, the following current and former employees were covered by the benefit terms for the OPEB Plan:

	2019	2018
Inactive Employees or Beneficiaries Currently Receiving Benefits	298	277
Inactive Employees Entitled to but not yet Receiving Benefits	20	20
Active Employees	303	322
Total	621	619

Contributions – The contribution requirements of OPEB Plan members and Santa Cruz METRO are established and may be amended by Santa Cruz METRO's Board. These contributions are neither mandated nor guaranteed. Santa Cruz METRO has retained the right to unilaterally modify its payment for retiree health care benefits. For the fiscal years ended June 30, 2020 and 2019, Santa Cruz METRO contributed \$4,125,446 and \$3,906,373, respectively. Employees are not required to contribute to the OPEB Plan.

Net OPEB Liability – Santa Cruz METRO's net OPEB liability was measured as of June 30, 2019 and 2018, and the total OPEB liability used to calculate the net OPEB liability was the OPEB Plan Fiduciary Net Position of the OPEB trust held with CalPERS as of those dates. The following actuarial methods and assumptions were used:

Reporting Date	June 30, 2020	June 30, 2019
Valuation Date	June 30, 2019	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	2.79%	2.98%
Inflation	2.50%	2.75%
Salary Increases	3.00%	3.25%
Healthcare Cost Trend Rates	6.5% in 2021, fluctuating down to 4% by 2076	8.0% in 2019, step down 0.5% per year to 5.0% by 2025
	CalPERS 2017 Experience	CalPERS 2014 Experience
Mortality Rate	Study; Projected with MW Scale 2020	Study; Projected with MW Scale 2017

Attachment C

NOTE 15 – OPEB (Continued)

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

2019 Measurement Date

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

^(a) An expected inflation of 2.00% used for this period.

^(b) An expected inflation of 2.92% used for this period.

2018 Measurement Date

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

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

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

Discount Rate – The discount rate used to measure the total OPEB liability was 2.79% and 2.98% for June 30, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that Santa Cruz METRO contributions will be sufficient to fully fund the obligation over a period not to exceed 30 years. Historic 30-year real rates of return for each asset class along with the assumed long-term inflation assumption were used to set the discount rate. The expected investment return was offset by the investment expenses of 15 basis points. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive members and beneficiaries. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Attachment C

NOTE 15 – OPEB (Continued)

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2018	\$ 114,516,198	\$ -	\$ 114,516,198
Changes in the Year:			
Service Cost	5,638,591	-	5,638,591
Interest	3,522,407	-	3,522,407
Plan experience	(4,602,485)	-	(4,602,485)
Changes in Assumptions	9,172,330	-	9,172,330
Contribution - Employer		3,906,373	(3,906,373)
Benefit Payments	(3,906,373)	(3,906,373)	-
Net Changes	9,824,470	-	9,824,470
Balance at June 30, 2019	\$ 124,340,668	\$ -	\$ 124,340,668
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2017	\$ 106,945,439	\$ -	\$ 106,945,439
Changes in the Year:			
Service Cost	5,259,186	-	5,259,186
Interest	3,452,776	-	3,452,776
Changes in Assumptions	2,643,408	-	2,643,408
Contribution - Employer	-	3,784,611	(3,784,611)
Benefit Payments	(3,784,611)	(3,784,611)	-
Net Changes	7,570,759	-	7,570,759
Balance at June 30, 2018	\$ 114,516,198	\$ -	\$ 114,516,198

Attachment C

NOTE 15 – OPEB (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of Santa Cruz METRO if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement periods ended June 30, 2019 and 2018:

2019	
1% Decrease	1.79%
Net OPEB Liability	\$ 146,740,074
Current Discount Rate	2.79%
Net OPEB Liability	\$ 124,340,668
1% Increase	3.79%
Net OPEB Liability	\$ 106,670,982
2018	
1% Decrease	1.98%
Net OPEB Liability	\$ 134,857,885
Current Discount Rate	2.98%
Net OPEB Liability	\$ 114,516,198
1% Increase	3.98%
Net OPEB Liability	\$ 98,538,068

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

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

Attachment C

NOTE 15 – OPEB (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the fiscal years ended June 30, 2020 and 2019, Santa Cruz METRO recognized OPEB expense of \$9,063,599 and \$7,838,752, respectively. As of fiscal years ended June 30, 2020 and 2019, Santa Cruz METRO reported deferred outflows of resources related to OPEB from the following sources:

2020	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 4,125,446	\$ -
Differences between Actual and Expected Experience	-	3,810,361
Changes in Assumptions	5,473,737	-
Net Differences between Projected and Actual Earnings on Plan Investments	-	-
Total	\$ 9,599,183	\$ 3,810,361
2019	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 3,906,373	\$ -
Differences between Actual and Expected Experience	-	-
Changes in Assumptions	-	3,003,868
Net Differences between Projected and Actual Earnings on Plan Investments	-	-
Total	\$ 3,906,373	\$ 3,003,868

The \$4,125,446 and \$3,906,373 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 and 2018 measurement dates will be recognized as a reduction in the net OPEB liability in the measurement periods ended June 30, 2020 and 2019, respectively. In addition, future recognition of the deferred inflows of resources is shown below.

Fiscal Year Ended June 30	
2021	\$ (97,399)
2022	(121,983)
2023	40,745
2024	1,081,091
2025	533,754
Thereafter	227,168
Total	\$ 1,663,376

Attachment C

NOTE 16 – CAPITAL LEASE

The following is a summary of Santa Cruz METRO's capital lease activity for the fiscal years ended June 30, 2020 and 2019:

	Balance June 30, 2019	Additions	Payments	Balance June 30, 2020	Due Within One Year
Capital Lease	\$ 1,170,438	\$ -	\$ (251,431)	\$ 919,007	\$ 259,182
Total Long-Term Debt	<u>\$ 1,170,438</u>	<u>\$ -</u>	<u>\$ (251,431)</u>	<u>\$ 919,007</u>	<u>\$ 259,182</u>

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

Santa Cruz METRO entered into a lease/purchase agreement with Key Government Finance, Inc., on November 21, 2017, for the purchase of three CNG buses. The terms of the lease/purchase call for monthly payments of \$23,627 over a 72 month period beginning in December 2017, and include a 3.04% effective interest rate. At June 30, 2020, the outstanding balance was \$919,007.

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

Fiscal Year	Principal	Interest	Total
2021	\$ 259,182	\$ 24,347	\$ 283,529
2022	267,172	16,357	283,529
2023	275,409	8,121	283,530
2024	<u>117,244</u>	<u>893</u>	<u>118,137</u>
Total	<u>\$ 919,007</u>	<u>\$ 49,718</u>	<u>\$ 968,725</u>

NOTE 17 – STATE OF GOOD REPAIR

State Transit Assistance - State of Good Repair (STA-SGR) grant funding of \$722,808 was received for fiscal year 2020. Interest earned on STA-SGR funds was \$22,025 during fiscal year 2020. The unspent (unearned) balance of STA-SGR funds was \$1,433,329 at June 30, 2020

NOTE 18 – DEFICIT NET POSITION

As of June 30, 2020, Santa Cruz METRO had a deficit net position of \$46,494,891. The deficit was primarily due to the reporting of the net pension liability and the net liability for OPEB, pursuant to the implementation of GASB Statement No. 68 and GASB Statement No. 75. Santa Cruz METRO is committed to fully funding the actuarially determined contributions annually.

Attachment C

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through December 11, 2020, which is the date of issuance.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. In response, the County of Santa Cruz, followed by the Governor of California, issued a Shelter at Home order effective March 19, 2020, requiring non-essential businesses to temporarily close to the public. At the current time, management is unable to quantify the potential effects of this pandemic on its future financial statements.

Attachment C

REQUIRED SUPPLEMENTARY INFORMATION

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30, 2020 LAST 10 YEARS*

	Measurement Period 2018/19	Measurement Period 2017/18	Measurement Period 2016/17	Measurement Period 2015/16	Measurement Period 2014/15	Measurement Period 2013/14
Total Pension Liability						
Service Cost	\$ 3,267,506	\$ 3,267,575	\$ 3,422,455	\$ 3,160,455	\$ 3,294,147	\$ 3,200,114
Interest on Total Pension Liability	12,800,717	12,278,470	12,002,686	11,775,833	11,234,261	10,709,850
Differences between Expected and Actual Experience	1,427,437	(1,025,273)	(1,952,270)	162,174	(414,257)	-
Changes in Assumptions	-	(1,231,759)	9,337,059	-	(2,564,554)	-
Changes in Benefits	-	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(9,997,925)	(9,340,636)	(9,126,454)	(7,903,179)	(7,185,556)	(6,660,594)
Net Change in Total Pension Liability	7,497,735	3,948,377	13,683,476	7,195,283	4,364,041	7,249,370
Total Pension Liability - Beginning	180,968,790	177,020,413	163,336,937	156,141,654	151,777,613	144,528,243
Total Pension Liability - Ending (a)	<u>\$ 188,466,525</u>	<u>\$ 180,968,790</u>	<u>\$ 177,020,413</u>	<u>\$ 163,336,937</u>	<u>\$ 156,141,654</u>	<u>\$ 151,777,613</u>
Plan Fiduciary Net Position						
Net Plan to Plan Resource Movement	\$ -	\$ (285)	\$ 107	\$ -	\$ -	\$ -
Contributions - Employer	5,300,243	4,686,264	4,047,221	3,991,447	4,086,806	3,668,004
Contributions - Employee	1,560,484	1,592,606	1,556,993	1,603,071	1,645,356	1,573,391
Net Investment Income	7,933,310	9,742,558	12,015,977	608,702	2,493,939	16,262,179
Administrative Expense	(87,847)	(182,238)	(160,362)	(67,272)	(124,362)	-
Benefit Payments	(9,997,925)	(9,340,636)	(9,126,454)	(7,903,179)	(7,185,556)	(6,660,594)
Other Miscellaneous Income/(Expense)	285	(346,072)	-	-	-	-
Net Change in Plan Fiduciary Net Position	4,708,550	6,152,197	8,333,482	(1,767,231)	916,183	14,842,980
Plan Fiduciary Net Position - Beginning	123,100,488	116,948,291	108,614,809	110,382,040	109,465,857	94,622,877
Plan Fiduciary Net Position - Ending (b)	<u>\$ 127,809,038</u>	<u>\$ 123,100,488</u>	<u>\$ 116,948,291</u>	<u>\$ 108,614,809</u>	<u>\$ 110,382,040</u>	<u>\$ 109,465,857</u>
Net Pension Liability [(a) - (b)]	<u>\$ 60,657,487</u>	<u>\$ 57,868,302</u>	<u>\$ 60,072,122</u>	<u>\$ 54,722,128</u>	<u>\$ 45,759,614</u>	<u>\$ 42,311,756</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.82%	68.02%	66.06%	66.50%	70.69%	72.12%
Covered Payroll	\$ 18,780,928	\$ 19,075,163	\$ 19,343,552	\$ 19,550,012	\$ 19,490,839	\$ 18,385,116
Net Pension Liability as a Percentage of Covered Payroll	322.97%	303.37%	310.55%	279.91%	234.77%	230.14%

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

Notes to Schedule:

Benefit changes. In 2020, 2019, 2018, 2017, 2016, and 2015, there were no benefit changes.

Changes in assumptions. In 2020, 2019, 2018, 2017, 2016, and 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CONTRIBUTIONS – PENSION FOR THE FISCAL YEAR ENDED JUNE 30, 2020 LAST 10 YEARS*

	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16	Fiscal Year 2014-15
Actuarially Determined Contributions	\$ 5,300,243	\$ 4,686,264	\$ 4,047,221	\$ 3,991,447	\$ 4,086,806	\$ 3,668,004
Contributions in Relation to the Actuarially Determined Contributions	<u>(5,300,243)</u>	<u>(4,686,264)</u>	<u>(4,047,221)</u>	<u>(3,991,447)</u>	<u>(4,086,806)</u>	<u>(3,668,004)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 18,780,928	\$ 19,075,163	\$ 19,343,552	\$ 19,550,012	\$ 19,490,839	\$ 18,385,116
Contributions as a Percentage of Covered Payroll	28.22%	24.57%	20.92%	20.42%	20.97%	19.95%

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

Attachment C

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

<i>Measurement Period</i>	2019	2018	2017
Total OPEB Liability			
Service Cost	\$ 5,638,591	\$ 5,259,186	\$ 5,708,352
Interest	3,522,407	3,452,776	3,047,381
Actual and Expected Experience Difference	(4,602,485)	-	-
Changes in Assumptions	9,172,330	2,643,408	(7,860,824)
Benefit Payments	(3,906,373)	(3,784,611)	(3,898,705)
Net Change in Total OPEB Liability	9,824,470	7,570,759	(3,003,796)
Total OPEB Liability - Beginning	114,516,198	106,945,439	109,949,235
Total OPEB Liability - Ending (a)	<u>\$ 124,340,668</u>	<u>\$ 114,516,198</u>	<u>\$ 106,945,439</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 3,906,373	\$ 3,784,611	\$ 3,898,705
Benefit Payments	(3,906,373)	(3,784,611)	(3,898,705)
Net Change in Plan Fiduciary Net Position	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability [(a) - (b)]	<u>\$ 124,340,668</u>	<u>\$ 114,516,198</u>	<u>\$ 106,945,439</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%
Covered Payroll	\$ 22,768,353	\$ 22,116,603	\$ 22,483,538
Net OPEB Liability as a Percentage of Covered Payroll	546.11%	517.78%	475.66%

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

Notes to the Schedule:

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

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CONTRIBUTIONS – OPEB FOR THE FISCAL YEAR ENDED JUNE 30, 2020 LAST 10 YEARS*

	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially Determined Contributions	\$ 3,906,373	\$ 3,784,611	\$ 3,898,705
Contributions in Relation to the Actuarially Determined Contributions	(3,906,373)	(3,784,611)	(3,898,705)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 22,768,353	\$ 22,116,603	\$ 21,929,916
Contributions as a Percentage of Covered Payroll	17.16%	17.11%	17.78%

Notes to the Schedule:

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

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	2.79%
Inflation	2.50%
Salary Increases	3.00%
Healthcare Cost Trend Rates	6.5% in 2021, fluctuating down to 4% by 2076
Mortality Rate	CalPERS 2017 Experience Study; Projected with MW Scale 2020

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

Attachment C

SUPPLEMENTARY INFORMATION

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF OPERATING EXPENSES FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Labor		
Operators' salaries and wages	\$ 7,775,128	\$ 8,089,242
Other salaries and wages	8,099,757	7,583,171
Overtime	2,804,026	3,348,346
	18,678,911	19,020,759
Fringe Benefits		
Absence with pay	5,329,108	3,747,912
Pension plans	5,886,183	5,293,017
Vision, medical, and dental plans	6,657,647	6,062,385
Workers' compensation insurance	1,242,278	(579,132)
Disability insurance	353,155	347,893
Other fringe benefits	175,727	168,862
Other postemployment benefits	12,670,078	9,347,928
	32,314,176	24,388,865
Services		
Accounting	86,712	95,709
Administrative and banking	370,843	464,712
Professional and technical services	1,688,323	1,493,619
Security	575,894	518,156
Outside repairs	1,139,437	1,271,036
Other services	160,648	112,057
	4,021,857	3,955,289
Materials and Supplies Consumed		
Fuels and lubricants	1,352,349	1,627,701
Tires and tubes	208,885	190,918
Vehicle parts	958,306	1,024,093
Other materials and supplies	617,190	508,535
	3,136,730	3,351,247
Utilities	597,598	612,122
Casualty and Liability Costs	800,600	1,067,132
Taxes and Licenses	44,250	44,793
Miscellaneous Expenses	251,476	345,932
Equipment and Facility Lease	221,587	334,781
Interest expense	32,097	39,616
Depreciation	5,514,288	5,286,802
	5,546,385	5,326,418
Total Operating Expenses	\$ 65,613,570	\$ 58,447,338

Attachment C

OTHER SCHEDULES AND REPORTS

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Federal Transit Administration (FTA)				
Cluster Defined by the Department of Transportation				
Section 3/5309 Consolidation				
Pacific Station Expansion FY2006 (Design/Engineering)	20.500	CA-04-0021	\$ -	\$ 9,515
Pacific Station Expansion FY2008 (Design/Engineering)	20.500	CA-04-0102	-	8,239
			-	17,754
Section 9/5307				
Operating Assistance	20.507	CA-2018-057	-	7,060,410
Operating Assistance - CARES Act	20.507	CA-2020-144-01	-	13,183,772
Operating Assistance - CARES Act	20.507	CA-2020-144-02	-	5,127,023
			-	25,371,205
Section 5339				
FY14 5339(a) Bus & Bus Facilities	20.526	CA-2017-038-00	-	122
FY13-17 5339 Statewide Discretionary	20.526	CA-2018-023	-	456,956
FY17 5339(a) Bus & Bus Facilities	20.526	CA-2019-067-00	-	146,792
FY17 5339(b) Bus - Rolling Stock	20.526	CA-2019-012-00	-	1,206,518
FY18 5339(a) Bus & Bus Facilities	20.526	CA-2019-070-00	-	202,973
			-	2,013,361
Total Federal Transit Administration			-	27,402,320
Section 18/5311-5317				
Rural Operating Assistance - 5311	20.509	CA-2020-015	-	180,962
Rural Operating Assistance - 5311 - CARES Act Phase I	20.509	CA-2020-054	-	200,431
			-	381,393
Surface Transportation Block Grant (STBG)	20.205	N/A	-	500,000
			-	500,000
Total Expenditures of Federal Awards			\$ -	\$ 28,283,713

See accompanying notes to schedule of expenditures of federal awards.

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 – GENERAL

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

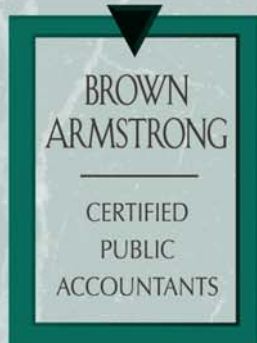
NOTE 2 – BASIS OF ACCOUNTING

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

NOTE 3 – INDIRECT COST RATE

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

Attachment C



BROWN ARMSTRONG

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's basic financial statements, and have issued our report thereon dated December 11, 2020.

Internal Control Over Financial Reporting

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

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

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

**BAKERSFIELD OFFICE
(MAIN OFFICE)**

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Attachment C

Compliance and Other Matters

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

Purpose of this Report

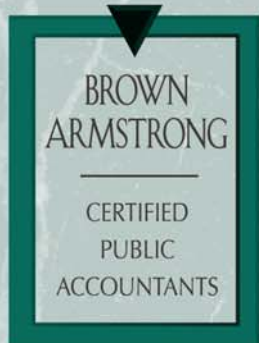
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance. This report is an integral part of an audit performed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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 11, 2020

Attachment C



BROWN ARMSTRONG

Certified Public Accountants

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

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

Report on Compliance for Each Major Federal Program

We have audited the Santa Cruz Metropolitan Transit District's (Santa Cruz METRO) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Santa Cruz METRO's major federal programs for the fiscal year ended June 30, 2020. Santa Cruz METRO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Santa Cruz METRO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2020.

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Attachment C

Report on Internal Control Over Compliance

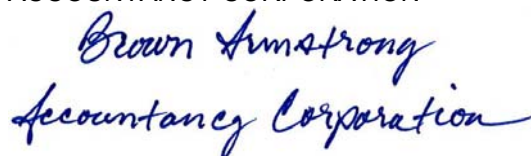
Management of Santa Cruz METRO is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Santa Cruz METRO's internal control over compliance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

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

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

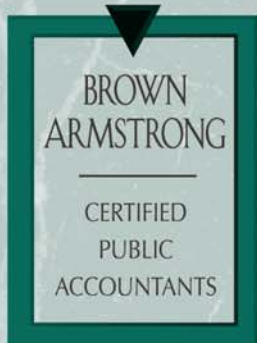
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the firm.

Bakersfield, California
December 11, 2020

Attachment C



BROWN ARMSTRONG

Certified Public Accountants

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

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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the U.S. Office of Management and Budget (OMB) *Compliance Supplement*; and the statutes, rules, and regulations of the California Transportation Development Act (TDA) the financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated December 11, 2020.

Compliance

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

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

Other Matters

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

Attachment C

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

During the fiscal year ended June 30, 2020, Santa Cruz METRO received \$0 from the State's PTMISEA funds. As of June 30, 2020, PTMISEA interest received and funds expended were verified in the course of our audit as follows:

Schedule of PTMISEA Proposition 1B Grants For the Year Ended June 30, 2020

	<u>2020</u>
Balance - beginning of the year	\$ 4,778,292
Receipts:	
Interest accrued 7/1/2019 through 6/30/2020	94,574
Expenses:	
Transit bus	<u>(70,083)</u>
Balance - end of year	<u>\$ 4,802,783</u>

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

Purpose of this Report

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

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 11, 2020

Attachment C

FINDINGS AND QUESTIONED COSTS SECTION

Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2020

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weakness identified? Yes No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Clusters</u>
20.509	Formula Grants for Other Than Urbanized Areas
20.500	Federal Transit Cluster
20.507	Federal Transit Capital Investment Grants – Section 3
20.526	Federal Transit Formula Grants – Section 9 Bus and Bus Facilities Formula and Discretionary Programs

Dollar threshold used to distinguish type A and B programs: \$750,000

Auditee qualified as low risk auditee? Yes No

II. Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards

None.

III. Federal Award Findings and Questioned Costs

None.

Attachment C

IV. State Award Findings and Questioned Costs

None.

V. A Summary of Prior Audit (all June 30, 2019) Findings and Current Year Status Follows

None.

Attachment D

**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT
MEASURE D PROGRAM**

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

**FOR THE YEAR ENDED
JUNE 30, 2020**

Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
FOR THE YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
 <u>Financial Statements</u>	
Balance Sheet	3
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	4
Notes to Financial Statements	5
 <u>Supplementary Information</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	7
 <u>Other Report</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8
Independent Auditor's Report on Measure D Program Compliance.....	10

Attachment D



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Attachment D

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure D Program of Santa Cruz METRO as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure D Program and do not purport to, and do not, present fairly the financial positions of Santa Cruz METRO as of June 30, 2020, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure D Program financial statements. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, on our consideration of Santa Cruz METRO's internal control over financial reporting, relating to the Measure D Program, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, relating to the Measure D Program, and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance relating to the Measure D Program. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance relating to the Measure D Program.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 11, 2020

Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
BALANCE SHEET
JUNE 30, 2020**

ASSETS

Cash and investments	\$ 4,410,793
Intergovernmental receivables	
Receivables from SCCRTC for Measure D allocations	<u>607,302</u>
Total assets	<u><u>\$ 5,018,095</u></u>

LIABILITIES AND FUND BALANCE

Liabilities	
Unearned income	\$ 3,266,636
Interfund payable	<u>1,751,459</u>
Total liabilities	<u>5,018,095</u>
Fund balance	
Restricted	<u>-</u>
Total net position	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 5,018,095</u></u>

See accompanying Notes to Financial Statements.

Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

REVENUES

Measure D revenue	\$ 2,983,768
Interest income	79,948
	<hr/>
Total revenues	3,063,716

EXPENDITURES

Transit operations	1,312,258
Transit capital	1,751,458
	<hr/>
Total expenditures	3,063,716

REVENUES OVER EXPENDITURES -

FUND BALANCE

Beginning of year	<hr/> -
End of year	<hr/> <hr/> \$ -

See accompanying Notes to Financial Statements.

Attachment D

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MEASURE D PROGRAM NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All transactions of the Measure D Program by the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) are included as an enterprise fund in the basic financial statements of Santa Cruz METRO. These statements account for Santa Cruz METRO's share of revenues earned and expenditures incurred under Santa Cruz METRO's Transportation for Seniors and People with Disabilities Program. The accompanying financial statements are for the Measure D Program only and are not intended to fairly present the financial position or results of operations of Santa Cruz METRO.

B. Basis of Accounting and Measurement Focus

Santa Cruz METRO uses an enterprise fund format to report its activities for financial statement purposes. The accompanying financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred regardless of when the related cash flows take place.

C. Use of Estimates

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

NOTE 2 – MEASURE D PROGRAM

Under Measure D, approved by the voters of Santa Cruz County in 2016, Santa Cruz METRO receives a portion of the proceeds of a one-half cent sales tax to be used for transportation-related expenditures. This measure was adopted with the intention that the funds generated by the sales tax will not fund transportation-related expenditures previously paid for by existing funds, revenues, and other resources, but rather, will be used for additional projects and programs, so as to supplement (and not replace) the revenue funds designated and used for transportation programs and expenditures.

The major project funded by Measure D was as follows:

Transportation for Seniors and People with Disabilities Program – To provide transit services to seniors and people with disabilities, and to purchase transportation capital improvements.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consisted of \$4,410,793 at June 30, 2020.

See Santa Cruz METRO's basic financial statements for disclosures related to the cash and investments as prescribed by GASB Statement No. 40. The basic financial statements may be obtained from Santa Cruz METRO at 110 Vernon Street, Santa Cruz, CA 95060.

Attachment D

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$607,302 represent the Measure D Program sales tax allocations for fiscal year 2020 that were received from the Santa Cruz County Regional Transportation Commission (SCCRTC) after June 30, 2020.

NOTE 5 – UNEARNED INCOME

Measure D Program sales tax allocations that are allocated to Santa Cruz METRO during the fiscal year are restricted and reported as liabilities (unearned income) until spent on the specific purpose for which they were intended, as outlined in the 5-Year Program of Projects approved by the Santa Cruz METRO Board of Directors and submitted to the SCCRTC.

NOTE 6 – INTERFUND PAYABLE

Interfund payables of \$1,751,459 represent amounts due to Santa Cruz METRO's general operating fund, in order to reimburse the agency for the Measure D Program capital expenditures paid for with Santa Cruz METRO unrestricted monies during the fiscal year.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through December 11, 2020, which is the date of issuance.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. In response, the County, followed by the Governor of California, issued a Shelter at Home order effective March 19, 2020, requiring certain non-essential businesses to temporarily close to the public. At the current time, management is unable to quantify the potential effects of this pandemic on its future financial statements.

Attachment D

SUPPLEMENTARY INFORMATION

Attachment D

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

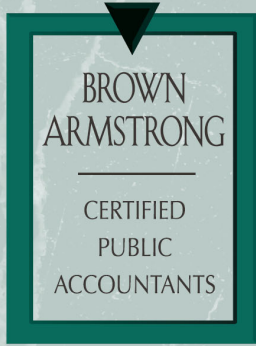
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Measure D Program revenue	\$ 3,358,289	\$ 3,358,289	\$ 2,983,768	\$ (374,521)
Interest income	-	-	79,948	79,948
Total revenues	<u>3,358,289</u>	<u>3,358,289</u>	<u>3,063,716</u>	<u>(294,573)</u>
EXPENDITURES				
Transit operations	1,312,258	1,312,258	1,312,258	-
Transit capital	2,046,031	2,046,031	1,751,458	294,573
Total expenditures	<u>3,358,289</u>	<u>3,358,289</u>	<u>3,063,716</u>	<u>294,573</u>
REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXPENDITURES IN EXCESS OF PROJECT BUDGET

Santa Cruz Metropolitan Transit District (Santa Cruz METRO) must receive Board approval of a 5-year Program of Projects prior to expending Measure D funding on any project or program, in accordance with the requirements of the Measure D Master Funding Agreement. The approved 5-year Program of Projects is submitted to the SCCRTC annually, and includes information about each of the projects to be funded with the estimated annual Measure D revenues, allocated according to the Measure D Ordinance and Expenditure Plan.

The fiscal year 2020 project list and expenditure plan used preliminary estimates for assigning costs of fixed-route and paratransit operator wages and benefits and vehicle consumables to various transit service improvements. Subsequent to the approval of this 5-year Program of Projects, a more accurate costing method was developed and used to identify the value of operator labor, resulting in Transit operations expenditures exceeding budget for this first year of the program.

Attachment D



BROWN ARMSTRONG

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's Measure D Program's financial statements, and have issued our report thereon dated December 11, 2020.

Internal Control Over Financial Reporting

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

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

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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Attachment D

Compliance and Other Matters

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

Purpose of this Report

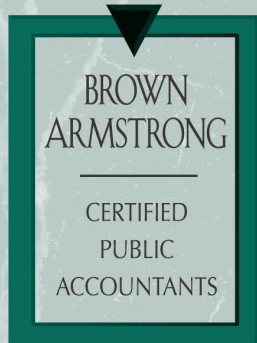
The purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the Measure D Program and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance relating to the Measure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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 11, 2020

Attachment D



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON MEASURE D PROGRAM COMPLIANCE

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

Compliance

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) Measure D Program as of and for the year ended June 30, 2020, and the related notes, and have issued our report thereon dated December 11, 2020.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Santa Cruz METRO's management.

Auditor's Responsibility

Our responsibility is to express an opinion on Santa Cruz METRO's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the agreement between Santa Cruz METRO and Santa Cruz County Regional Transportation Commission (SCCRTC). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Measure D Program occurred. An audit also includes examining, on a test basis, evidence about Santa Cruz METRO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Santa Cruz METRO's compliance with those requirements.

Opinion on Measure D Program

In our opinion, Santa Cruz METRO complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure D Program for the year ended June 30, 2020.

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

Attachment D

Internal Control Over Compliance

Management of Santa Cruz METRO is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered Santa Cruz METRO's internal control over compliance relating to the Measure D Program to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance relating to the Measure D Program. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control over compliance relating to the Measure D Program.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the agreement between Santa Cruz METRO and SCCRTC. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 11, 2020



DATE: January 22, 2021
TO: Board of Directors
FROM: Kristina Mihaylova, Finance Deputy Director
**SUBJECT: CONSIDERATION OF DECLARING VEHICLES AND/OR EQUIPMENT
AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION**

I. RECOMMENDED ACTION

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

II. SUMMARY

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

III. DISCUSSION/BACKGROUND

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

- One (1) 2X4 Core 2.3 GHz Server
- Two (2) VoIP Phone System VCX Servers
- Three (3) CCTV System Pivot3 Cloudbank Components

The equipment recommended for disposal is fully depreciated, so there is no financial obligation to a granting agency with regard to the recommended disposal. METRO no longer has a need for this equipment; therefore, it is recommended for disposal at this time.

The disposition of these assets has been coordinated with management and staff in processing them for disposal, recycling or auction if appropriate.

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

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report pertains to Financial Stability, Stewardship, & Accountability.

V. FINANCIAL CONSIDERATIONS/IMPACT

The estimated gross market value of this equipment is approximately \$1,000. All equipment items have reached the end of their useful life and are obsolete. There is no financial impact as a result of these disposals.

Any revenue generated from the sale of vehicles, equipment or inventory is recorded in the District's general ledger to account 407090-100 "Gain/Loss on Disposal of Assets."

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

- Keep the equipment in capital asset inventory. Staff does not recommend this alternative because the items have exceeded their useful life and/or are cost prohibitive to repair and are no longer in use.

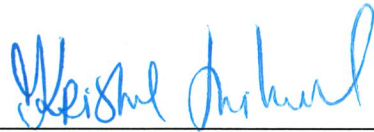
VIII. ATTACHMENTS

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

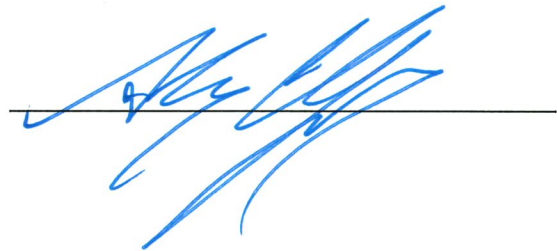
Exhibit A: Excess Vehicle & Equipment Listing—as of January 22, 2021

IX. APPROVALS:

Approved as to fiscal impact:
Kristina Mihaylova, Finance Deputy Director



Alex Clifford, CEO/General Manager



- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment A



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

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

RESOLUTION TO APPROVE THE DISPOSAL OR AUCTION OF EXCESS ASSETS

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

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

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

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

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

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

1. The following assets are declared excess property on the Excess Vehicle & Equipment Listing as of 01/22/2021, "Exhibit A" and may be disposed of or auctioned as such:
 - a. "One (1) 2X4 Core 2.3 GHz Server";

Attachment A

Resolution No. _____
Page 2 of 3

- b. "Two (2) VoIP Phone System VCX Servers";
- c. "Three (3) CCTV System Pivot3 Cloudbank Components";

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on January 22, 2021, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

ABSTAIN: DIRECTORS –

Mike Rotkin, Board Chair

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

JULIE SHERMAN
General Counsel

Attachment A

Resolution No. _____
Page 3 of 3

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

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
EXCESS VEHICLE & EQUIPMENT LISTING AS OF 01/22/2021

(Attached)

Exhibit A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT										
EXCESS VEHICLE & EQUIPMENT LISTING AS OF 01/22/2021										
Vehicle or Asset Tag #	Description	Acquisition Date	Cost	Accumulated Depreciation	Net Book Value	Est. Market Value	Reason for Disposal	Condition	VIN / SN	License #
004963.00F	2X4 CORE 2.3 GHZ SERVER	10/01/2008	\$ 14,049	\$ 14,049	\$ -	\$ 200	DECOMMISSIONED	POOR	0835GAR0C9	N/A
005609.00F	VOIP-PHONE SYS-VCX SERVER	10/01/2009	\$ 13,936	\$ 13,936	\$ -	\$ 100	DECOMMISSIONED	POOR	KQGDRTX	N/A
005610.00F	VOIP-PHONE SYS-VCX SERVER	10/01/2009	\$ 13,936	\$ 13,936	\$ -	\$ 100	DECOMMISSIONED	POOR	KQDGRRZ	N/A
006200.00F	CCTV SYSTEM @ WTC-PIVOT3 CLOUDBANK	07/01/2012	\$ 13,015	\$ 13,015	\$ -	\$ 200	DECOMMISSIONED	POOR	21046P360J	N/A
006201.00F	CCTV SYSTEM @ WTC-PIVOT3 CLOUDBANK	07/01/2012	\$ 28,199	\$ 28,199	\$ -	\$ 200	DECOMMISSIONED	POOR	11045F362A	N/A
006202.00F	CCTV SYSTEM @ WTC-PIVOT3 CLOUDBANK	07/01/2012	\$ 28,199	\$ 28,199	\$ -	\$ 200	DECOMMISSIONED	POOR	21046P361X	N/A



DATE: January 22, 2021
TO: Board of Directors
FROM: John Urgo, Planning and Development Director
**SUBJECT: ACCEPT AND FILE: INTERLINE AGREEMENT BETWEEN
GREYHOUND LINES, INC. AND SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the Interline Agreement between Greyhound Lines, Inc. and the Santa Cruz Metropolitan Transit District

II. SUMMARY

- The Interline Agreement between Greyhound Lines, Inc. and the Santa Cruz Metropolitan Transit District (METRO) described herein will allow customers to move unencumbered between the routes of Greyhound and METRO's Highway 17 service, according to the terms and conditions provided in the Agreement (Attachment A).

III. DISCUSSION/BACKGROUND

Interline Service refers to an arrangement by which passengers are allowed to move unencumbered between two transportation carriers. Interlining is a common practice in the transportation industry and is a recognized method of enabling passenger movement between carriers, providing for cost-sharing and avoiding duplication of service.

The Interline Agreement between Greyhound Lines, Inc. and the Santa Cruz Metropolitan Transit District (METRO) will allow customers to move unencumbered between the routes of Greyhound and METRO's Highway 17 service, according to the terms and conditions provided in the Agreement (Attachment A). This includes the ability to sell a single ticket to be used for travel on more than one carrier, the authorization to issue tickets for the transportation of passengers and baggage by the other Party, and the acceptance of each other's tickets for transportation over the other carrier's' system.

Under the terms of the Agreement, Greyhound customers with connecting travel between Santa Cruz METRO Center and San Jose Diridon Station will be able to use their valid Greyhound ticket for travel on METRO's Highway 17 service. Greyhound customers will simply present a valid printed or mobile Greyhound ticket to the Highway 17 METRO Operator for boarding. Travel is subject to

capacity constraints on METRO's Highway 17 service and seats are not guaranteed.

Greyhound will report to METRO on a monthly basis the number of tickets sold and provide reimbursement of the \$7.00 Highway 17 fare. The term of the Agreement shall be three years unless terminated by either Party with 30 days' prior written notice.

Benefits to Greyhound of this Agreement include the restoration of Greyhound marketed service between Santa Cruz and San Jose, which the carrier suspended at the start of the COVID-19 pandemic. Benefits to METRO include the potential for increased ridership and revenue. If successful, both Parties may seek to terminate Greyhound's long-term lease at Pacific Station.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This item aligns with METRO's Financial Stability, Stewardship & Accountability and Service Quality and Delivery strategic priorities.

V. FINANCIAL CONSIDERATIONS/IMPACT

There is no cost to the Agreement. Greyhound will reimburse METRO on a monthly basis according to the number of tickets sold and the Highway 17 fare (\$7.00).

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

The Board may direct staff to terminate this Agreement. This would maintain the duplication of service between Greyhound and METRO and preclude any potential for increased ridership and revenue on Highway 17 service from Greyhound customers. Staff therefore does not recommend this alternative.

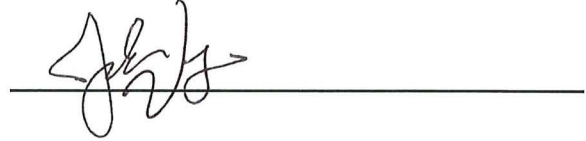
VIII. ATTACHMENTS

Attachment A: Interline Agreement between Greyhound Lines, Inc. and Santa Cruz Metropolitan Transit District

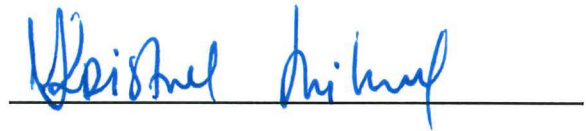
Prepared by: John Urgo, Planning and Development Director

IX. APPROVALS

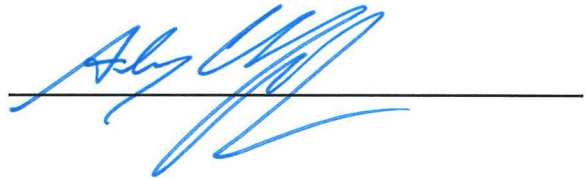
John Urgo,
Planning & Development Director



Approved as to fiscal impact:
Kristina Mihaylova,
Finance Deputy Director



Alex Clifford, CEO/General Manager



- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment A

INTERLINE AGREEMENT BETWEEN GREYHOUND LINES, INC. AND SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

This Interline Agreement (“Agreement”) is entered into by and between Greyhound Lines, Inc. and its subsidiaries on the one hand (collectively “Greyhound”), with its principal place of business at 350 N. St. Paul Street, Dallas, Texas, 75201, and Santa Cruz Metropolitan Transit District (“Carrier”) on the other hand, with its principal place of business at 110 Vernon Street, Santa Cruz, CA 95060 (collectively the “Parties” and individually a “Party”).

WHEREAS, interlining is a common practice in the industry and is a recognized method of enabling the movement of passengers and freight between carriers; and

WHEREAS, Greyhound and Carrier wish to enter into an interline arrangement whereby Greyhound and Carrier will allow passengers to move unencumbered between the routes of Greyhound and Carrier on the terms and conditions hereinafter provided; and

WHEREAS, the Parties wish to memorialize the terms and conditions of the interline relationship in this Agreement as follows:

1. INTERLINE SERVICE

“**Interline Service**” (or “**Service**”) shall mean the arrangement by which passengers, their baggage are allowed to move unencumbered between the routes of Greyhound and Carrier including the ability to sell a single ticket to be used for travel on more than one carrier, the authorization to issue tickets for transportation of passengers and baggage by the other Party, and the acceptance of each other’s tickets and waybills for transportation over the other carrier’s system. Greyhound and Carrier hereby agree to provide Interline Service to permit the unencumbered movement of passengers, their baggage between certain routes of the two parties as determined from time-to-time.

2. EFFECTIVE DATE

The terms and conditions of this Agreement are effective as of January 1st, 2021. Carrier’s consent to these terms and conditions shall be indicated by engaging in Interline Service with Greyhound as of the Effective Date.

3. TERM OF AGREEMENT

- 3.1. Term. The Term of this Agreement shall be for a period of three years from the Effective Date (“Term”) and shall remain in full force and effect unless terminated by either Party during the Term by providing the other with at least 30 days’ prior written notice of its intention to terminate.
- 3.2. Default. Any default in the accounts or any violation of any provision of this Agreement which is not remedied within 10 days after written notice thereof shall be sufficient cause for immediate termination of this Agreement without further notice.

Attachment A

- 3.3. Renewal. Upon the expiration of this Agreement and without any further written agreement, this Agreement shall continue on a month-to-month basis on the terms and conditions set out herein.
- 3.4. Termination for Bankruptcy. If either Party becomes insolvent, is unable to pay its debts when due, files for bankruptcy, is the subject of involuntary bankruptcy, has a receiver appointed, or has its assets assigned, the other Party may terminate this Agreement without notice and may cancel any unfulfilled obligations.

4. TARIFF PARTICIPATION & TICKET SALES

Greyhound and Carrier agree to sell tickets and package services in accordance with each other's published fares, tariffs, or tolls as the case may be based on the following:

- 4.1. Tariffs. Greyhound and Carrier hereby agree to and concur in the adoption, use, publication, filing and/or transmission of any publication/tariff or supplement thereto which Greyhound or Carrier or their respective agent(s) may adopt, use, publish, file and/or electronically transmit, including any supplements, revisions or amendments thereto hereinafter made and in which the other is shown as a participating carrier and hereby makes itself a party thereto and bound thereby insofar as such publication/tariff/electronic transmission and/or supplement contains fares, rates, charges or rules and regulations applying to or from points on its route or routes or via its route or routes.

4.1.1. Tariffs which the Parties hereby agree to mutually participate in under the terms and conditions of this Agreement include:

- 4.1.1.1. Passenger- All fares and standard mileage fares;
- 4.1.1.2. Reduced Fare Programs including student discount, children's discount, military discount, etc.;
- 4.1.1.3. Prepaid Ticket Orders;
- 4.1.1.4. Internet/e-tickets;
- 4.1.1.5. Home Free;
- 4.1.1.6. Checked Baggage;
- 4.1.1.7. Specialty Programs which include 7-11 and ACE Cash Express as well as other methods of ticket sales which may be adopted from time-to-time and which may change during the Term of this Agreement.

Attachment A

See Greyhound's Passenger Fare Sales Manual (PFSM) and Package for further explanation. Any prior exclusion from participation in particular fare(s) are hereby declared null and void.

- 4.2 4.2 Fare & Schedule Information. Carrier agrees and acknowledges that in order to make the Interline Service possible, Carrier's fare and schedule information must be listed in Greyhound's selling system. Greyhound and Carrier agree that fare and schedule information shall be submitted by Carrier to Greyhound via the processes and procedures established by Greyhound so that such information may be published for sale to the public in a timely manner. Such information shall only be used for the purpose of providing this Interline Service and for no other reason. Greyhound has designated a confidential procedure through which such information will be handled on a need-to-know basis and will keep such information segregated from its pricing and scheduling personnel. Carrier's failure to timely submit the necessary information as proscribed by Greyhound below may result in immediate termination of this Agreement

CARRIER SHALL REVIEW INFORMATION CONCERNING ITS FARES AND SCHEDULES IN THE GREYHOUND SYSTEM ON A REGULAR BASIS IN ORDER TO ENSURE ACCURACY. CARRIER WILL NOTIFY GREYHOUND VIA THE EMAIL ADDRESS (eric.sinner@greyhound.com) OF ALL ALLEGED INACCURACIES, WHICH GREYHOUND WILL CORRECT AS PROMPTLY AS POSSIBLE. GREYHOUND ASSUMES NO RESPONSIBILITY AND SHALL NOT BE LIABLE TO CARRIER OR ANY THIRD PARTY FOR ANY DAMAGES RELATED TO INACCURATE INFORMATION ENTERED INTO THE GREYHOUND SYSTEM AND CARRIER SHALL DEFEND AND INDEMNIFY GREYHOUND FOR ANY SUCH CLAIMS BROUGHT BY THIRD PARTIES (INCLUDING ATTORNEY'S FEES AND COSTS).

Carrier is required to follow the procedure below in order to accomplish the Interline Services:

4.2.1 Schedule changes.

4.2.1.1 Must be submitted at least 10 days prior to effective date.

4.2.1.2 Must occur in conjunction with Greyhound's schedule changes which occur four times per year.

4.2.1.3 Must be consistent with the service levels in the bus terminal license agreement or other relevant agreement and consistent with the goals of interlining.

4.2.2 Fare Changes.

4.2.2.1 Mileage table fares to be submitted at least three days prior to effective date.

4.2.2.2 City-pair changes must be submitted at least seven days prior to effective date.

4.2.3 Routing. Greyhound utilizes a "RouteGen" process 14 days prior to each major schedule change. In order to ensure that Carrier routing is not impacted, schedules must be coordinated with those of Greyhound if new routings are

Attachment A

involved. RouteGen must be scheduled and can be accomplished within 21 days from request under normal circumstances, subject to Greyhound availability. Carrier hereby accepts the routes as they are electronically generated by the Greyhound system based on the neutral algorithms which form the basis of Greyhound's routing and scheduling system. Absent extraordinary circumstances, Carrier shall not request and Greyhound will not make manual changes to the routes generated by the system. Greyhound may make exceptions to the above based on particular circumstances and within its discretion. If the system is missing routings to Carrier's origins and destinations, they will be fixed as soon as possible. Other exceptions to these rules may include changes in stops that increase or decrease running time and adjustments to maintain connectivity when Greyhound changes a schedule.

4.3 Ticket Sales. Carrier and Greyhound are hereby permitted to sell all tickets of the other which are quoted on each other's system and to charge the agreed-upon commission for such sales. Neither Party is required to quote any schedules that it cannot sell.

4.4 Additional Requirements.

4.4.1 Agency information (TN-38) must be submitted at least 45 days prior to the effective date.

4.4.2 Transfer Points – Carrier must define where schedule transfers will occur and, if at a Greyhound facility, must be during normal business hours unless otherwise agreed to by Greyhound. Information must be submitted at least 14 days prior to effective date of schedules which will operate said service. Greyhound reserves the right to manage its minimum transfer times and locations. Transfers may not occur at a location during a time when the location is not open for business.

5. INTERLINE BILLING

5.1 Pricing. Greyhound shall compensate Carrier \$7.00 per transferring passenger on local fixed routes and \$7.00 per transferring passenger on express routes, both of which must be part of the Services contemplated herein.

5.2 Route Changes. Any mutually agreed upon changes to the Services and/or Carrier's routes that connect with Greyhound must be communicated to Greyhound with at least 15 days' notice of the implementation date of such route changes and must be approved by Greyhound in writing. Greyhound shall make its best efforts to respond to Carrier within 15 days of receipt of notice of the proposed change. The failure of Greyhound to respond shall not be considered consent by Greyhound.

5.3 Ticket Sales. Greyhound shall be entitled to sell all services of Carrier.

Attachment A

Notwithstanding anything in this Agreement to the contrary, Greyhound and Carrier reserve the right to change the rates in this Section 5 at any time during the existence of this Agreement by providing 60 days' written notice to the other Party before the proposed effective date of the change. If a Party objects to any proposed change, it must provide written notice of objection within 30 days of receipt of the notice of change, at which time, either Party may terminate this Agreement as of the effective date of the proposed change.

Both Parties agree to take all reasonable efforts to ensure that fraudulent tickets and waybills are not being created, submitted for payment, sold, used for travel, shipment or the like and that extra precaution must be taken with respect to tickets and waybills which are printed by customers. Each Party is required to take all reasonable steps to report and end any suspected fraud. Either party found to be guilty of willful misconduct or gross negligence with regard to its obligations pursuant to this paragraph shall be responsible for the other Party's lost revenue as a result of fraud.

6. EQUIPMENT AND SERVICES

Greyhound and Carrier each agree to employ sufficient persons, vehicles and equipment to provide Interline Services in a safe, prompt, efficient and businesslike manner which complies with all applicable laws, rules and regulations, including service to customers with disabilities, as well as customer service standards.

Each Party agrees to make all reasonable efforts to provide the highest level of customer service in the intercity bus industry. This commitment includes the requirement that each Party ensure that any facility at which any of its schedules operates a transfer be open and available to customers at the time of the transfer. Both Parties acknowledge that bus-to-bus transfers are not acceptable.

7. INTELLECTUAL PROPERTY

Each Party reserves all right, title and interest in and to its intellectual property, including but not limited to its trademarks, anything in this Agreement notwithstanding.

8. CAPACITY LIMITATIONS

Carrier acknowledges that Greyhound operates on a space available basis and that certain of its schedules are reserved seating only. Carrier agrees that it shall ensure that passengers board only the particular schedule for which they are ticketed, including the specific date and time of the schedule.

For any sales which occur outside of the TRIPS selling system, Greyhound has no advance notification of the sale of such tickets and therefore may not be able to make space accommodations for such passengers.

For all such tickets which are sold outside of the TRIPS selling system, Greyhound cannot and does not guarantee that a passenger holding such ticket will receive a seat on the ticketed schedule. Travel will be provided by Greyhound on a space available basis only and Carrier agrees to accommodate any passengers to which it sold tickets outside of the TRIPS selling system by making all reasonable efforts to provide alternate transportation for such passengers and to defend and indemnify Greyhound, including the payment of attorney's fees, costs and damages, for all claims by such passengers related to Greyhound's inability to provide travel due to space limitations when the ticket was sold by Carrier outside

Attachment A

of the TRIPS selling system. Carrier further acknowledges that for such passengers, Greyhound has the right to send the passenger(s) back to their origin of travel at Carrier's expense.

9. PAYMENT

Greyhound shall report to Carrier monthly regarding the number of tickets sold and compensation due Carrier. Payment to Carrier will be made by wire transfer to a designated bank account or other similar means within 10 days after the end of each month.

10. COLLECTION

In the event of a Party's failure to abide by all monetary obligations under this Agreement in a timely manner and after providing written notice and 10 days to cure the default, the default thereafter not being cured, the other Party shall be entitled to immediately begin collection actions against the other in addition to other remedies provided hereunder. If it is determined that a Party is in default of its monetary obligations under this Agreement and the collecting Party has been required to institute legal action in order to collect any amounts due, the Party owed shall be entitled to receive, in addition to past amounts due, interest in the amount of 1.5% or at the highest rate allowed by law, whichever is greater, as well as reasonable attorney's fees and expenses.

11. RELATIONSHIP OF THE PARTIES

- 11.1. Independent Contractors. Nothing contained herein shall be deemed to or be construed as creating the relationship of principal and agent or of partnership or of joint venture between the Parties hereto, except each Party hereby acknowledges and appoints the other to execute the sale of tickets and hold funds owing to the other in trust. It being understood and agreed by the Parties that neither the provisions contained herein nor any acts of the Parties herein shall be deemed to create any relationship between the Parties other than the relationship of satisfying a common interest to provide the Interline Service. Neither Party shall enter into any agreements of any kind whatsoever, whether orally or in writing, on the other's behalf except for the sale of tickets in connection with the Interline Service. Under no circumstances shall employees of one Party be deemed to be employees of the other Party.
- 11.2. Employees. It is expressly understood and agreed that the personnel furnished by either Party to perform the Interline Services shall be and shall remain employees of the Party which furnished the personnel and under no circumstance are such personnel to be considered employees of the other Party. Further, each Party shall supply and pay all its employees required to perform the Interline Services during the Term of this Agreement and shall be responsible for, among other things, all wages, pension plan contributions, workers' compensation, unemployment insurance and applicable tax and deductions for its respective employees as required by law.

12. NO MINIMUM COMMITMENT; NON-EXCLUSIVITY

- 12.1. No Minimum Commitment. This Agreement does not obligate either Party to grant any licenses or to engage in any minimum amount of Interline Services with the other.

Attachment A

12.2. Non-Exclusivity. Anything in this Agreement to the contrary notwithstanding, either Party may engage in Interline Services with other third parties that are identical or similar to the Interline Services provided for herein.

13. LICENSES, FEES AND APPLICABLE REGULATORY AUTHORITY

Each Party shall pay and keep current its respective license and registration fees, taxes, added value taxes, assessments or charges, levied or rated or charged all in connection with each Party performing the Interline Services contemplated under this Agreement. In the event a license or authority required to operate the bus service as contemplated under this Agreement expires, is revoked or is otherwise not held by a Party, Greyhound or Carrier may terminate the entire Agreement or the portion affected by the loss of license immediately by providing written notice to the other Party.

14. RULES

The Parties hereby agree to comply with all rules, guidance and regulations published from time-to-time in the Greyhound Passenger Fare Sales Manual and Passenger Express Sales Manual and which may be amended during the Term of this Agreement, as well as all rules in the Intercity Bus Directory published by the NBTA. US information may be found at <http://extranet.greyhound.com/revsup/pfsm/> and <http://extranet.greyhound.com/Revsup/opem/pageset.htm>. Canada information may be found at <http://intranet.greyhound.com/revsup/>.

15. NO LIABILITY FOR ACTS OF OTHER CARRIERS

Neither Greyhound nor Carrier assume responsibility for transportation over the lines of each other or other carriers and neither Carrier nor Greyhound will be liable or assume responsibility for personal injury, bodily injury, death, property or any other damage to passengers, baggage or freight incurred in transportation over the lines of other carriers or each other.

16. INDEMNIFICATION

To the fullest extent permitted by applicable law, each Party shall defend, indemnify, protect and hold the other harmless, including its customers, directors, officers, employees (whether acting in the course of their employment or otherwise), agents, representatives, successors and assigns (each an "Indemnified Party") from and against any and all claims, losses, liens, demands, attorneys' fees, damages, liabilities, costs, expenses, obligations, causes of action, penalties, or suits (collectively "Claims") arising out of or resulting from: (i) any negligence, act or omission or willful misconduct of the other Party or its employees, agents, representatives or contractors; (ii) the breach of this Agreement by a Party or any of its employees, agents, representatives or contractors; (iii) property loss, damage, personal injury or death sustained by any Party, its employees and/or customers or any other person caused by or during the operation by the other Party (including employees, agents and/or contractors) of a commercial motor vehicle in Interline Service; or (iv) any failure to provide service and/or accommodations to passengers with disabilities as required by applicable law. An Indemnified Party shall have the right to participate in the selection of counsel and the Indemnifying Party shall not enter into any settlement agreement that contains any admission of liability on the part of the other and/or any other Indemnified Party.

Notwithstanding anything herein to the contrary, in the event that a claim, lawsuit or other demand for payment, damages or recovery is made when the alleged loss, damage or injury occurred in

Attachment A

transportation over the lines of one Party, that Party agrees to indemnify and hold the other harmless from all such claims, lawsuits or other demands for payment, damages or recovery, including reasonable attorney's fees and other costs of defending such actions. The same conditions will apply in instances where tickets may be optionally honored by another carrier. The Indemnified Party will not be liable and does not assume responsibility for death or bodily injury of passengers or passenger baggage incurred in transportation over the lines of the other and the Party operating the schedule or service at the time of the alleged loss shall defend, indemnify and hold the other harmless from any such claims, including the payment of reasonable attorney's fees and costs.

17. INSURANCE; WAIVER OF SUBROGATION

17.1. At a minimum, during the Term of this Agreement, each Party will maintain in full force and effect, at its sole expense:

17.1.1. Comprehensive general liability insurance, including, without limitation, contractual liability insurance in respect of any act, omission or negligence for which either Party may become liable, non-owned automobile insurance, claims for personal injury, death or property damage or loss howsoever arising out of the operations of each carrier to the combined limits that may be reasonably required by each carrier hereto from time-to-time but in any case not less than that which is required by any applicable law or regulatory body OR Five Million Dollars (\$5,000,000.00), whichever is greater, with respect to injury or death to a single person or in respect of any one occurrence concerning property damage;

17.1.2. Owned automobile insurance with respect to any vehicle used to provide Interline Services under this Agreement providing third party liability insurance of not less than that which is required by any applicable law or regulatory body OR Five Million Dollars (\$5,000,000.00) inclusive limits, whichever is greater;

17.1.3. Such other insurance in such amounts and upon such terms as mutually agreed from time-to-time in consultation with insurance advisers;

17.1.4. Worker's compensation insurance as required by any applicable law or regulation having jurisdiction over a Party's employees;

17.1.5. Employer's liability Insurance in the amount of \$5,000,000 each accident for bodily injury by accident and \$1,000,000 each employee for bodily injury by disease; and

17.1.6. Umbrella or excess liability Insurance in an amount not less than \$5,000,000 per occurrence, which will provide additional limits for commercial general and automobile liability insurance.

17.2. Carrier shall provide Greyhound with a certificate of insurance evidencing that the required minimum coverage is in effect and that each comprehensive general liability and automobile liability policy names Greyhound, its subsidiaries, directors, officers and employees as additional

Attachment A

insureds. Such insurance shall also cover the acts or omissions of Carrier's contractors. Carrier shall provide a waiver of subrogation clause in favor of the additional insureds and provide that all insurance provided by the Carrier shall be primary and that any other insurance maintained by or available to Greyhound shall be excess only and shall not contribute with this insurance. Such insurance shall require the insurer to provide Greyhound 30 days' advance written notice of any cancellation or adverse material change with respect to any of the policies.

- 17.3. The insurance provided hereunder shall operate independent and apart from any obligations imposed upon a Party under the indemnification provisions of this Agreement and in no event will the coverage or limits of any insurance maintained under this Agreement or the lack or unavailability of any insurance limit or diminish in any way a Party's obligations or liability to the other hereunder.
- 17.4. A Party's failure to provide and keep in force the aforementioned insurance shall be regarded as a material default hereunder, entitling the other Party to exercise any or all of the rights and remedies provided hereunder, including immediate termination of this Agreement.
- 17.5. Either party shall be entitled to fulfill any insurance required hereunder through approved self-insurance.

18. NON-DISCLOSURE; DATA PROTECTION

- 18.1. Confidential Information. "Confidential Information" means any information or data disclosed in connection with this Agreement that is concerning or related to a Party's general business operations (including without limitation business plans, processes, sales, costs, profits, pricing methods, organization and employee lists. The terms and conditions of this Agreement shall be considered Confidential Information hereunder.
- 18.2. Confidential Information Obligations. Each Party will protect, and will ensure that its employees, representatives and agents protect, Confidential Information to prevent the unauthorized use, dissemination, disclosure, alteration, destruction or publication thereof. A Party may disclose Confidential Information only to those of its personnel who have a need to know and who are under an obligation of confidentiality at least as restrictive as that contained herein. Each such recipient of Confidential Information will be advised of the obligations under this Agreement. Confidential Information received may be used only to fulfill the purposes of the Agreement. If a Party or any of its affiliates is requested or required by subpoena, court order, or similar process or applicable governmental regulation to disclose any Confidential Information, such Party will provide prompt notice of such request or obligation so that the other Party may seek an appropriate protective order or procedure if it elects to do so. Obligations regarding Confidential Information will survive termination of this Agreement and survive perpetually.
- 18.3. Exclusions. The foregoing confidentiality obligations will not apply to Confidential Information that: (i) is already known prior to disclosure through no fault or breach on the part of disclosing Party; (ii) is or becomes a matter of public knowledge through no fault or breach on the part of disclosing Party; (iii) is rightfully received without a duty of confidentiality from a third party

Attachment A

who has the right to transfer or disclose it; (iv) is independently developed by a Party without reliance upon any Confidential Information of the other; (v) is disclosed by operation of law; or (vii) is disclosed with the prior written approval of the other Party.

19. REMEDIES

19.1. In any action brought by either Party to enforce the terms of this Agreement, the prevailing party shall be entitled to reimbursement of attorney's fees and costs. This provision shall in no way affect either Party's obligations with regard to indemnity, defense and insurance under this Agreement.

19.2. All remedies provided for herein are cumulative and shall be in addition to all other rights and remedies provided by law. The exercise of any right or remedy by a Party hereunder shall not in any way constitute a cure or waiver of default hereunder or invalidate any act done pursuant to any notice of default, or prejudice a Party in the exercise of any of its rights hereunder.

20. VENUE AND JURISDICTION

For all disputes concerning service in the United States, each Party hereby (a) agrees that any state or federal court located in Dallas, Texas shall have exclusive jurisdiction over all claims, disputes or litigation arising out of this Agreement and the transactions contemplated hereby; (b) consents to submit to the exclusive jurisdiction of any appropriate state or federal court located in Dallas, Texas for any litigation arising out of this Agreement and the transactions contemplated hereby; and (c) waives any objection to the laying of venue of any litigation arising out of this Agreement and the transactions contemplated hereby in the state or federal courts located in Dallas, Texas.

21. NOTIFICATION AND HANDLING OF BAGGAGE INCIDENTS AND CLAIMS

Greyhound and Carrier each agree to give the other immediate notice of all claims made and which may affect the other's customers or any other party affected by Interline Services provided by either Greyhound and Carrier and of all thefts, losses, destruction, delay or damage to passenger baggage first discovered or occurring during the time the other carrier has custody or control of passenger baggage.

The Parties agree that, with the exception of claims caused by the willful or gross misconduct of the other Party, the Party which is the destination carrier shall be solely responsible for the administration and final resolution of any claim, including investigation and defense (and the procurement of defense counsel if necessary). The Parties will each be responsible on a prorated mileage basis for liability to any customer or other third party, including reasonable attorney's fees and costs incurred in defending any claim. Any voluntary settlement must be reasonable and the defense of any claim must include an attempt to enforce applicable liability limitations. The Parties further agree to defend and indemnify the other, including the payment of reasonable attorney's fees and costs, for any claims caused by its fault or for which it has responsibility for administration and/or indemnification hereunder.

22. NO ASSIGNMENT OR SUBLICENSING; CHANGE IN CONTROL

22.1. Carrier and Greyhound agree that the Interline Services contemplated hereunder are personal in nature and that a considerable part of the consideration for each Party to enter into this

Attachment A

agreement is the reputation, goodwill, past relationship and/or operating experience of each Party.

- 22.2. Neither Party shall assign this Agreement or any rights or delegate any obligations hereunder without the prior written consent of the other. Any attempted assignment or transfer without such consent shall be void at the other Party's option. Any change in the current effective control of a Party shall be deemed to be an assignment of the Agreement and shall require the consent of the other Party. Subject to the preceding clause, this Agreement will be binding upon and inure to the benefit of and be enforceable by Greyhound and its respective successors and assigns.
- 22.3. The interest of neither Party under this Agreement is transferable nor may a Party grant any sublicense pursuant hereto without the prior written consent of the other, it being understood and agreed that this prohibition applies not only to voluntary transfers but also to transfers by operation of law and all involuntary transfers, and that a change in the ownership of a majority of a Party's capital stock shall be deemed a transfer of this Agreement. In the event a Party shall dispose of or be divested of the operations to which this Agreement applies, or in the event of a change in the ownership of a majority of a Party's stock, this Agreement shall automatically terminate unless the other Party shall have consented in writing to the transfer of this Agreement in connection therewith.

23. COMPLIANCE WITH LAWS; SAFETY

- 23.1. The Parties shall and shall cause their employees, agents, contractors/subcontractors and representatives to comply with all applicable laws, safety legislation, regulations, safety standards and all legally binding requirements of all federal, state, provincial and local governmental authorities applicable to either Party's performance under this Agreement, including without limitation any industry-specific safety regulations and standards relating to the supply of the Interline Services.
- 23.2. While performing any work or Interline Services on premises owned or occupied by a Party, the other Party shall, and shall cause its employees, agents, contractors/subcontractors and representatives, to comply with all applicable workplace health and safety rules, policies and procedures and obey all reasonable instructions. Each Party shall defend and indemnify the other for any and all claims brought by its employees, agents, contractors/subcontractors and representatives for damages, including personal injury, death and property damage, incurred on the other's property unless such damage was caused by the willful or gross misconduct of the Party who owns or controls the property.

24. SERVICE TO CUSTOMERS WITH DISABILITIES

- 24.1. In order to engage in Interline Services with Greyhound, Carrier must be able to accommodate customers who travel in wheeled mobility devices. Both Parties agree to comply with all provisions of the law including but not limited to the provision of reasonable accommodations for all passengers with disabilities and the provision of wheelchair transportation. All sections

Attachment A

operated by either Party, either directly or via agreement, will be operated using a coach with a wheelchair lift which has been maintained and serviced pursuant to applicable regulations and in a manner to ensure to the fullest extent possible that the lift is operational at the time of use by the customer. Both Parties also represent and warrant that all employees and agents have been trained regarding compliance obligations under the law with respect to serving customers with disabilities and will make all reasonable efforts to comply.

- 24.2. Both Parties shall comply with all notice obligations of applicable laws and in the event a Party is unable to successfully transport a passenger who has made a request for a lift-equipped bus, the carrier will make all reasonable efforts to provide accommodations for the customer which may include providing alternate transportation for such passenger. The Parties agree that any passengers who are unable to complete a trip for which they were duly ticketed will not be stranded and will be reasonably provided for, including lodging if necessary, as warranted under the circumstances.
- 24.3. Each Party shall bear all costs associated with providing alternate transportation and/or accommodations for customers who are unable to travel as ticketed over its lines due to its fault and shall defend and indemnify the other for any costs incurred by the other Party in providing such accommodations.
- 24.4. Carrier shall provide Greyhound with an email address which must be kept current and through which Greyhound may provide notifications to Carrier on a 24/7 basis regarding passengers who required a lift-equipped bus. Carrier must send all communications and notifications concerning same to Greyhound at Interline.Notifications@greyhound.com.

25. PUBLICITY

Each Party shall obtain the other's written approval before making any public announcements regarding this Agreement, the Interline Services supplied hereunder or using the name, trademarks, trade names or service marks which belong to the other or any other reference from which the other Party's name can be inferred. Each Party shall cause its personnel to comply with this requirement.

26. NOTICES, CONSENTS AND APPROVALS

Any notice required or permitted by this Agreement must be in writing and must be sent by facsimile, by nationally recognized commercial overnight courier, or mailed by United States registered or certified mail, addressed to the other party at the address below or to such other address for notice (or facsimile number, in the case of a notice by facsimile) as a Party gives the other Party written notice of in accordance with this Section. Any such notice will be effective as of the date of receipt.

Attachment A

If to Greyhound:

Greyhound Lines, Inc.
350 N. St. Paul Street
Dallas, TX 75201
F: 214.849.7896
Attn: Contracts Administration/Legal Department

If to Carrier:

Santa Cruz Metropolitan Transit District
Attn: John Urgo – Director, Planning and Development
110 Vernon Street
Santa Cruz, CA 95060

27. SEVERABILITY

Any provision of this Agreement that is held by a court of competent jurisdiction to violate applicable law shall be limited or nullified only to the extent necessary to bring the Agreement within the requirements of such law.

28. NO WAIVERS, MODIFICATION

Any waiver of any right or default hereunder shall be effective only in the instance given and will not operate or imply a waiver of any other or similar right or default on any subsequent occasion. No waiver, modification or amendment of this Agreement or of any provision hereof will be effective unless in writing and signed by the Party against whom such waiver, modification or amendment is sought to be enforced.

29. GOVERNING LAW

For all disputes concerning service in the United States, all claims and disputes arising out of this Agreement shall be governed by, enforced under and construed in accordance with the laws of the state of Texas without giving effect to its choice or conflict of law provisions or rules.

30. ENTIRE AGREEMENT

- 30.1. Unless specifically stated herein, this Agreement constitutes the entire agreement of the Parties relating to the subject matter hereof and supersedes any other prior agreements and understandings between the Parties, both oral and written, regarding Interline Services. No course of dealing, usage of trade or course of performance shall be relevant to explain or supplement any of the terms and conditions of this Agreement.
- 30.2. No director, employee or agent of either Party has the authority to make any representation or promise not contained in this Agreement and each Party agrees that they have executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed by each of the Parties hereto.

Attachment A

31. AMENDMENTS

This Agreement may not be amended or modified except by a written amendment signed by authorized signatories of both Parties.

32. LANGUAGE

This Agreement has been executed and delivered in the English language and all documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes hereof.

33. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but which collectively will constitute one and the same instrument.

34. PRIOR AGREEMENTS & ORDER OF PRECEDENCE

As of the Effective Date, this Agreement cancels any and all previous contracts and agreements, including Tariff Participation Agreement(s), Interline Billing Agreement(s) and Interline Agreement(s) pertaining to the subject of Interline Service between Carrier and Greyhound except as to unfulfilled obligations incurred prior to the Effective Date. By entering into this Agreement, both Parties hereby consent to the cancellation as of the Effective Date of any and all such agreements. Nothing herein shall affect any bus terminal license (BTL or RBTL) agreements unless specially provided otherwise herein. In the case of inconsistency between the provisions of this Agreement and any other documents exchanged between the parties in respect to this Agreement, this Agreement will control.

35. SURVIVING PROVISIONS

All provisions which by their nature extend beyond the termination of this Agreement shall survive such termination and remain in full force and effect.

36. SUBCONTRACTORS

Neither Party will subcontract the supply of any Interline Services hereunder to other persons or entities without the prior written approval of the other, which approval shall not be unreasonably withheld. Subcontracting any part of this Agreement shall not relieve the subcontracting Party of any of its obligations or duties under the Agreement and such Party agrees to impose on its subcontractors the same obligations imposed upon it under this Agreement and shall be responsible and liable for all acts and omissions of its subcontractors, their employees or agents as though they are its own. This limitation shall not apply to the occasional rental of buses and/or drivers.

37. ABILITY TO ENTER INTO AGREEMENT

- 37.1. Capacity; Authority. Each Party warrants that it has full capacity and authority and all necessary consents (including where its procedures so require, the consent of any related entity or board) to enter into and perform its obligations under this Agreement and that the Agreement is executed by a duly authorized representative of the Party.

Attachment A

37.2. Absence of Litigation. Each Party warrants that no claim is being asserted and no litigation, arbitration or administrative proceeding is presently in progress or, to the best of its knowledge and belief, pending or threatened against it or any of its assets which will or might have a material adverse effect on its ability to perform its obligations under the Agreement.

38. BRANDING REQUIREMENTS

Carrier shall comply with the branding and other requirements as listed on Exhibit A to this Agreement.

39. ESTABLISHMENT OF INTERMEDIATE STOPS

Carrier is required to establish intermediate stops along the interline routes as agreed by the Parties. It is Carrier's sole responsibility to identify and secure the location and to ensure that it is properly staffed and serviced. Carrier shall maintain the same level and frequency of intermediate stops as originally agreed by the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement to become effective as of the date noted herein.

GREYHOUND LINES, INC.

SANTA CRUZ METROPOLITAN
TRANSIT AUTHORITY

By: John D Baranowski

By: Alex Clifford

Name: John D Baranowski

Name: Alex Clifford

Title: Senior Director

Title: CEO

Date: December 22, 2020

Date: 12/18/2020

THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK

Attachment A

EXHIBIT: SEE ATTACHED

Attachment A

- THIS PAGE INTENTIONALLY LEFT BLANK -



DATE: January 22, 2021
TO: Board of Directors
FROM: John Urgo, Planning and Development Director
SUBJECT: ACCEPT AND FILE THE SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

I. RECOMMENDED ACTION

That the Board of Directors accept and file the Semi-Annual Report on the status of METRO's Disadvantaged Business Enterprise Program

II. SUMMARY

- As a recipient of federal funds, Santa Cruz Metropolitan Transit District (METRO) participates in the federal Disadvantaged Business Enterprise (DBE) Program as specified in Title 49, Code of Federal Regulations, Part 26 (49 CFR 26).
- The Federal Transit Administration (FTA) requires METRO to recalculate its DBE goal triennially and to report goal attainment semi-annually as a requirement to receive federal funds.
- METRO's FFY18-20 goal for DBE participation is 1.93% of all federally funded procurements with competitive contract bidding opportunities.
- A Semi-Annual report provided to the Board of Directors (Board) in concurrence with the FTA reporting schedule per METRO's DBE Policy.
- April 1, 2020 – September 30, 2020, METRO's DBE attainment was 0.03%, 0.00, and 0.02% for contracts awarded, payments on ongoing contracts, and payments on completed contracts, respectively.

III. DISCUSSION/BACKGROUND

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

The FTA requires each qualified recipient of more than \$250,000 annually in federal funds to implement a DBE program, recalculate a DBE goal triennially, and report its goal attainment semi-annually, as specified by 49 CFR 26. METRO received approximately \$29.8 million from the FTA in FFY20 and, therefore, must maintain a DBE Program. The growth in federal funding, compared to previous fiscal years, is due to the CARES Act Formula Operating Assistance, which provided METRO an additional \$20.7 million in FY20.

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

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

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

Filing and accepting the semi-annual report on the status of METRO's Disadvantaged Business Enterprise Program aligns with METRO's goal of Financial Stability, Stewardship & Accountability because failing to do so jeopardizes the receipt of federal funding.

V. DBE STATUS

METRO's current DBE goal is 1.93% as seen in METRO's DBE semi-annual report for the period covering April 1, 2020 – September, 2020 provided as Attachment A. During this reporting period, METRO's DBE attainment for contracts awarded, payments on ongoing contracts, and payments on completed contracts is 0.03%, 0.00%, and 0.02%, respectively. Attachment B shows that there were no DBE payments on any contracts in the prior reporting period. Attachment C reports on METRO's DBE attainment for the entirety FFY20. METRO's DBE attainment for contracts awarded, payments on ongoing contracts, and payments on completed contracts is 0.02%, 0.00%, and 0.02%, respectively.

METRO did award a construction procurement with subcontracting opportunities for DBEs during this reporting period. However, the majority of METRO's federal capital funds were spent on property repairs and infrastructure improvements. There were no applicable DBEs who bid on those larger contract opportunities and no DBE subcontractors were designated by the prime contractors.

VI. UPCOMING DBE OPPORTUNITIES

In the first half of FFY21, METRO will have approximately \$3.2 million in contract opportunities. Over \$2.5 million of those funds will be spent on ten construction procurements, which may allow for subcontracting opportunities with DBEs. METRO encourages prime contractors to subcontract portions of the work to facilitate participation by DBEs and other small businesses to assist METRO in meeting their DBE goal.

VII. 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 \$29.8 million in federal financial assistance in FFY20.

VIII. CHANGES FROM COMMITTEE

N/A

IX. ALTERNATIVES CONSIDERED

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

X. ATTACHMENTS

- Attachment A:** December 1, 2020 DBE Semi-Annual Report (April 1, 2020 – September 30, 2020)
- Attachment B:** June 1, 2020 DBE Semi-Annual Report (October 1, 2019 – March 31, 2020)
- Attachment C:** FFY20 DBE Semi-Annual Report (October 1, 2019 – September 30, 2020)

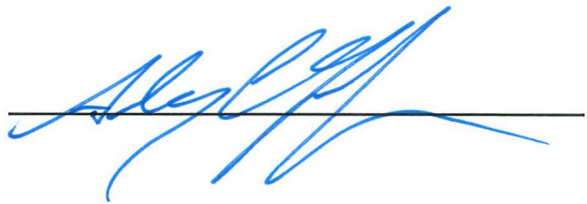
Prepared by: Cayla Hill, Planning Analyst

XI. APPROVALS

Approved as to fiscal impact:
Kristina Mihaylova,
Finance Deputy Director



Alex Clifford, CEO/General Manager



Attachment A

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

FTA Section

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

1	Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number 1622
2	Grant Number(s) (FTA Recipients):			
3	Federal Fiscal year in which reporting period falls:	FFY2020	4. Date This Report Submitted:	11/16/2020
5	Reporting Period:	<input type="checkbox"/> Report due for period Oct 1-Mar 31		<input checked="" type="checkbox"/> Report due for period April 1-Sep 30
6	Name and address of Recipient:	Recipient or subrecipient completing this form		
7	Annual DBE Goal(s):	Race Conscious Projection: 0.00%	Race Neutral Projection: 1.93%	OVERALL Goal: 1.93%

Awards/Commitments this Reporting Period

		A	B	C	D	E	F	G	H	I
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD <small>(Total contracts and subcontracts committed during this reporting period)</small>	Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ 567,084.61	11	\$ -	0			\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ 795.00	2	\$ 155.00	1	\$ -	0	\$ 155.00	1	19%
10	TOTAL			\$ 155.00	1	\$ -	0	\$ 155.00	1	0.03%

		A	B	C	D	E	F
B	BREAKDOWN BY ETHNICITY & GENDER	Total to DBE (dollar amount)			Total to DBE (number)		
		Women	Men	Total	Women	Men	Total
11	Black American		\$ -	\$ -	0	0	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0
17	Non-Minority	\$ 155.00	\$ -	\$ 155.00	1	0	1
17	TOTAL	\$ 155.00	\$ -	\$ 155.00	1	0	1

Payments Made this Reporting Period

		A	B	C	D	E	F
C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in progress	7	\$ 510,669.04	0	\$ -	0	0.00%

		A	B	C	D	E
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	8	\$ 626,851.01		\$ 155.00	0.02%
21	Totals	8	\$ 626,851.01		\$ 155.00	0.02%

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

- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment B

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

FTA Section

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

1	Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number 1622
2	Grant Number(s) (FTA Recipients):			
3	Federal Fiscal year in which reporting period falls:	FFY2020	4. Date This Report Submitted:	5/29/2020
5	Reporting Period:	<input checked="" type="checkbox"/> Report due for period Oct 1-Mar 31		<input type="checkbox"/> Report due for period April 1-Sep 30
6	Name and address of Recipient:	Recipient or subrecipient completing this form		
7	Annual DBE Goal(s):	Race Conscious Projection: 0.00%	Race Neutral Projection: 1.93%	OVERALL Goal: 1.93%

Awards/Commitments this Reporting Period

		A	B	C	D	E	F	G	H	I
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD <small>(Total contracts and subcontracts committed during this reporting period)</small>	Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ 363,443.96	10	\$ -	0			\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ -	0	\$ -	0	\$ -	0	\$ -	0	0%
10	TOTAL			\$ -	0	\$ -	0	\$ -	0	0.00%

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

Payments Made this Reporting Period

		A	B	C	D	E	F
C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in progress	4	\$ 709,364.82	0	\$ -	0	0.00%

		A	B	C	D	E
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	4	\$ 163,194.05	\$ -	\$ -	0.00%
21	Totals	4	\$ 163,194.05	\$ -	\$ -	0.00%

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

- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment C

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

FTA Section

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

1	Submitted to (check only one) <input type="checkbox"/> FHWA <input type="checkbox"/> FAA <input checked="" type="checkbox"/> FTA - Recipient ID Number 1622
2	Grant Number(s) (FTA Recipients):
3	Federal Fiscal year in which reporting period falls: FFY2020 4. Date This Report Submitted: 11/16/2020
5	Reporting Period: <input checked="" type="checkbox"/> Report due for period Oct 1-Mar 31 <input checked="" type="checkbox"/> Report due for period April 1-Sep 30 <input type="checkbox"/> FAA annual report due Dec 1
6	Name and address of Recipient: Recipient or subrecipient completing this form
7	Annual DBE Goal(s): Race Conscious Projection: 0.00% Race Neutral Projection: 1.93% OVERALL Goal: 1.93%

Awards/Commitments this Reporting Period

		A	B	C	D	E	F	G	H	I
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD <small>(Total contracts and subcontracts committed during this reporting period)</small>	Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ 930,528.57	21	\$ -	0			\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ 795.00	2	\$ 155.00	1	\$ -	0	\$ 155.00	1	19%
10	TOTAL			\$ 155.00	1	\$ -	0	\$ 155.00	1	0.02%

		A	B	C	D	E	F
B	BREAKDOWN BY ETHNICITY & GENDER	Total to DBE (dollar amount)			Total to DBE (number)		
		Women	Men	Total	Women	Men	Total
11	Black American		\$ -	\$ -	0	0	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0
17	Non-Minority	\$ 155.00	\$ -	\$ 155.00	1	0	1
17	TOTAL	\$ 155.00	\$ -	\$ 155.00	1	0	1

Payments Made this Reporting Period

		A	B	C	D	E	F
C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in progress	11	\$ 1,220,033.86	0	\$ -	0	0.00%

		A	B	C	D	E
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	12	\$ 790,045.06		\$ 155.00	0.02%
21	Totals	12	\$ 790,045.06		\$ 155.00	0.02%

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

- THIS PAGE INTENTIONALLY LEFT BLANK -



DATE: January 22, 2021
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER TO ASSIGN A NEW DISADVANTAGED BUSINESS ENTERPRISE LIAISON OFFICER (DBELO) FOR THE SANTA CRUZ METRO DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO/General Manager to assign a new Disadvantaged Business Enterprise Liaison Officer (DBELO) to administer the Disadvantaged Business Enterprise (DBE) Program

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) has established a Disadvantaged Business Enterprise (DBE) Program in accordance with the regulations of the U.S. Department of Transportation (DOT) (*49 CFR Part 26*).
- The purpose of the DBE Program is to ensure that DBEs have an equal opportunity to participate in U.S. DOT assisted contracts.
- The DBE Liaison Officer (DBELO) is responsible for implementing all aspects of the DBE program and ensuring that the Santa Cruz METRO complies with all provisions of 49 CFR Part 26.
- If approved, the CEO will appoint John Urgo, Planning and Development Director, as the interim DBELO until such time as the new Chief Financial Officer (CFO) is hired.

III. DISCUSSION/BACKGROUND

Santa Cruz METRO receives Federal financial assistance from the Department of Transportation and, as a condition of receiving this assistance, assures that it will comply with 49 CFR Part 26. Santa Cruz METRO is committed to a DBE Program for the participation of DBEs in the District's procurements in accordance with the Code of Federal Regulations, Chapter 49 Part 26. Santa Cruz METRO establishes this DBE Program update in accordance with the regulations in 49 CFR 26.

Santa Cruz METRO's Planning & Development Director, John Urgo, has been delegated as the DBELO. In that capacity, the Planning & Development Director

is responsible for implementing all aspects of the DBE program and ensuring that Santa Cruz METRO complies with all provisions of 49 CFR Part 26. The Planning & Development Director has direct, independent access to Alex Clifford, CEO, concerning DBE program matters. Necessary agency staff is available to support the DBELO in his activities. An organization chart displaying the DBELO's position in the organization is found in Attachment A.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

Authorizing the CEO to designate a new DBELO to administer the Disadvantaged Business Enterprise Program aligns with Santa Cruz METRO's goal of Financial Stability, Stewardship & Accountability.

V. FINANCIAL CONSIDERATIONS/IMPACT

Santa Cruz METRO's DBE Program update has no direct financial impact; however, contracts funded with FTA assistance will be monitored for DBE goal achievement and DBE participation will be reported quarterly to the Federal Transit Administration (FTA).

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

The Board of Directors could consider creating a Contracts Compliance Administrator position, a common practice in the industry. This position would be responsible for reviewing contracts and agreements with public entities, contractors and vendors doing business with Santa Cruz METRO, and recommend appropriate actions and revisions to ensure proper contract compliance and uphold Santa Cruz METRO's interests. The position would serve as the DBELO and develop and monitor comprehensive programs to provide equal opportunities for DBE participation in Santa Cruz METRO's contracts; and facilitate DBE participation through outreach, communication, training, and business development. The salary range for similar positions in northern California agencies is \$90,000 - \$110,000. Staff does not recommend this alternative.

VIII. ATTACHMENTS

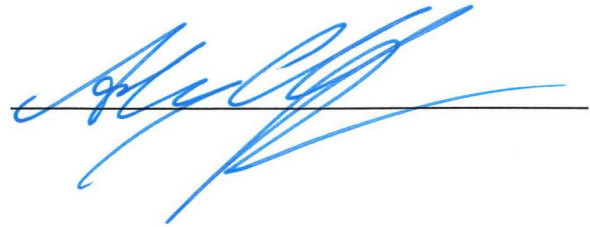
Attachment A: Santa Cruz Metropolitan Transit District Organization Chart
Prepared by: Cayla Hill, Planning Analyst

IX. APPROVALS

Approved as to fiscal impact:
Kristina Mihaylova,
Finance Deputy Director



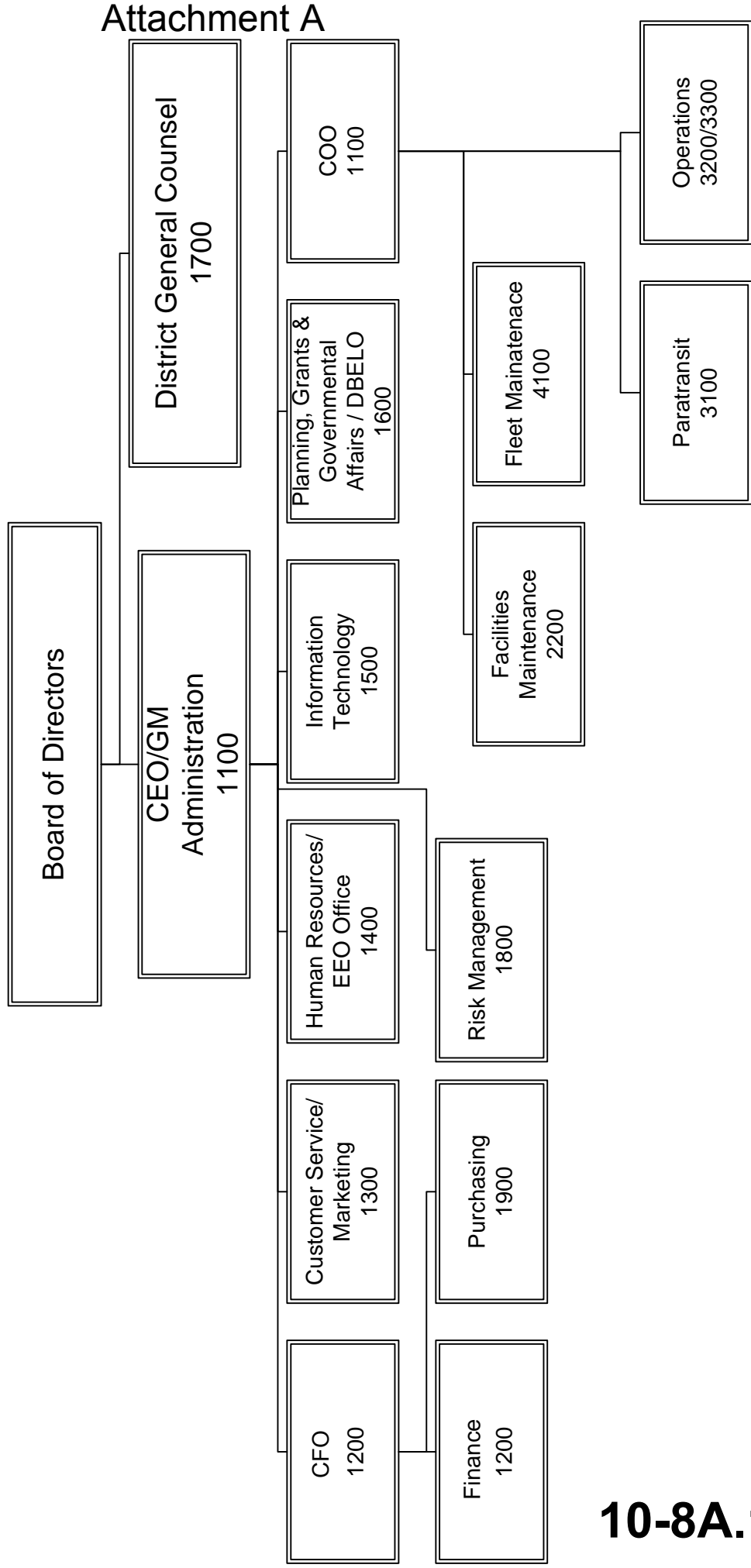
Alex Clifford, CEO/General Manager



Assign a new DBELO for the Santa Cruz Metro Disadvantaged Business Enterprise (DBE) Program

- THIS PAGE INTENTIONALLY LEFT BLANK -

Santa Cruz Metropolitan Transit District (Santa Cruz METRO) Organizational Chart FY21



Attachment A

- THIS PAGE INTENTIONALLY LEFT BLANK -



DATE: January 22, 2021
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: CONSIDERATION OF APPOINTING THE CHIEF OPERATIONS OFFICER AS DESIGNATED ALTERNATE TO THE CALIFORNIA TRANSIT INDEMNITY POOL (CALTIP) BOARD OF DIRECTORS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors adopt the attached resolution designating the Chief Operations Officer as alternate to the CalTIP Board of Directors

II. SUMMARY

- Santa Cruz Metropolitan Transit District's (METRO) casualty and liability insurance is provided through CalTIP, a self-insured pool of California transit operators.
- METRO is required to designate a representative and an alternate representative to the CalTIP Board of Directors (CalTIP Board).
- Because the CalTIP Board sets policy that affects many aspects of the District's risk management, operations and maintenance functions, the METRO Board of Directors appointed the Finance Deputy Director as the primary representative in 2009.
- With the retirement of the Finance Deputy Director, it was necessary to appoint a replacement and this occurred February 2020 with the appointment of METRO's Director of Safety, Security & Risk who currently serves as a CalTIP Board Director.
- As a result of METRO's prior Chief Operations Officer's (COO) retirement, effective December 31, 2020, METRO is required to appoint a new Designated Alternate. With the hiring of Margo Ross, as new COO, staff is recommending Ms. Ross be appointed Designated Alternate to the CalTIP Board.

III. DISCUSSION/BACKGROUND

METRO is a charter member of CalTIP, which was created in 1987 and was formed as a joint powers authority to be a viable and highly successful alternative to the commercial insurance market. CalTIP currently consists of over 30 transit districts. The Chief Operations Officer served as METRO's CalTIP Board Member Designated Alternate. With the December 31, 2020 retirement of the Chief Operations Officer, it is necessary to appoint a new CalTIP Alternate Board Member. Staff is recommending that the new Chief Operations Officer be appointed as METRO's CalTIP Alternate Board Member. The Director of Safety, Security and Risk Management currently serves as the primary CalTIP Board Director.

IV. FINANCIAL CONSIDERATIONS/IMPACT

There are no additional financial impacts, as CalTIP reimburses METRO for all CalTIP related travel expenses.

V. CHANGES FROM COMMITTEE

N/A

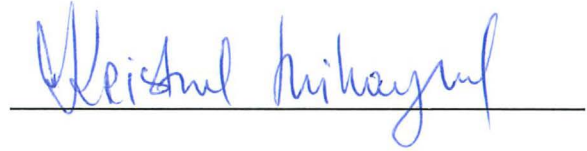
VI. ATTACHMENTS

Attachment A: Resolution Appointing the COO as Alternate to the California Transit Indemnity Pool (CalTIP) Board.

Prepared by: Virginia Vaquero, Administrative Assistant

VII. APPROVALS

Approved as to fiscal impact:
Kristina Mihaylova,
Deputy Finance Director



Alex Clifford, CEO/General Manager



- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment A



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

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

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT APPOINTING THE CHIEF OPERATIONS OFFICER AS ALTERNATE TO THE CALIFORNIA TRANSIT INDEMNITY POOL (CAL TIP) BOARD

WHEREAS, the Board of Directors of the Santa Cruz Metropolitan Transit District, at its April 17, 1987 meeting, did hereby authorize participation by the District in the California Transit Indemnity (Insurance) Pool (CalTIP) beginning July 1, 1987; and

WHEREAS, it is necessary for the Board of Directors to approve the appointment of a Director of the California Transit Indemnity Pool; and

NOW, THEREFORE, BE IT RESOLVED, that the Chief Operations Officer is hereby appointed as Alternate to the California Transit Indemnity Pool to serve at the pleasure of the Board of Directors of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 22nd day of January 2021 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

Attachment A

Resolution No. _____
Page 2

ABSENT: Directors -

Approved:
Mike Rotkin, Chair _____

Attest:
Alex Clifford, CEO/General Manager _____

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



DATE: January 22, 2021
TO: Board of Directors
FROM: Greg Willis, Purchasing Manager
SUBJECT: **ACCEPT AND FILE THE QUARTERLY PROCUREMENT REPORT FOR 3RD QUARTER OF FY21**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the Quarterly Procurement Report for the 3rd quarter of FY21

II. SUMMARY

- This staff report provides the Board of Directors (Board) with a Quarterly Procurement Report for the 3rd quarter of FY21, covering the months of January through March.
- Each quarter staff will provide a Quarterly Procurement Report listing anticipated formal procurements within the upcoming quarter that are not being presented to the Board separately.

III. DISCUSSION/BACKGROUND

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

Formal procurements are defined as construction valued at \$10,000 or more, and goods, materials and professional services valued at \$50,000 or more. Formal procurements related to major projects will be presented to the Board separately in stand-alone Staff Reports.

At this time there are no new anticipated formal procurements for the 3rd quarter of FY21 (January through March). All pending procurements have been previously reported.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report aligns to Financial Stability, Stewardship & Accountability.

V. FINANCIAL CONSIDERATIONS/IMPACT

N/A

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

N/A

VIII. ATTACHMENTS

None

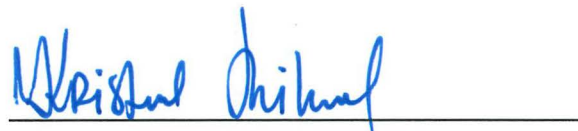
Prepared by: Joan Jeffries, Purchasing Agent

IX. APPROVALS

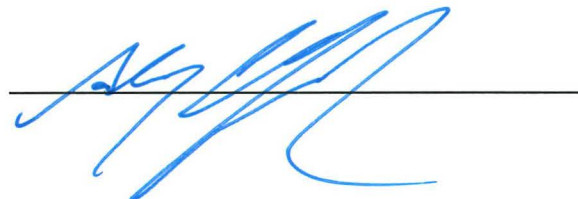
Greg Willis, Purchasing Manager



Approved as to fiscal impact:
Kristina Mihaylova,
Finance Deputy Director



Alex Clifford, CEO/General Manager



- THIS PAGE INTENTIONALLY LEFT BLANK -



DATE: January 22, 2021
TO: Board of Directors
FROM: Isaac Holly, I.T. & Intelligent Transportation
Systems Director

SUBJECT: ACCESS CONTROL SYSTEM AT METRO MAINTENANCE FACILITY

I. RECOMMENDED ACTION

That the Board of Directors authorize an award of contract to Dynamic Security Technologies, Inc. and authorize the CEO/General Manager to execute a contract with Dynamic Security Technologies, Inc. for Access Control System at METRO Maintenance Facility in an amount of \$57,511.08, plus a 10% contingency of \$5,751.11, for a total not to exceed \$63,269.19

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a need for Access Control System at METRO's Maintenance Facility to improve site security and ease of access for employees.
- A competitive procurement was conducted to solicit bids from qualified firms. One firm submitted a bid for METRO's review.
- Staff has reviewed the sole bid submitted by Dynamic Security Technologies, Inc., determined that the bid was responsive to all of the solicitation requirements, and is recommending that the Board of Directors (Board) authorize a contract with Dynamic Security Technologies, Inc. in an amount of \$57,511.08. Staff is also recommending the addition of a 10% contingency to this amount, or \$5,751.11, for a total not to exceed of \$63,269.19, and requesting authority for the CEO to execute any necessary change orders up to this contingency amount.
- The project is included in the maintenance yard security hardening project, approved by the Board on November 15, 2019.

III. DISCUSSION/BACKGROUND

The Maintenance Facility located at 138 Golf Club Drive is currently equipped with physical, key-based door locks. Multiple employees need to regularly access this building, but not all employees are issued physical keys. And, when an individual loses a key or leaves METRO without returning the key, Facilities needs to rekey all affected doors. In addition, the interim period in which the key is missing presents a security concern until rekeying is complete. Consequently,

certain doors to the Maintenance facility shop area remain unlocked during the daytime hours for business continuity, which is itself a security concern.

Electronic keys also provide METRO with electronic deactivation, which can be quicker than collecting back hard keys when employees leave METRO

On April 24, 2020, the Board authorized staff to issue an Invitation for Bids (IFB) for an electronic access control system at METRO's Maintenance Facility. On September 28, 2020, METRO posted IFB No. 21-01 on Bonfire, METRO's eProcurement system. The IFB was legally advertised, and email notices were sent to ten builders' exchanges and over 300 firms, 132 of which were Disadvantaged Business Enterprises, as well as to all GovDelivery subscribers. On October 26, 2020, a single bid was received and opened from Dynamic Security Technologies, Inc.

Staff has reviewed the submitted bid, and determined that Dynamic Security Technologies, Inc. is a responsible bidder whose bid is responsive to all the requirements of the IFB. Staff recommends that the Board of Directors authorize an award of contract to Dynamic Security Technologies, Inc. and authorize the CEO to execute a one-year contract on behalf of METRO with Dynamic Security Technologies, Inc. for an Access Control System at METRO Maintenance Facility in an amount not to exceed \$57,511.08. Staff is also recommending the addition of a 10% contingency, or \$5,751.11, and requesting authority for the CEO to execute any necessary change orders up to this contingency amount.

Dynamic Security Technologies, Inc. will provide all equipment and materials meeting all METRO's specifications and requirements of the contract. Isaac Holly, I.T. & Intelligent Transportation Systems Director, will serve as the Contract Administrator and will ensure contract compliance.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This project aligns with the following strategic priorities:

- Safety First Culture
- Internal and External Technology

V. FINANCIAL CONSIDERATIONS/IMPACT

The value of the contract is \$57,511.08. The addition of a 10% contingency for any necessary change orders would bring the total to \$63,262.19. Funds to support this project are available from the FY19 One-Time Carryover funds as programmed by the Board on November 15, 2019 for the maintenance yard security hardening project.

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

The Board could choose to not award the contract to the vendor selected by METRO staff and instead direct staff to:

- Reissue an IFB and go out to bid again
 - METRO staff does not recommend this alternative. Dynamic Security Technologies, Inc. is a responsible bidder who met all requirements and METRO has been very satisfied with previous work performed by this contractor.
- Do not provide electronic access to the building and continue utilizing physically keyed facility access.
 - Staff does not recommend this action for the reasons set forth in this report.

VIII. ATTACHMENTS

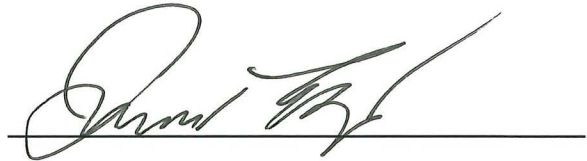
Attachment A: Contract with Dynamic Security Technologies, Inc.

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

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

VIII. APPROVALS

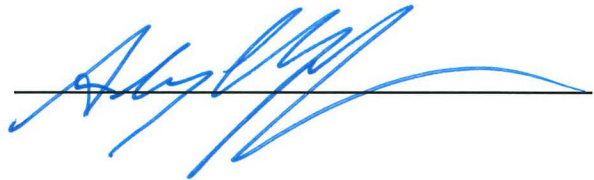
Isaac Holly, I.T. & Intelligent
Transportation Systems Director



Approved as to fiscal impact:
Kristina Mihaylova,
Finance Deputy Director



Alex Clifford, CEO/General Manager



Attachment A

CONTRACT FOR ACCESS CONTROL SYSTEM AT METRO MAINTENANCE FACILITY No. 21-01

THIS CONTRACT is made effective on January 22, 2021 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (“Santa Cruz METRO”), a political subdivision of the State of California, and Dynamic Security Technologies, Inc. (“Contractor”).

1. RECITALS

1.1 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.

1.2 Santa Cruz METRO’s Need for Access Control System at METRO Maintenance Facility

Santa Cruz METRO requires an Access Control System at METRO’s Maintenance Facility. In order to obtain said Access Control System, Santa Cruz METRO issued an Invitation for Bids, dated September 28, 2020, setting forth specifications for Access Control System at METRO Maintenance Facility. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.3 Contractor’s Bid Form

Contractor is a licensed contractor desired by Santa Cruz METRO and whose principal place of business is 28301 Industrial Blvd., Suite B, Hayward, California 94544. Pursuant to the Invitation for Bids issued by Santa Cruz METRO, Contractor submitted a bid for provision of said Access Control System at METRO Maintenance Facility, which is attached hereto and incorporated herein by reference as Exhibit B.

1.4 Selection of Contractor and Intent of Contract

On November 13, 2020, Santa Cruz METRO selected Contractor as the lowest responsive, responsible bidder to provide said Access Control System at METRO Maintenance Facility, located at 138 Golf Club Drive, Santa Cruz, California 95060. The purpose of this Contract is to set forth the provisions of this procurement.

1.5 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms “Contractor” and “supplier” are synonymous.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.1 Documents Incorporated in This Contract

Attachment A

The documents 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 Part III, Section 11.13 of the General Conditions of the Contract.

a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids No. 21-01" dated September 28, 2020, including Addendum number 1.

b) Exhibit B (Bid Form)

Contractor's submitted bid to Santa Cruz METRO for Access Control System at METRO Maintenance Facility.

c) Exhibit C

Contractor's revised price and work proposals dated 11/12/2020.

2.2 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 A supersede Exhibits B and C.

2.3 Recitals

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

3. TIME OF PERFORMANCE

3.1 General

The work under this Contract shall be completed within three (3) months after the date of commencement specified in the Notice to Proceed, unless modified by the parties under Part III, subsection 11.13 of the General Conditions to the Contract or terminated pursuant to Part III, Section 2.

3.2 Term

The term of this Contract shall commence upon the execution of the Contract by Santa Cruz METRO. The Contract shall remain in force through the expiration of all warranties, or for one year following Final Acceptance as provided by Part IV, Section 21 of this Contract, whichever is later.

3.3 Acceptance of Terms

Execution of this document shall be deemed as acceptance of all of the terms and conditions as set forth herein and those contained in the Instructions to Bidders, the General Conditions, the

Attachment A

Special Conditions, the Specifications for Work and all attachments and addenda, which are incorporated herein by reference as integral parts of this Contract.

4. SCOPE OF WORK

- 4.1 Contractor shall furnish Santa Cruz METRO all supervision, labor, equipment, supplies, material, freight, transportation, tools and other work and services as specified in and in full accordance with the Invitation for Bids (IFB) No. 21-01 dated September 28, 2020 for Access Control System at METRO Maintenance Facility. The Contractor shall provide a complete project in conformance with the intent shown on the drawings and specified herein and as provided for and set forth in the IFB.
- 4.2 Contractor and Santa Cruz METRO agree to comply with and fulfill all obligations, promises, covenants and conditions imposed upon each of them in the Contract Documents. All of said work done under this Contract shall be performed to the satisfaction of Santa Cruz METRO or its representative, who shall have the right to reject any and all materials and supplies furnished by Contractor which do not strictly comply with the requirements contained herein, together with the right to require Contractor to replace any and all work furnished by Contractor which shall not either in workmanship or material be in strict accordance with the Contract Documents.

5. COMPENSATION

5.1 Terms of Payment

Santa Cruz METRO agrees to pay Contractor an amount not to exceed **\$57,511.08**, as identified in Exhibit C, for satisfactory completion of all work, including all costs for labor, materials, tools, equipment, services, freight, insurance, overhead, profit and all other costs incidental to the performance of the services specified under this Contract. A schedule of values, on which all progress payments shall be based, shall be submitted to Santa Cruz METRO by Contractor within ten (10) days after this Contract is awarded. Payments for completed and approved work will be made within thirty (30) days of receipt of progress payment request. Contractor understands and agrees that if it exceeds the \$57,511.08 maximum amount payable under this Contract, it does so at its own risk. Final payment, including release of any retention, will be made upon Santa Cruz METRO's issuance of Final Acceptance.

5.2 Release of Claims

Payment by Santa Cruz METRO of undisputed contract amounts is contingent upon Contractor furnishing Santa Cruz METRO with a Release of All Claims against Santa Cruz METRO arising by virtue of the part of the Contract related to those amounts.

5.3 Retention of progress payments

Santa Cruz METRO will retain five (5%) percent of the contract price from each progress payment made pursuant to the Contract through the completion of the Contract. The retention shall be released, with the exception of 150 percent (150%) of any disputed amount, within 60 days after the date of completion of the work. Pursuant to Section 22300 of the Public Contract Code, Contractor may substitute a deposit of securities in lieu of Santa Cruz METRO

Attachment A

withholding any monies to ensure Contractor's performance under the Contract, or alternatively, request that Santa Cruz METRO make payment of retentions earned directly to an escrow agent at the expense of Contractor. The provisions of Public Contract Code Section 22300 are incorporated herein by reference as though set forth in full, and shall govern the substitution of securities and/or escrow account. If a Stop Notice is filed, Santa Cruz METRO will retain 125% of the amount set forth in the Stop Notice from the next progress payment made to Contractor.

5.4 Changes of Contract by Contractor

If the Contractor, on account of conditions developing during the performance of the contract, finds it impracticable to comply strictly with the specifications and applies in writing for a modification of requirements, such change may be authorized only in writing by the CEO/General Manager, if not detrimental to Santa Cruz METRO and if without additional cost to Santa Cruz METRO. Any additional material costs required pursuant to the scope of work shall be paid to the Contractor as agreed by the parties.

5.5 Changes of Contract by Santa Cruz METRO

In case any work, materials or equipment shall be required, which are not mentioned, specified or indicated, or otherwise provided for herein, the Contractor shall, if ordered in writing by the Purchasing Manager, do and perform such work and furnish such materials or equipment, at a price agreed to by the parties.

5.6 Changed Site Conditions

If any work involves digging trenches or other excavations below the surface, Contractor shall promptly, and before the following conditions are disturbed, notify Santa Cruz METRO in writing of any:

- A. Material that Contractor believes may be a regulated material which is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
- B. Subsurface or latent physical conditions at the site differing from those indicated in this Contract.
- C. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

Santa Cruz METRO will promptly investigate the condition and if it finds that the conditions do materially so differ, or do involve regulated material, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the work, Santa Cruz METRO will issue a change order under the procedures described in this Contract. For regulated materials, Santa Cruz METRO reserves the right to use other forces for exploratory work to identify and determine the extent of such material and for removing regulated material from such areas.

In the event that a dispute arises between Santa Cruz METRO and the Contractor on whether the conditions materially differ or on the Contractor's cost of, or time required for,

Attachment A

performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by this Contract but shall proceed with all work to be performed under the Contract. The Contractor shall retain any and all rights provided either by this Contract or by law, which pertain to the resolution of disputes and protests between the contracting parties.

5.7 Waivers and Releases

Contractor is required to provide unconditional waivers and releases of stop notices in accordance with California Civil Code §3262(d)(2). Santa Cruz METRO agrees to pay Contractor within 30 days after receipt of an undisputed and properly submitted payment request from Contractor. If Santa Cruz METRO fails to make such payments in a timely manner, Santa Cruz METRO shall pay interest to Contractor equivalent to the legal rate set forth in Subdivision (a) of Section 685.010 of the Code of Civil Procedure. For purposes of this section, "progress payment" includes all payments due Contractor, except that portion of the final payment designated by the Contract as retention earnings. Any payment request determined not to be a proper payment request suitable for payment shall be returned to Contractor as soon as practicable, but not later than seven days after receipt. A request returned pursuant to this paragraph shall be accompanied by a written explanation of why the payment request is not proper. The number of days available to Santa Cruz METRO to make a payment without incurring interest pursuant to this section shall be reduced by the number of days by which Santa Cruz METRO exceeds the seven-day return requirement set forth above. A payment request shall be considered properly executed if funds are available for payment of the payment request and payment is not delayed due to an audit inquiry by Santa Cruz METRO's financial officer.

6. NOTICES

All notices under this Contract shall be in writing and shall be effective when received, if delivered by hand, or three (3) days after posting if sent by registered mail, return 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/General Manager

CONTRACTOR

Dynamic Security Technologies, Inc.
28301 Industrial Boulevard, Suite B
Hayward, CA 94544

Attention: Bryan Buenaventura, President

Attachment A

7. ENTIRE AGREEMENT

7.1 This Contract represents the entire agreement of the parties with respect to the subject matter hereof, and all such agreements entered into prior hereto are revoked and superseded by this Contract, and no representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

7.2 This Contract may not be changed, modified or rescinded except in writing, signed by all parties hereto, and any attempt at oral modification of this Contract shall be void and of no effect.

8. 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 facsimile or other electronic method by either of the parties, and each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Contract are intended to authenticate this writing and to have the same force and effect as manual signatures. Each party further agrees that this Contract may be executed in two or more counterparts, each of which will be deemed an original, and all of which constitute one and the same instrument.

9. 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.

SIGNATURES ON NEXT PAGE

Attachment A

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN TRANSIT
DISTRICT

Alex Clifford, CEO/General Manager

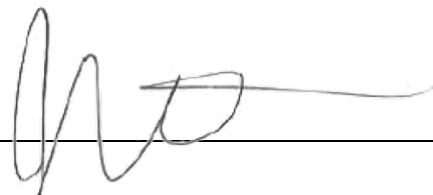
Contractor –
DYNAMIC SECURITY TECHNOLOGIES, INC.

Bryan Buenaventura, President

 _____

Approved as to Form:

Julie A. Sherman, General Counsel

 _____

- THIS PAGE INTENTIONALLY LEFT BLANK -



DATE: January 22, 2021
TO: Board of Directors
FROM: Freddy Rocha, Facilities Maintenance Manager
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT TO CLASSIC GRAPHICS FOR BUS STOP IMPROVEMENTS

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO/General Manager to execute a contract with Classic Graphics for Bus Stop Improvements in an amount not to exceed \$119,729.17, with a contingency of \$4,995.83, for a total not to exceed of \$124,725

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a need for various bus stop improvements, including reconditioning of bus shelters.
- A competitive procurement was conducted to solicit bids from qualified firms. Two firms submitted bids for METRO's review.
- Staff has reviewed all submitted bids and is recommending that the Board of Directors (Board) award a contract to Classic Graphics in an amount not to exceed \$119,729.17. Staff is also recommending the addition of a contingency in the amount of \$4,995.83, and requesting authority for the CEO to execute any necessary change orders up to this contingency amount.

III. DISCUSSION/BACKGROUND

On February 3, 2020, Santa Cruz Metropolitan Transit District (METRO) entered an agreement with Santa Clara Valley Transportation Authority (VTA) to transfer 27 of its surplus bus shelters. METRO was only required to remove the bus shelters and transport them with no other cost to METRO.

On January 24, 2020, staff notified the Board of the intent to issue an Invitation for Bids for various bus stop improvements, including reconditioning of the VTA bus shelters. On November 19, 2020, METRO posted Invitation for Bids (IFB) No. 21-06 on Bonfire, METRO's eProcurement system. The IFB was legally advertised, and email notices were sent to twenty firms, five of which are Disadvantaged Business Enterprises, as well as to all GovDelivery subscribers.

On December 18, 2020, bids were received and opened from two firms. A list of firms and a summary of the bids received are provided in Attachment A. Staff

has reviewed all submitted bids, and determined that Classic Graphics is the lowest responsible bidder whose bid is responsive to all the requirements of the IFB.

Staff recommends that the Board authorize the CEO to execute a contract on behalf of METRO with Classic Graphics for Bus Stop Improvements in an amount not to exceed \$119,729.17. Staff is also recommending the addition of a contingency in the amount of \$4,995.83, and requesting authority for the CEO to execute any necessary change orders up to this amount. This project is grant funded, and the contingency requested, a little over 4% of the contract amount, would bring the total authorized for this project up to the available grant amount.

Classic Graphics will provide all equipment and materials meeting all METRO's specifications and requirements of the contract. Freddy Rocha, Facilities Maintenance Manager, will serve as the Contract Administrator and will ensure contract compliance.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This project aligns with the following strategic priorities:

- Service Quality and Delivery
- State of Good Repair

V. FINANCIAL CONSIDERATIONS/IMPACT

The value of the contract is \$119,729.17. The addition of a contingency in the amount of \$4,995.83 for any necessary change orders would bring the total to \$124,725. Funds to support this project are available in the Capital Budget using FTA 5339a FY18 grant funding.

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

- Do nothing is an alternative, but staff does not recommend this since the cost to purchase a new shelter is 3 times greater than that of reconditioning a shelter.
- Do in-house – Staff does not recommend as we lack the expertise and the facilities to recondition the bus shelters.

VIII. ATTACHMENTS

Attachment A: Summary of Bids Received

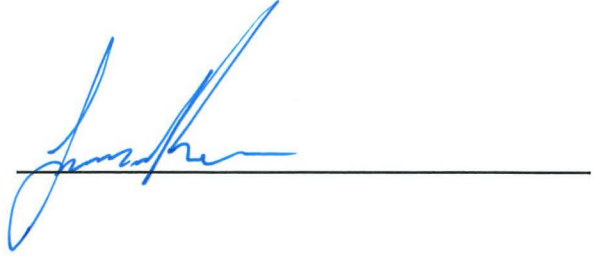
Attachment B: Contract with Classic Graphics

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

Prepared by: Joan Jeffries, Purchasing Agent
Freddy Rocha, Facilities Maintenance Manager

IX. APPROVALS

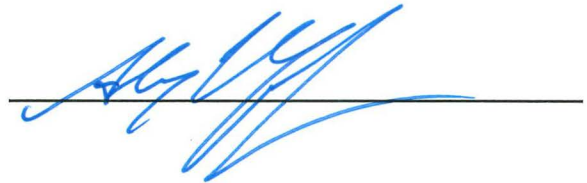
Freddy Rocha, Facilities Maintenance
Manager



Approved as to fiscal impact:
Kristina Mihaylova,
Finance Deputy Director



Alex Clifford, CEO/General Manager



Attachment A



Bid Results for IFB No. 21-06
Bus Stop Improvements
Opened December 18, 2020 at 2:00 PM

BIDDER	AMOUNT BID
T&J Lewis, Inc. d/b/a Classic Graphics, Newark, CA	\$119,729.17
Selway Construction, Inc., San Jose, CA	\$180,000.00

- THIS PAGE INTENTIONALLY LEFT BLANK -

Attachment B

CONTRACT FOR BUS STOP IMPROVEMENTS No. 21-06

THIS CONTRACT is made effective on January 22, 2021 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (“Santa Cruz METRO”), a political subdivision of the State of California, and T&J LEWIS, INC. d/b/a CLASSIC GRAPHICS (“Contractor”).

1. RECITALS

1.1 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.

1.2 Santa Cruz METRO’s Need for Bus Stop Improvements

Santa Cruz METRO requires Bus Stop Improvements. In order to obtain said Bus Stop Improvements, Santa Cruz METRO issued an Invitation for Bids, dated November 19, 2020, setting forth specifications for Bus Stop Improvements. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.3 Contractor’s Bid Form

Contractor's principal place of business is 7969 Enterprise Drive, Newark, California 94560. Pursuant to the Invitation for Bids issued by Santa Cruz METRO, Contractor submitted a bid for provision of said Bus Stop Improvements, which is attached hereto and incorporated herein by reference as Exhibit B.

1.4 Selection of Contractor and Intent of Contract

On January 7, 2021, Santa Cruz METRO selected Contractor as the lowest responsive, responsible bidder to provide said Bus Stop Improvements. The purpose of this Contract is to set forth the provisions of this procurement.

1.5 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms “Contractor” and “supplier” are synonymous.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.1 Documents Incorporated in This Contract

The documents 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

Attachment B

written amendments, if any, made after the date of this Contract in accordance with Part III, Section 11.13 of the General Conditions of the Contract.

a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids No. 21-06" dated November 19, 2020, including Addendum number 1.

b) Exhibit B (Bid Form)

Contractor's submitted bid to Santa Cruz METRO for Bus Stop Improvements as signed by Contractor.

2.2 Conflicts

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

2.3 Recitals

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

3. **TIME OF PERFORMANCE**

3.1 General

The work under this Contract shall be completed within six (6) months after the date of commencement specified in the Notice to Proceed, unless modified by the parties under Part III, subsection 11.13 of the General Conditions to the Contract or terminated pursuant to Part III, Section 2.

3.2 Term

The term of this Contract shall commence upon the execution of the Contract by Santa Cruz METRO. Issuance of a Notice to Proceed shall remain in force until Final Acceptance as provided by Part VII, Section 6 of this Contract.

3.3 Acceptance of Terms

Execution of this document shall be deemed as acceptance of all of the terms and conditions as set forth herein and those contained in the Instructions to Bidders, the General Conditions, the Special Conditions, the FTA Requirements for Non-Construction Contracts, the Specifications for Work and all attachments and addenda, which are incorporated herein by reference as integral parts of this Contract.

4. **SCOPE OF WORK**

4.1 Contractor shall furnish Santa Cruz METRO all supervision, labor, equipment, supplies, material, freight, transportation, tools and other work and services as specified in and in full

Attachment B

accordance with the Invitation for Bids (IFB) No. 21-06 dated November 19, 2020 for Bus Stop Improvements. The Contractor shall provide a complete project in conformance with the intent shown on the drawings and specified herein and as provided for and set forth in the IFB.

- 4.2 Contractor and Santa Cruz METRO agree to comply with and fulfill all obligations, promises, covenants and conditions imposed upon each of them in the Contract Documents. All of said work done under this Contract shall be performed to the satisfaction of Santa Cruz METRO or its representative, who shall have the right to reject any and all materials and supplies furnished by Contractor which do not strictly comply with the requirements contained herein, together with the right to require Contractor to replace any and all work furnished by Contractor which shall not either in workmanship or material be in strict accordance with the Contract Documents.

5. COMPENSATION

5.1 Terms of Payment

Santa Cruz METRO agrees to pay Contractor an amount not to exceed **\$119,729.17** as identified in the Bid Form, Exhibit B, for satisfactory completion of all work, including all costs for labor, materials, tools, equipment, services, freight, insurance, overhead, profit and all other costs incidental to the performance of the services specified under this Contract. A schedule of values, on which all progress payments shall be based, shall be submitted to Santa Cruz METRO by Contractor within ten (10) days after this Contract is awarded. Payments for completed and approved work will be made within thirty (30) days of receipt of progress payment request. Contractor understands and agrees that if it exceeds the maximum amount payable under this Contract, it does so at its own risk. Final payment, including release of any retention, will be made upon Santa Cruz METRO's issuance of Final Acceptance.

5.2 Release of Claims

Payment by Santa Cruz METRO of undisputed contract amounts is contingent upon Contractor furnishing Santa Cruz METRO with a Release of All Claims against Santa Cruz METRO arising by virtue of the part of the Contract related to those amounts.

5.3 Changes of Contract by Contractor

If the Contractor, on account of conditions developing during the performance of the contract, finds it impracticable to comply strictly with the specifications and applies in writing for a modification of requirements, such change may be authorized only in writing by the CEO/General Manager, if not detrimental to Santa Cruz METRO and if without additional cost to Santa Cruz METRO. Any additional material costs required pursuant to the scope of work shall be paid to the Contractor as agreed by the parties.

5.4 Changes of Contract by Santa Cruz METRO

In case any work, materials or equipment shall be required, which are not mentioned, specified or indicated, or otherwise provided for herein, the Contractor shall, if ordered in writing by the Purchasing Manager, do and perform such work and furnish such materials or equipment, at a price agreed to by the parties.

Attachment B

6. NOTICES

All notices under this Contract shall be in writing and shall be effective when received, if delivered by hand, or three (3) days after posting if sent by registered mail, return receipt requested, to a party hereto at the address hereunder 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/General Manager

Contractor:

Classic Graphics
7969 Enterprise Drive
Newark, CA 94560

Attention: Tracy S. Lewis, President

7. ENTIRE AGREEMENT

7.1 This Contract represents the entire agreement of the parties with respect to the subject matter hereof, and all such agreements entered into prior hereto are revoked and superseded by this Contract, and no representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements.

7.2 This Contract may not be changed, modified or rescinded except in writing, signed by all parties hereto, and any attempt at oral modification of this Contract shall be void and of no effect.

8. 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 facsimile or other electronic method by either of the parties, and each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Contract are intended to authenticate this writing and to have the same force and effect as manual signatures. Each party further agrees that this Contract may be executed in two or more counterparts, each of which will be deemed an original, and all of which constitute one and the same instrument.

9. 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

Attachment B

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 –
T&J LEWIS, INC. d/b/a CLASSIC GRAPHICS

Tracy S. Lewis, President



Approved as to Form:

Julie A. Sherman, General Counsel



- THIS PAGE INTENTIONALLY LEFT BLANK -



DATE: January 22, 2021
TO: Board of Directors
FROM: Rufus Francis, Safety, Security and Risk Management Director
SUBJECT: RECOMMENDED ACTION ON TORT CLAIMS

I. RECOMMENDED ACTION

That the Board of Directors Approve Staff Recommendations for Claims for the Month of January 2021, as reflected in Section VIII of this report

II. SUMMARY

This staff report provides the Board of Directors with recommendations on claims submitted to the Santa Cruz Metropolitan Transit District (METRO).

III. DISCUSSION/BACKGROUND

METRO's Risk Department received one claim for the month of January 2021 for money or damages. As a public entity, METRO must act "within 45 days after the claim has been presented" (Govt C §912.4(a)). See staff recommendations in paragraph VIII.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

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

V. FINANCIAL CONSIDERATIONS/IMPACT

None

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

Within the 45-day period, the Board of Directors may take the following actions:

- Reject the claim entirely;

- Allow it in full;
- Allow it in part and reject the balance;
- Compromise it, if the liability or amount due is disputed (Govt C §912.4(a)); or
- Do nothing, and allow the claim to be denied by operation of law (Govt C §912.4 (c)).

VIII. DESCRIPTION OF CLAIM

Claimant	Claim #	Description	Recommended Action
Stephen DuPraw	21-0001	Claimant alleges that METRO is responsible for a shopping cart that hit his parked vehicle. Amount of claim: \$3,418.66	Reject

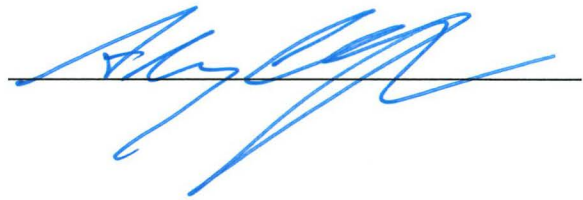
Prepared by: Tom Szestowicki, Safety Specialist

IX. APPROVALS

Rufus Francis, Safety, Security
and Risk Management Director



Alex Clifford, CEO/General Manager



- THIS PAGE INTENTIONALLY LEFT BLANK -



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

CERTIFICATE OF APPRECIATION

TO

EILEEN WAGLEY
PARATRANSIT ELIGIBILITY COORDINATOR

FOR THE COMPLETION OF 20 YEARS OF SERVICE
BETWEEN 2000 AND 2020

GIVEN THIS 18TH DAY OF DECEMBER 2020

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER

- THIS PAGE INTENTIONALLY LEFT BLANK -



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

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

RESOLUTION OF APPRECIATION FOR THE SERVICES OF CIRO AGUIRRE AS CHIEF OPERATING OFFICER FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

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

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed Ciro Aguirre to serve in the position of Chief Operating Officer, and

WHEREAS, served as a member of the Operations Department of METRO for the time period of May 30, 2006 to December 30, 2020, and

WHEREAS, Ciro Aguirre provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Ciro Aguirre served METRO with distinction, and

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

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

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

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

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

PASSED AND ADOPTED this 22nd Day of January 2021 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Mike Rotkin, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel



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

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

RESOLUTION OF APPRECIATION FOR THE SERVICES OF ANGELA AITKEN AS CHIEF FINANCIAL OFFICER FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

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

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed Angela Aitken to serve in the position of Chief Financial Officer, and

WHEREAS, served as a member of the Finance Department of METRO for the time period of January 22, 2007 to December 29, 2020, and

WHEREAS, Angela Aitken provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Angela Aitken served METRO with distinction, and

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

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

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

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

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

PASSED AND ADOPTED this 22nd Day of January 2021 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Mike Rotkin, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel



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

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

RESOLUTION OF APPRECIATION FOR THE SERVICES OF GEORGE CAWALING AS PARTS AND MATERIALS CLERK FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

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

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed George Cawaling to serve in the position of Parts & Materials Clerk, and

WHEREAS, served as a member of the Purchasing Department of METRO for the time period of March 5, 1986 to December 18, 2020, and

WHEREAS, George Cawaling provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, George Cawaling served METRO with distinction, and

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

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

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

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

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

PASSED AND ADOPTED this 22nd Day of January 2021 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Mike Rotkin, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel



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

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

RESOLUTION OF APPRECIATION FOR THE SERVICES OF PATRICIA CUMMINGS AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

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

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

WHEREAS, served as a member of the Operations Department of METRO for the time period of June 22, 1999 to December 1, 2020, and

WHEREAS, Patricia Cummings provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Patricia Cummings served METRO with distinction, and

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

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

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

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

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

PASSED AND ADOPTED this 22nd Day of January 2021 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Mike Rotkin, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel



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

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

RESOLUTION OF APPRECIATION FOR THE SERVICES OF JOHN DAUGHERTY AS ACCESSIBLE SERVICES COORDINATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

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

WHEREAS, METRO, requiring an employee with expertise and dedication, appointed John Daugherty to serve in the position of Accessible Services Coordinator, and

WHEREAS, served as a member of the Paracruz Department of METRO for the time period of August 28, 1989 to December 30, 2020, and

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

WHEREAS, John Daugherty served METRO with distinction, and

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

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

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

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

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

PASSED AND ADOPTED this 22nd Day of January 2021 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Mike Rotkin, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel



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

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

RESOLUTION OF APPRECIATION FOR THE SERVICES OF BRIAN MCHALE AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

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

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

WHEREAS, served as a member of the Operations Department of METRO for the time period of January 22, 2002 to December 30, 2020, and

WHEREAS, Brian McHale provided METRO with dedicated service and commitment during the time of employment, and

WHEREAS, Brian McHale served METRO with distinction, and

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

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

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

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

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

PASSED AND ADOPTED this 22nd Day of January 2021 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:

Mike Rotkin, Chair

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Julie Sherman, General Counsel

VERBAL PRESENTATION

CEO UPDATE

Alex Clifford

- THIS PAGE INTENTIONALLY LEFT BLANK -



CEO COVID UPDATE

January 22, 2021

Alex Clifford, CEO
Santa Cruz Metropolitan Transit District

METRO's COVID Experience

- As of December 30, 2020, METRO has had 18* employees test positive for COVID
- The first METRO employee tested positive on August 3, 2020
- To date, no positive COVID test has been traced back to transmission in the workplace
- All employees have recovered and returned to work, with the exception of the most recent cases which are still in quarantine

* Included in the 18: Two other employees who received a “presumptive positive”, which is not a conclusive positive and requires a retest. As of December 30th, the two retests are pending. If a retest comes back negative, METRO will remove that employee from the count.

METRO's COVID Experience

- On December 2, 2020 METRO had three positive cases in a 14-day period. This triggered compliance with the new CalOSHA Regulation, requiring, among other things, that METRO test all employees at the work-location weekly until we go 14-days without a positive test.
- METRO complied in week one by contracting with Doctors on Duty to perform 150 on-site tests.

METRO's COVID Experience

- In the following weeks, staff assigned to the work-location were directed to schedule weekly COVID tests at one of the COVID testing facilities throughout the County.
- In parallel, the Safety & Risk Director and the COO worked together to onboard METRO with the state's Valencia Labs program. That was completed and METRO has now received the first 150 self-administered on-site COVID tests kits. Weekly testing using these kits will start the week of January 4, 2021.

Consolidated Appropriations Act 2021

Omnibus Bill

- **Emergency Coronavirus Relief Act (ECRA), AND**
- **2021 federal budget (includes extended FAST Act 2021 appropriations)**

Consolidated Appropriations Act 2021

COVID Stimulus Dollars (ECRA)

Subject to the FTA's interpretation of the legislation and their notice of apportionment...

- METROs Estimated ECRA Allocation - 5307/5311

Estimated to be a little over \$12 million

The bill limits an agency's ECRA allocation to no more than 75% of the agency's 2018 operating expenses, less their CARES Act appropriation. METRO's 2018 Operating Expenses were nearly \$46 million and 75% = \$34 million. We received a little over \$21* million CARES Act, so our remaining ECRA capacity is about \$13 million (includes ECRA 5311)

* Includes \$584k in 5311 CARES Act

Consolidated Appropriations Act 2021

FY21 Budget – Transit

- One year extension of the Alternative Fuel Tax Credit approximately **\$300K** to METRO (Capital)
- Plus Ups (Formula Programs) - Increase from FAST Act Authorized (5307, 5311 & 5339a):
 - \$198 million - Nationwide
 - METRO's share (inclusive of STIC) approx. = **+\$205K** (Operating & Capital)
- Competitive (Discretionary) Program Plus Ups - Nationwide:
 - \$125 million Bus and Bus Facilities Program
 - \$125 million Low-No Program

(\$448 million Plus Ups - Combined 5339a, 5339b, Low-No and 5311 - \$198 in formula + \$250 competitive)

Questions



Thank You

- THIS PAGE INTENTIONALLY LEFT BLANK -



DATE: January 22, 2021
TO: Board of Directors
FROM: John Urgo, Planning and Development Director
SUBJECT: UPDATE ON LAUNCH OF CRUZ ON-DEMAND MICROTRANSIT SERVICE

I. RECOMMENDED ACTION

That the Board of Directors receive an update on METRO's plans to initiate an on-demand transit service open to the general public ("microtransit")

II. SUMMARY

- Microtransit is a form of service that has gained popularity in recent years and generally refers to demand responsive service open to the general public.
- Microtransit is normally deployed in low-density areas where fixed route service is challenging to provide, or as a first-mile/last-mile connection to more frequent transit.
- The record of success of microtransit pilots has been mixed: ridership productivity is lower than comparable fixed route service yet customer satisfaction is typically higher. There are also significant challenges and costs associated with ensuring the service provides equitable access for persons with disabilities and customers without smartphones or bank accounts.
- Staff proposes to initiate a microtransit pilot that takes advantage of the resources and capacity available within METRO's existing demand responsive operation, ParaCruz.
- The service, Cruz On-Demand, would allow the general public to book on-demand trips on ParaCruz from any address to any address within defined service zones, thus testing a microtransit pilot at low or no cost.

III. DISCUSSION/BACKGROUND

Over the past several years, a number of transit agencies around the country have initiated pilot programs under the rubric of "microtransit". These pilots have grown out of a desire on the part of transit agencies to respond to changes in customer expectations, as well as competition from private ride-hail operators like Uber and Lyft. Many agencies have also hoped that on-demand service will improve productivity in areas where fixed-route ridership is low.

Microtransit is generally defined as demand responsive service open to the general public. It is similar to traditional call-and-ride service, yet takes advantage of advances in real-time, dynamic rideshare and scheduling algorithms and the convenience of mobile booking apps. Customers book trips on-demand from locations within defined service zones and share their rides with other passengers on small transit vehicles. Some agencies contract out operation to third party operators entirely while others contract only for the scheduling and ride-matching software. Deployments are typically in low-density suburban or rural areas with struggling or non-existent fixed-route service, or serve as first-mile/last-mile connections to more frequent transit.

The performance of these pilots has been mixed. Ridership data reveals that no pilot has performed better than three to four passengers per revenue hour. By contrast, a typical suburban bus route in a low-density area serves seven to ten passengers per hour (pre-COVID, all of METRO's routes performed better than seven passengers per hour). Thus, even infrequent transit in low-density environments tends to have higher productivity than demand responsive service. One rationale agencies use, therefore, to justify microtransit operation is lower operating cost from contracting out operation.

Many agencies have also faced challenges ensuring equitable access for persons with disabilities and for customers lacking access to smartphones or bank accounts. This is especially true for agencies that have launched microtransit pilots through partnerships with private ride-hail companies. The Americans with Disabilities Act (ADA) requires that service to passengers with disabilities be "equivalent" to that provided to passengers without disabilities. Companies like Uber and Lyft have limited access to wheelchair accessible vehicles through their drivers, requiring agencies to contract with additional providers or dispatch accessible vehicles through their own paratransit fleets. To ensure equitable access for customers without smartphones or bank accounts, it is often necessary to establish call center booking and cash acceptance.

Caveats aside, microtransit can provide agencies and customers with certain advantages, such as expanded coverage or the ability to test the viability of transit service in low-density areas where it does not already exist. Customers also generally respond favorably to the bespoke nature of on-demand transportation. Furthermore, the post-COVID reality of decreased ridership may change the calculus around ridership productivity: about half of METRO's routes, for example, currently perform at less than four passengers per revenue hour (it is worth noting that nearly all of METRO's routes currently perform better than four passengers per hour during some part of the day, meaning it would be less efficient to replace them with a demand responsive service).

Recognizing the constraints and opportunities discussed above, staff proposes initiating a microtransit pilot that takes advantage of two unique factors of METRO's service operation: an on-demand transportation service already operated in-house (ParaCruz) and an existing contract with a technology provider (Ecolane) that provides scheduling and ride-matching capabilities for that service. With ParaCruz ridership currently down nearly 70% due to the COVID-19

pandemic, there is available capacity to serve additional on-demand trips open to the general public. By making use of existing resources, METRO can launch a microtransit pilot at no or low cost using ParaCruz's trained operators and fully wheelchair accessible fleet.

The pilot program, tentatively called Cruz On-Demand, will allow the general public to book trips from any address to any address on demand. The service area will be the same as the ParaCruz service area – $\frac{3}{4}$ of a mile from any fixed route service – but trips will be contained within one of several zones:

- Santa Cruz West - The Santa Cruz West zone will extend from Ocean Street to Western Drive, and from West Cliff to $\frac{3}{4}$ of a mile north of High Street and to the Harvey West Park area (note: the UCSC campus will not be included in any zone).
- Santa Cruz East - The Santa Cruz East zone will extend from Chestnut Street to 41st Avenue, and from the coast to $\frac{3}{4}$ of a mile north of Soquel Drive/Highway 1.
- Live Oak/Capitola/Soquel – This zone will extend from the Santa Cruz Harbor and Harbor High School to Capitola and Cabrillo College, and from the coast to $\frac{3}{4}$ of a mile north of Soquel Drive, including Soquel High School.
- Capitola/Aptos/Rio Del Mar/La Selva Beach - This zone will extend from 41st Ave to La Selva Beach and from the coast to $\frac{3}{4}$ of a mile off Soquel Drive.
- Watsonville/Freedom – This zone will serve all areas within $\frac{3}{4}$ of a mile of a fixed route from the Pajaro River to Corralitos.
- Scotts Valley and Felton - The Scotts Valley and Felton zone will extend $\frac{3}{4}$ of a mile from Highway 9 in Felton, Mt. Hermon Road, Scotts Valley Drive and Granite Creek Road.

The overlap between zones is intentional to allow for travel between neighborhood centers. However, the service is intended for short trips or to connect customers to transit centers to complete longer journeys. Whereas a ParaCruz customer could book a trip from Watsonville to Boulder Creek, for example, Cruz On-Demand trips will be limited to distances of three to four miles based on the zones.

Customers will be able to make reservations through METRO's Eco Pass mobile app, as well as by phone through METRO's customer service call center. The booking window will open 24 hours in advance, after all paratransit trips have been booked. There will be no advanced booking requirement, meaning the service can be booked truly on-demand, but wait times will vary based on demand and will likely average 30 minutes. Like ParaCruz, service hours will mirror the service hours of nearby fixed routes. Rides will be shared with other

Cruz On-Demand and ParaCruz customers (due to COVID-19, the current capacity of ParaCruz vans is restricted to four to five passengers).

The fare will be the same as ParaCruz: \$4.00 or \$6.00 depending on the origin and destination of the requested trip, and whether or not the journey on a comparable fixed route would require a transfer (\$6.00) or not (\$4.00).

Staff expects the pilot to launch February 1st, 2021 and run for up to 12 months. The pilot may run for less time if ParaCruz ridership returns to pre-COVID levels.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This item aligns with METRO's Service Quality and Delivery strategic priorities.

V. FINANCIAL CONSIDERATIONS/IMPACT

There is no cost to this proposal as it takes advantage of existing resources within METRO's ParaCruz operation.

VI. CHANGES FROM COMMITTEE

None.

VII. ALTERNATIVES CONSIDERED

The Board could consider not launching a microtransit pilot, or contracting with a third party operator for microtransit service. Staff does not recommend these options as they fail to take advantage of available resources and capacity within METRO's ParaCruz operation. Contracting for service or operation would also incur cost without the surety of success given the experience of transit agencies around the country with microtransit pilots. However, should METRO wish to continue microtransit operation once ParaCruz ridership has returned to pre-COVID levels, staff will need to explore additional service models.

VIII. ATTACHMENTS

None.

Prepared by: John Urgo, Planning and Development Director

IX. APPROVALS

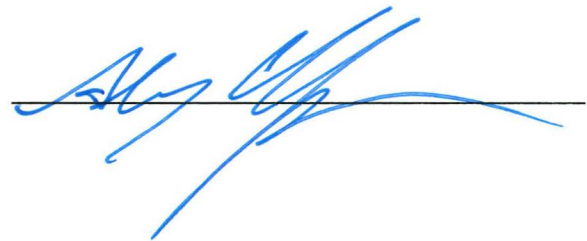
John Urgo, Planning & Development
Director



Approved as to fiscal impact:
Kristina Mihaylova,
Finance Deputy Director



Alex Clifford, CEO/General Manager



- THIS PAGE INTENTIONALLY LEFT BLANK -

ORAL PACIFIC STATION UPDATE

John Uργο, Planning & Development Director

- THIS PAGE INTENTIONALLY LEFT BLANK -

ORAL PARACRUZ UPDATE

Daniel Zaragoza,
Operations Manager, ParaCruz Division
&
Sandi Woods, Project Manager

- THIS PAGE INTENTIONALLY LEFT BLANK -