



AGENDA
Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
May 31, 2011
8:30 a.m.
Santa Barbara MTD Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD OF DIRECTORS

Dave Davis, Chair; Roger Aceves, Vice Chair; Olivia Rodriguez, Secretary; Dick Weinberg, Director; Brian Fahnestock, Director; John Britton, Director; Chuck McQuary, Director

3. REPORT REGARDING POSTING OF AGENDA

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES (ATTACHMENT- ACTION MAY BE TAKEN)

The Board will be asked to waive the reading of and approve the draft minutes for the meeting of May 17, 2011.

5. CASH REPORT- (ATTACHMENTS- ACTION MAY BE TAKEN)

The Board will be asked to review the cash report of May 10, 2011 through May 23, 2011.

6. ACCEPTANCE OF ENGAGEMENT LETTER FOR PROFESSIONAL AUDIT SERVICES (ATTACHMENT- ACTION MAY BE TAKEN)

The Board will be asked to accept the engagement letter for professional auditing service.

7. FISCAL YEAR 2012 LINES 6 & 11 AGREEMENT WITH UCSB – (ACTION MAY BE TAKEN)

The Board will be asked to authorize the General Manager to execute the FY 2012 Lines 6 & 11 Agreement with the University of California Santa Barbara (UCSB), pending UCSB approval of the MOU.

8. MASTER AGREEMENT- CITY OF SANTA BARBARA TRANSPORTATION MANAGEMENT AND TRANSIT SERVICES MASTER AGREEMENT- (ACTION MAY BE TAKEN)

The Board will be asked to authorize the General Manager to enter into a Master Agreement with the City of Santa Barbara regarding transit related services.

THIS CONCLUDES THE CONSENT CALENDAR

9. PUBLIC COMMENT

Members of the public may address the Board on items within the jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk before the meeting is convened, a "Request to Speak" form including a description of the subject you wish to address. Additional public comment will be allowed during each agenda item, including closed session items. Please fill out the Request to Speak form and indicate the agenda item # that you wish to comment on.

10. STAFF PENSION PLAN ADMINISTRATIVE COMMITTEE - (ACTION MAY BE TAKEN)

The Board will be asked to approve resolution in the matter of reauthorizing the appointment of an administrative committee to administer and monitor the MTD Profit Sharing and Salary Deferral Plan.

11. PROPOSITION 1B- PTMISEAFISCAL YEARS 2010-11, 11-12 & 12-13 AUTHORIZING AGENT RESOLUTION (ATTACHMENT- ACTION MAY BE TAKEN)

The Board will be asked to approve a resolution related to the Proposition 1B-PTMISEA Fiscal Years 2010-11, 11-12 & 12-13 authorizing agent resolution.

12. RESOLUTION TO AUTHORIZE RENEWAL OF CALTRANS MASTER AGREEMENT-(ACTION MAY BE TAKEN)

The Board will be asked to approve a resolution authorizing the General Manager to execute a Master Agreement for State Funded Transit Projects.

13. QUARTERLY FINANCIAL STATEMENT ANALYSIS FOR THE PERIOD ENDING MARCH 31, 2011 – (INFORMATIONAL)

Staff will review the Quarterly Financial Statements for the nine month period ending March 31, 2011.

14. GENERAL MANAGER'S REPORT- (ACTION MAY BE TAKEN)

- a) 4th of July Service
- b) Service to Ventura
- c) 401K Provider

d) Other

15. OTHER BUSINESS AND COMMITTEE REPORTS- (ACTION MAY BE TAKEN)

The Board will report on related public transit issues and committee meetings.

16. ADJOURNMENT

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



DRAFT MINUTES
Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
May 17, 2011
8:30 a.m.
Santa Barbara MTD Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. **CALL TO ORDER**
Chair Davis called the meeting to order at 8:30 a.m.
2. **ROLL CALL OF THE BOARD OF DIRECTORS**
Chair Davis reported that all members were present with the exception of Director Fahnestock.
3. **REPORT REGARDING POSTING OF AGENDA**
Imelda Martin, Executive Assistant to the General Manager and Board of Directors reported that the agenda was posted on May 13, 2011 at MTD's Administration offices, on MTD's website, mailed and e-mailed to those on the agenda minutes list.
4. **APPROVAL OF PRIOR MINUTES (ATTACHMENT- ACTION MAY BE TAKEN)**
Director Britton moved to approve the draft minutes for the meeting of May 3, 2011. Director Aceves seconded the motion. Director Davis abstained due to his absence. The motion passed unanimously.
Director Britton moved to approve the draft minutes from Transit Talk held on April 27, 2011. Director McQuary seconded the motion. Director Rodriguez abstained due to her absence. The motion passed unanimously.
5. **CASH REPORT- (ATTACHMENTS- ACTION MAY BE TAKEN)**
Director Britton moved to approve the cash report of April 26, 2011 through May 9, 2011. Director Aceves seconded the motion. The motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

6. **PUBLIC COMMENT**
Chair Davis asked that Mr. Garcia, Manager of Risk and HR, introduce his wife and the new addition to their family, Ava Luisa Garcia born late April. Mr. & Mrs. Garcia's toddler, Gavin could not attend today's meeting.
7. **PROPERTY INSURANCE RENEWAL (ATTACHMENT- ACTION MAY BE TAKEN)**
Bob Fatch of Brown and Brown and Manager of HR/ Risk Gabriel Garcia reviewed the updated proposal which included direction from the Board to research larger deductibles. The recommendation consists of a \$25,000 deductible with a \$10,475 premium. Following a brief discussion, Director Rodriguez moved to approve staff's recommendation. Director McQuary seconded the motion. The motion passed unanimously.
8. **FISCAL YEAR 2011/2012 SERVICE PLAN – (ACTION MAY BE TAKEN)**

Manager of Transit Development and Community Relations David Damiano reviewed the revised proposed service plan. The plan was revised following the collection of comments through public meetings, and input from passengers via email and voice messages. Mr. Damiano reviewed the revised proposal for changes to each route.

While Director McQuary initially favored eliminating Line 22 he now supports the proposed limited service. However, for the record, he stated that if ridership does not improve after completion of the El Encanto Hotel project, the line 22 should be considered for elimination completely.

Vice Chair Aceves stated that he received a compliment from a constituent thanking him and MTD Planning staff for finding an alternative solution that allowed continuation of most Line 9 trips.

9. AMENDMENT TO EXISTING FIXED PRICE DIESEL FUEL SUPPLY CONTRACT- (ACTION MAY BE TAKEN)

Assistant General Manager/ Controller, Jerry Estrada discussed the terms and guidelines with the Board. Following a discussion, Director Aceves moved to approve the proposed contract amendment and authorized the General Manager to extend the existing diesel fuel agreement. Director Rodriguez seconded the motion. The motion passed unanimously.

10. GENERAL MANAGER'S REPORT- (ACTION MAY BE TAKEN)

General Manager Fisher reported that she and Operations staff met with the Santa Barbara Police Department to discuss ongoing inter-agency cooperation.

Director Weinberg reported that he is now a voting member of the South Coast Subregional Planning Committee of the Santa Barbara County Association of Governments, as suggested by Joe Armendariz at the SBCAG Board meeting.

General Manager Fisher reported that MTD's Elementary School Outreach Program continues. Staff will provide a report on the program at a future Board meeting.

General Manager Fisher discussed ChargePoint America, a proposal for an electric vehicle charging station at MTD's Administrative office. Chair Davis reported further on the preliminary details of the project.

11. OTHER BUSINESS AND COMMITTEE REPORTS- (ACTION MAY BE TAKEN)

Director Britton reported that the Finance committee met regarding the Fuel contract as well as the upcoming budget. Director McQuary reported that the Development Committee met to discuss the proposed service changes discussed today.

12. ADJOURNMENT

Director Aceves moved to adjourn the meeting at 9:32 a.m. Director Britton seconded the motion. The motion passed unanimously.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of May 31, 2011
For the Period May 10, 2011 through May 23, 2011

MONEY MARKET

Beginning Balance May 10, 2011 **\$3,384,795.75**

Accounts Receivable	223,348.75
Passenger Fares	177,301.43
Miscellaneous/Asset Sales	<u>1,339.55</u>
Total Deposits	401,989.73

ACH Garnishment Trf	(1,513.59)
ACH Pensions Transfer	(37,722.95)
ACH Tax Deposit	(132,785.42)
Payroll Transfer	(312,277.47)
Operations Transfer	<u>(387,694.19)</u>
Total Disbursements	(871,993.62)

Ending Balance **\$2,914,791.86**

CASH INVESTMENTS

LAIF Account	\$3,293,275.67
Money Market Account	<u>2,914,791.86</u>

Total Cash Balance **\$6,208,067.53**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$1,370,848.24)
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Working Capital **\$4,837,219.29**

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
98475	5/12/2011	AMERICAN CONTROLS, INC	DEF SYSTEM	9,551.52	
98476	5/12/2011	BIG BRAND TIRES	SERVICE VEHICLE MAINTENANCE	28.88	
98477	5/12/2011	BNS ELECTRONICS, INC.	GIB. SITE RENTAL	252.17	
98478	5/12/2011	CALIFORNIA ELECTRIC SUPPLY, IN	SHOP/B&G SUPPLIES	291.11	
98479	5/12/2011	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	33.45	
98480	5/12/2011	CENTRAL COAST CIRCULATION, LL	BUS BOOK DISTRIBUTION	575.00	
98481	5/12/2011	CHANNEL CITY ENGINEERING	SHOP EQUIPMENT REPAIRS	85.00	
98482	5/12/2011	COMMUNITY RADIO, INC.	GIB. SITE RENTAL	226.79	
98483	5/12/2011	COAST TRUCK PARTS	BUS PARTS	165.16	
98484	5/12/2011	COX COMMUNICATIONS	INTERNET & CABLE TV	213.02	
98485	5/12/2011	CUMMINS CAL PACIFIC LLC	BUS PARTS	95.34	
98486	5/12/2011	CURVED GLASS DISTRIBUTORS CO	BUS WINDSHIELDS	972.00	
98487	5/12/2011	DIESEL MARINE ELECTRIC, INC.	BUS PARTS	331.69	
98488	5/12/2011	DOCUPRODUCTS CORPORATION	COPIER COPIES & SUPPLIES	193.68	
98489	5/12/2011	DONS INDUSTRIAL SUPPLY DBA	BUS PARTS/SHOP SUPPLIES	844.74	
98490	5/12/2011	DOWNTOWN ORGANIZATION, INC.	TC MAINTENANCE	450.00	
98491	5/12/2011	EASY LIFT TRANSPORTATION, INC.	ADA SUBSIDY	47,867.00	
98492	5/12/2011	EVERYTHING ELECTRIC	SHOP/B&G SUPPLIES	104.33	
98493	5/12/2011	FEDEX OFFICE	PRINTING SERVICES	391.50	
98494	5/12/2011	FRED PRYOR SEMINARS DBA	SEMINAR FEE	128.00	
98495	5/12/2011	GIBBS INTERNATIONAL INC	BUS PARTS	755.88	
98496	5/12/2011	GILLIG LLC	BUS PARTS	3,189.59	
98497	5/12/2011	GARY GLEASON	HEALTH/DENTAL REIMBURSEMENT	1,489.44	
98498	5/12/2011	GRAINGER, INC.	SHOP/B&G SUPPLIES	354.99	
98499	5/12/2011	H.G. MAKELIM CO.	BUS PARTS	1,498.02	
98500	5/12/2011	HILLYARD/LOS ANGELES	SHOP/BUS SUPPLIES	57.44	
98501	5/12/2011	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	125.86	
98502	5/12/2011	GABRIEL HUERTA	VTT REIMBURSEMENT	10.00	
98503	5/12/2011	INDOFF, INC.	OFFICE SUPPLIES	300.50	
98504	5/12/2011	IPC (USA), INC.	BUS FUEL	22,282.41	
98505	5/12/2011	MC CORMIX CORP. (OIL)	LUBRICANTS	2,302.02	
98506	5/12/2011	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	2,682.10	
98507	5/12/2011	MCMaster-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	233.49	
98508	5/12/2011	MILPAS RENTAL INC.	EQUIPMENT RENTAL	613.96	
98509	5/12/2011	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	98.04	
98510	5/12/2011	MOTOR COACH INDUSTRIES	BUS PARTS	58.81	
98511	5/12/2011	NEW PIG CORP.	SHOP SUPPLIES	63.81	

Check #	Date	Company	Description	Amount	Voids
98512	5/12/2011	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	568.32	
98513	5/12/2011	J. PEREZ ASSOCIATES, INC.	CAR CARD DIVIDERS	406.08	
98514	5/12/2011	POINDEXTER, CAREY	MEDICAL REIMBURSEMENT	490.60	
98515	5/12/2011	PORT SUPPLY	BUS PARTS	159.99	
98516	5/12/2011	PRIAC (plan #767055)	PENSION ADMIN QTRLY FEE	1,666.68	
98517	5/12/2011	ALEX RAMIREZ	DMV/VTT REIMBURSEMENT	49.00	
98518	5/12/2011	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	137.12	
98519	5/12/2011	ROGERS, SHEFFIELD & CAMPBELL,	LEGAL COUNSEL	10,808.15	
98520	5/12/2011	SERVICE MASTER OF SANTA BARB	JANITORIAL SERV./SUPPLIES	4,952.00	
98521	5/12/2011	SM TIRE, CORP.	BUS TIRE MOUNTING	148.50	
98522	5/12/2011	SIMKINS, SHARON	REIMBURSEMENT	285.00	
98523	5/12/2011	SO. CAL. EDISON CO.	UTILITIES	2,522.49	
98524	5/12/2011	SOFTCHOICE CORP, INC.	COMPUTER SOFTWARE	3,075.13	
98525	5/12/2011	SOAP MAN DISTRIBUTIN DBA	CLEANING SUPPLIES	96.90	
98526	5/12/2011	SPECIALTY TOOL & BOLT	SHOP SUPPLIES	42.14	
98527	5/12/2011	STAPLES CREDIT PLAN	OFFICE & COMPUTER SUPPLIES	1,936.65	
98528	5/12/2011	TELCOM, INC.	RADIO INSTALLATION & SERVS.	2,374.68	
98529	5/12/2011	TANK TEAM INC.	TANK TESTS	117.00	
98530	5/12/2011	TRI-COUNTY AUTO GLASS INC	REPLACE BUS WINDOWS	220.00	
98531	5/12/2011	TRANSIT PRODUCTS AND SERVICES	BUS PARTS	1,181.00	
98532	5/12/2011	UPS FREIGHT	FREIGHT SHIPPING	159.33	
98533	5/12/2011	INTERSTATE CAPITAL CORPORATI	UNIFORMS	108.74	
98534	5/12/2011	VALLEY POWER SYSTEMS, INC.	BUS PARTS	17,567.04	
98535	5/12/2011	WALTER TERRY DISTRIBUTOR, INC.	BUS PARTS	746.56	
98536	5/12/2011	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	354.74	
98537	5/12/2011	WAYTEK INC.	BUS PARTS & SHOP SUPPLIES	248.20	
98538	5/12/2011	WORKER'S COMPENSATION ADMIN.	PROFFESIONAL SERVICES	9,798.29	
98539	5/13/2011	TEAMSTERS MISC FUND	UNION MEDICAL/DENTAL	113,895.14	
98540	5/17/2011	CASALE ENGINEERING	EV TRANSFER CASE PARTS & REPAIR!	3,053.87	
98541	5/18/2011	ARCHBALD & SPRAY	LEGAL COUNSEL	1,448.05	
98542	5/18/2011	ANDREWS, HENRY	HEALTH REIMBURSEMENT	285.00	
98543	5/18/2011	BERENDSEN FLUID POWER	BUS PARTS	41.88	
98544	5/18/2011	BIG BRAND TIRES	SERVICE VEHICLE MAINTENANCE	80.64	
98545	5/18/2011	BUENA TOOL, INC.	SHOP/B&G SUPPLIES	24.80	
98546	5/18/2011	CALIFORNIA ELECTRIC SUPPLY, IN	SHOP/B&G SUPPLIES	169.67	
98547	5/18/2011	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	271.79	
98548	5/18/2011	COAST CLUTCH & BRAKE	BUS PARTS	152.97	
98549	5/18/2011	CINTAS FIRST AID & SAFETY LOC #	FIRST AID SUPPLIES	636.87	
98550	5/18/2011	COAST TRUCK PARTS	BUS PARTS	1,756.46	
98551	5/18/2011	CUMMINS CAL PACIFIC LLC	BUS PARTS	22.36	

Check #	Date	Company	Description	Amount	VOIDS
98552	5/18/2011	DELTACARE USA #06485-0001	DENTAL INSURANCE	1,603.77	
98553	5/18/2011	DOCUPRODUCTS CORPORATION	COPIER COPIES & SUPPLIES	13.62	
98554	5/18/2011	EVERYTHING ELECTRIC	SHOP/B&G SUPPLIES	5.06	
98555	5/18/2011	FEDEX OFFICE	PRINTING SERVICES	1,231.11	
98556	5/18/2011	FUSES UNLIMITED, INC	BUS PARTS	268.84	
98557	5/18/2011	GIBBS INTERNATIONAL INC	BUS PARTS	2,291.71	
98558	5/18/2011	GILLIG LLC	BUS PARTS	2,259.60	
98559	5/18/2011	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	631.69	
98560	5/18/2011	H.G. MAKELIM CO.	BUS PARTS	136.64	
98561	5/18/2011	HIGH IMPACT INC.	FORKLIFT SAFETY TRAINING	270.00	
98562	5/18/2011	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	6.80	
98563	5/18/2011	INDOFF, INC.	OFFICE SUPPLIES	363.07	
98564	5/18/2011	IPC (USA), INC.	BUS FUEL	44,706.94	
98565	5/18/2011	LDM ENGINEERING INC.	SECURITY SYSTEM	32,130.32	
98566	5/18/2011	MARBORG INDUSTRIES (INC)	UTILITIES & RENTAL FEES	160.48	
98567	5/18/2011	MCMASTER-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	1,424.09	
98568	5/18/2011	MURPHY ELECTRIC MAINTENANCE	ELECTRICAL REPAIRS/INSTALLATION	828.16	
98569	5/18/2011	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	551.76	
98570	5/18/2011	MOTOR COACH INDUSTRIES	BUS PARTS	209.86	
98571	5/18/2011	NEWARK ELECTRONICS	BUS PARTS	82.84	
98572	5/18/2011	NU-COOL REDI GREEN	COOLANTS & SHOP SUPPLIES	374.48	
98573	5/18/2011	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	174.29	
98574	5/18/2011	XAVIER S. PEREZ	VTT REIMBURSEMENT	10.00	
98575	5/18/2011	PHILLIPS 66-CONOCO-76	SERVICE VEHICLE FUEL	108.54	
98576	5/18/2011	PORT SUPPLY	BUS PARTS	195.70	
98577	5/18/2011	RAL COMPANY DBA	B&G REPAIRS & SUPPLIES	301.08	
98578	5/18/2011	SANTA BARBARA NEWSPRESS DB	BUS SCHEDULE BOOKLETS	30.16	
98579	5/18/2011	SERVICE MASTER OF SANTA BARB	JANITORIAL SERV./SUPPLIES	225.00	
98580	5/18/2011	SANTA BARBARA SIGNS, INC. DBA	PRINTING SERVICES	126.04	
98581	5/18/2011	SO. CAL. EDISON CO.	UTILITIES	2,829.12	
98582	5/18/2011	SOUTHERN CALIFORNIA GAS COMP	UTILITIES	155.34	
98583	5/18/2011	SPECIALTY TOOL & BOLT, LTD	SHOP SUPPLIES	19.72	
98584	5/18/2011	STEWART'S DE-ROOTING & PLUMBI	PLUMBING REPAIRS	110.00	
98585	5/18/2011	THE MEDCENTER	MEDICAL EXAMS	1,836.00	
98586	5/18/2011	TANK TEAM INC.	TANK TESTS	117.00	
98587	5/18/2011	TRI-COUNTY AUTO GLASS INC	REPLACE BUS WINDOWS	220.00	
98588	5/18/2011	INTERSTATE CAPITAL CORPORATI	UNIFORMS	953.92	
98589	5/18/2011	VALLEY POWER SYSTEMS, INC.	BUS PARTS	454.61	
98590	5/18/2011	VENTURA HYDRAULIC &	SHOP EQUIPMENT REPAIRS	965.96	
98591	5/18/2011	VERIZON CALIFORNIA	TELEPHONES	290.86	

Check #	Date	Company	Description	Amount	Voids
98592	5/18/2011	WESTERN STATES TRANSMISSIONS	BUS PARTS	3,259.78	
98593	5/18/2011	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	966.91	
98594	5/18/2011	WESTERN WELDING	BUS PARTS	80.80	
98595	5/20/2011	CHILD SUPPORT ENFORCEMENT AG	PAYROLL RELATED	147.69	
98596	5/20/2011	DEAILE, MARY	PAYROLL RELATED	106.15	
98597	5/20/2011	STATE OF CALIFORNIA	PAYROLL RELATED	270.01	
98598	5/20/2011	UNITED STATES TREASURY - IRS	PAYROLL RELATED	500.00	
98599	5/20/2011	SHERIFF CIVIL BUREAU	PAYROLL RELATED	834.14	
98600	5/20/2011	OTTIERI, ANN BRADY	PAYROLL RELATED	277.00	
98601	5/20/2011	SB COUNTY FEDERAL CREDIT UNIO	PAYROLL DEDUCTION	1,248.00	
98602	5/20/2011	SEELEY, KAREN	PAYROLL RELATED	75.69	
98603	5/20/2011	TEAMSTERS UNION LOCAL NO. 186	UNION DUES	145.27	
98604	5/20/2011	UNITED WAY OF SB	PAYROLL DEDUCTION	88.00	
98605	5/20/2011	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	44.00	
				387,694.19	
				Current Cash Report Voided Checks:	0.00
				Prior Cash Report Voided Checks:	0.00
				Grand Total:	\$387,694.19

**Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts Receivable**

Date	Company	Description	Amount
5/9/2011	Wayne Kosaka Design	Advertising on Buses	3,516.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	12.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/10/2011	Godzilla Graphics	Advertising on Buses	9,162.00
5/10/2011	Santa Barbara Airport	Advertising on Buses	3,636.00
5/13/2011	City of SB Creeks Division	Advertising on Buses	483.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
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5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	52.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00

Date	Company	Description	Amount
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/13/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/17/2011	Spectrum Athletic Clubs, Inc.	Advertising on Buses	2,530.00
5/18/2011	City of SB - Browning Allen	Downtown Shuttle - Apr11	91,788.50
5/18/2011	City of SB - Public Works	Advertising on Buses	800.00
5/20/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/20/2011	Department of Rehabilitation	Passes/Token Sales	20.00
5/23/2011	City of SB - Browning Allen	Downtown Shuttle - May11	89,814.25
5/23/2011	Kara Woods Agency	Advertising on Buses	1,700.00
5/23/2011	Kara Woods Agency	Advertising on Buses	8,807.00
5/23/2011	UCSB - Parking Services-7001	Passes/Passport Sales	10,348.00
Total Accounts Receivable Paid During Period			\$223,348.75

BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 31, 2011

AGENDA ITEM #: 6

TYPE: ACTION

PREPARED BY: JERRY ESTRADA

Signature

REVIEWED BY: SHERRIE FISHER

GM Signature

SUBJECT: RECOMMENDATION TO ACCEPT ENGAGEMENT LETTER FOR PROFESSIONAL AUDITING SERVICES

DISCUSSION:

The Santa Barbara Metropolitan Transit District (MTD) has received the annual engagement letter from McGowan Guntermann to provide professional auditing services.

McGowan Guntermann has performed these services for the District for a number of years. MTD solicited proposals for these services four years ago and the Board determined that it was in the best interest of the District to maintain the existing relationship.

McGowan Guntermann has proposed to conduct the annual Single Audit for the amount of \$42,000, which is equal to what was paid the prior year.

The services required are intended to certify MTD's financial statements and to provide the Board with a review of the District's financial position as well as its management practices.



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

509 E. Montecito Street 2nd Floor, Santa Barbara, CA 93103, (805) 962-9175, Fax: (805) 962-8925, www.mcgowan.com

May 5, 2011

Ms. Sherrie Fisher, General Manager
Santa Barbara Metropolitan Transit District
550 Olive Street
Santa Barbara, CA 93101

Dear Sherrie:

This letter is to confirm our understanding of the terms and objectives of our engagement and to clarify the nature and limitations of our services to Santa Barbara Metropolitan Transit District. You should read it carefully in its entirety.

We will audit the financial statements of Santa Barbara Metropolitan Transit District as of the year ended June 30, 2011. Also, the document we submit to you will include the schedule of expenditures of federal awards that will be subjected to the auditing procedures applied in our audit of the financial statements.

Enclosed are the following attachments expanding on issues related to the above services and firm policies:

Audit - pages 3 - 9
Billing and Fee Policies - page 9
Timeframe - page 9

If your needs change during the year, the nature of our services can be adjusted appropriately. This agreement may be altered by either party with advanced written notice.

If you have any questions, please call me. If this agreement fairly sets forth your understanding, please sign the "acknowledgment copy" of this letter and return it all to us.

Sherrie Fisher, General Manager
Santa Barbara Metropolitan Transit District
May 5, 2011
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We appreciate the opportunity to serve you.

McGOWAN GUNTERMANN



Scott E. Davis, CPA

Enclosures

I have carefully read this agreement and APPROVE:

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

Sherrie Fisher, General Manager

Date

Board Member, Title

Date

Sherrie Fisher, General Manager
Santa Barbara Metropolitan Transit District
May 5, 2011
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Audit Objectives

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on-

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements or the Single Audit compliance opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Sherrie Fisher, General Manager
Santa Barbara Metropolitan Transit District
May 5, 2011
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Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare a draft of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles; and for federal award program compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Sherrie Fisher, General Manager
Santa Barbara Metropolitan Transit District
May 5, 2011
Page 5

Management Responsibilities (continued)

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Sherrie Fisher, General Manager
Santa Barbara Metropolitan Transit District
May 5, 2011
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Audit Procedures – General (continued)

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matter in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

Sherrie Fisher, General Manager
Santa Barbara Metropolitan Transit District
May 5, 2011
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Audit Procedures - Internal Controls (continued)

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Circular A-133 Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. The purpose of these procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Audit Administration and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any invoices selected by us for testing.

Sherrie Fisher, General Manager
Santa Barbara Metropolitan Transit District
May 5, 2011
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Audit Administration and Other (continued)

At the conclusion of the engagement, we will complete the appropriate sections of and sign the Data Collection Form that summarizes our audit findings. We will provide copies of our reports to the Santa Barbara Metropolitan Transit District; however, it is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The audit documentation for this engagement is the property of McGowan Guntermann and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Federal Transit Administration or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of McGowan Guntermann personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of ten years after the date the auditor's report is issued or for any additional period requested by the Federal Transit Administration or your pass through entities. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. Upon the expiration of the 10-year period you agree that we shall be free to destroy (shred) our files unless we receive written notice from you.

Government Auditing Standards require that we provide you with a copy of our most recent quality control review report, which we have provided for you previously. Our last review was done in January 2011 and we are waiting for our report, which we will then provide to you. Our firm prepares annual inspections of our accounting work.

Sherrie Fisher, General Manager
Santa Barbara Metropolitan Transit District
May 5, 2011
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BILLING AND FEE POLICIES

Our fees for these services will be based upon the time taken, costs incurred including computer costs, and the difficulty of the work. Based on our estimate, the audit fee will be \$42,000. This fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. One possible contingency that could require additional audit time is if there is a significant change in the collective bargaining agreement relative to the post employment benefits, requiring a new actuarial study. That would require additional audit procedures.

We will bill you on a semimonthly basis as our efforts are incurred. Our bills are due when you receive them.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its rules for professional accounting and related services disputes, before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties. Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the AAA rules for professional accounting and related services disputes. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

TIMEFRAME

We expect to begin preliminary testing in late June, 2011. If we receive the items we will request by July 31, 2011, we plan to begin our audit on approximately August 1, 2011. After your approval of the draft financial statements, we will issue the final report within three days. If the planned field work date is delayed by you, or expected information is incomplete at the start of fieldwork, this will extend the date to receive the draft financial statements.

System Review Report

January 25, 2011

To the Partners of
McGowan Guntermann
And the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of McGowan Guntermann (the firm) in effect for the year ended September 30, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of McGowan Guntermann in effect for the year ended September 30, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. McGowan Guntermann has received a peer review rating of *pass*.



Farber Hass Hurley LLP



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 31, 2011

AGENDA ITEM #: 7

TYPE: ACTION ITEM

PREPARED BY: STEVE MAAS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: FY 2012 Lines 6 & 11 Agreement with UCSB

RECOMMENDATION:

Authorize General Manager Fisher to sign the FY 2012 Lines 6 & 11 Agreement with the University of California at Santa Barbara (UCSB), pending UCSB approval of the MOU.

DISCUSSION:

Since the beginning of the enhanced peak-period service on Lines 6 & 11 in March 2007, MTD has received assistance from UCSB for the enhancement. The current Agreement expires on June 30, 2011, and MTD has been working with UCSB to renew the Agreement for FY 2012. Approval from UCSB is pending. MTD is requesting a FY 2012 subsidy from UCSB of \$19,853, as is shown in the Draft FY 2012 Agreement (attached)

Staff requests approval from the Board for the General Manager to sign the FY 2011 Agreement, following approval by UCSB.

ATTACHMENTS:

- Draft FY 2012 Line 6 & 11 Agreement with UCSB.

DRAFT

STATE & HOLLISTER (LINES 6 & 11) TRANSIT SERVICE ENHANCEMENTS AGREEMENT 4

This Agreement is entered into by the SANTA BARBARA METROPOLITAN TRANSIT DISTRICT (hereinafter referred to as "District") and THE REGENTS OF THE UNIVERSITY OF CALIFORNIA (hereinafter referred to as "University"), sometimes referred to collectively as the "Parties," on this _____ day of _____, 2011.

RECITALS

WHEREAS, District is established and existing under Part 9, Division 10 of the California Public Utilities Code, codified at Sections 95000-97100, and is empowered to provide public transportation service in the South Coast area of Santa Barbara County; and,

WHEREAS, University desires to work with District to further the enhancement of public transportation service that would accomplish a reduction in peak hour vehicle traffic and daily trips to University; and,

WHEREAS, the goals of reducing traffic congestion and encouraging public transportation are served through an enhancement to MTD Lines 6 & 11;

NOW THEREFORE, it is agreed between the Parties that:

1. Lines 6 and 11 Operating Assistance

District shall continue enhancement of existing transit service as follows: Between downtown Santa Barbara and Hollister and Fairview, weekday peak-period alternating scheduled service on Lines 6 & 11 increased from 15 minutes to 10 minutes. The line 6 scheduled service continuing from Fairview to Camino Real Marketplace, and the Line 11 scheduled service continuing from Fairview to UCSB, increased from 30 minutes to 20 minutes during peak periods. Peak period is approximately 6:30 - 8:30 A.M. and 3:00 - 6:00 P.M. The enhanced service operates on all weekday service days. In the interest of ensuring the greatest benefit of the enhanced service, District will market the enhanced service to University faculty, staff, and students, as well as to other markets for the service. District shall provide approximately 5,080 hours of additional service annually.

2. Payment For Services

- a. University shall compensate District for professional services performed as follows:

DRAFT

- i. A total subsidy payment for the period of July 1, 2011 to June 30, 2012 of \$4,963.25 quarterly.
 - ii. No other expenses shall be paid.
- b. The Maximum amount which may be paid under the terms of this Agreement is Nineteen Thousand Eight Hundred and Fifty Three and 00/00 Dollars (\$19,853.00).
- c. Payments shall be made upon approval of invoices submitted by District in accordance with this Agreement. No payments shall be made in advance of work performed except as specified in this Agreement. Final payment may be withheld pending evidence that District has completed all work in accordance with the terms of this Agreement.

General Provisions

1. University shall make the subsidy described herein available to District according to the provisions of this Agreement. District is not required to perform any service for which a subsidy is not provided as is specified under the terms, conditions, and limitations provided herein.
2. District shall retain the authority and be solely responsible for developing routes, hours of operation, days of operation, and headways appropriate to maintain such service. District shall retain full discretion for the planning, management, administration, maintenance, and operation of such service: including hours, location, headways, equipment, personnel, advertising, and service. Prior to any significant change of route and/or schedule, District shall work cooperatively with University. District may provide such service with District personnel and resources, through third party contracts for all or part of such service, or by other agreements, at the sole discretion of District. District shall each year conduct any and all necessary public hearings to develop the routes, days, hours and methods of operation, and headways appropriate for such service.
3. District shall provide an Annual Report to University by August 15th of each year, stating total fares collected, ridership, and actual revenue hours for Lines 6 & 11. This report shall also include historical annual ridership and annual fare box revenue for the previous year. District shall provide Monthly Reports to University that detail the operation of the services provided. Such reports shall be in the current format provided to the District Board of Directors, and include at least the following:
 - i. Actual systemwide revenue hours;
 - ii. Systemwide ridership per revenue hour;
 - iii. Total ridership by route for routes serving UCSB;
 - iv. Student ridership by route for routes serving UCSB
 - v. Historical comparison of ridership to the previous year;

DRAFT

Said monthly report shall be submitted to University by the 15th of each month for the preceding month.

4. University and District reserve the right to terminate this agreement for any reason; however, each party shall provide at least sixty days written notice to the other of any such decision.
5. All notices, approvals, acceptances, demands and other communications required or permitted hereunder, to be effective shall be in writing and shall be delivered either in person or by mailing the same by United States mail (postage prepaid, registered or certified, return receipt requested) or by Federal Express or other similar overnight delivery service to the party to whom the notice is directed at the address of such party as follows:

District General Manager
Santa Barbara Metropolitan Transit District
550 Olive Street
Santa Barbara, CA 93101

Business Services
University of California at Santa Barbara
3203 SAASB
Santa Barbara, CA 93106-2090

Any written communication given by mail shall be deemed delivered two (2) business days after such mailing date and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Any party may change its address by giving the other party written notice of its new address as herein provided.

6. Nothing herein is intended to confer any rights or remedies, express or implied, under or by reason of this document on any persons other than the parties hereto, nor is anything in this document intended to relieve or discharge the obligations or liability of any third persons to any party hereto, nor shall any provision give any third persons any right or subrogation or action over or against any party.
7. This agreement shall become effective after execution by both parties and shall terminate on June 30, 2012, unless extended by mutual agreement of both parties.

DRAFT

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MTD General Manager

Date

The Regents of the University of California

Sandra Featherson

Date

Department Approval

Robert Silsbee

Date

Marc Fisher

Date

BOARD OF DIRECTORS REPORT

AGENDA DATE: MAY 31, 2011

AGENDA ITEM #: 8

TYPE: ACTION

PREPARED BY: JERRY ESTRADA

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

**SUBJECT: CITY OF SANTA BARBARA TRANSPORTATION
MANAGEMENT AND TRANSIT SERVICES MASTER
AGREEMENT**

DISCUSSION:

The Santa Barbara Metropolitan Transit District (MTD) and city of Santa Barbara (City) staff have worked cooperatively to update the "Master Transportation Management and Transit Services Master Agreement" for fiscal year 2011-12.

The term of the Master Agreement is for one-year and all transit service rates related to City funded programs will remain unchanged from the prior year. MTD will bill the City its system average operating rate for all third-party requested service. MTD will have the flexibility to adjust service hours associated with the Downtown-Waterfront Shuttle (DWE) service downward, within an agreed upon range, without impacting the amount of subsidy paid by the City. Additionally, the contract language pertaining to the fare of the DWE service has been modified to allow MTD the option of increasing it to fifty cents. It should be noted that the fare received is credited to the City and their subsidy reduced by like amount.

RECOMMENDATION:

Staff recommends that the Board authorize the General Manager to execute the Master Transportation Management and Transit Assistance Agreement with the City of Santa Barbara.

Santa Barbara City Agreement No.

TRANSPORTATION MANAGEMENT AND TRANSIT SERVICES
MASTER AGREEMENT

City of Santa Barbara &
Santa Barbara Metropolitan Transit District
July 1, 2011 – June 30, 2012

THIS AGREEMENT, entered into this _____, by and between the

City of Santa Barbara (hereinafter referred to
as the "City")

and

Santa Barbara Metropolitan Transit District
(hereinafter referred to as the "District"),

for the support and subsidy of transit services and capital within the City of Santa Barbara,
California,

WHEREAS, the District is established and existing under Part 9, Division 10, of the California
Public Utilities Code, codified at Sections 95000-97100, and empowered to provide public
transportation service in the South Coast of Santa Barbara County; and,

WHEREAS, in cooperation with the District, the City has contributed to the design and
acquisition of distinctive theme electric shuttle vehicles (hereinafter referred to as ESV's) and
has continuously supported transit services within the City under agreement with the District;
and,

WHEREAS, the City has arranged to provide a portion of the City's local allocation of
Measure A sales tax revenues for commuter transit services and expects that existing
Measure A allocations may now be used to subsidize District services; and,

WHEREAS, the City is willing to dedicate portions of such funds to subsidize the District from
the funds identified for such use in order to maintain District shuttle services provided in the
manner and at the level of service enjoyed during the previous fiscal years; and,

WHEREAS, the City has implemented a Transportation Management Program (TMP) to
improve traffic circulation and parking in the City's Central Business District (CBD) and
Waterfront area; and,

WHEREAS, the City has implemented a Transportation Management Program (TMP), as a
mitigation measure for the Central City Redevelopment Project Area to reduce vehicle trips in
the CBD; and,

WHEREAS, the TMP consists, in part, of shuttle bus service in and around the CBD, and at present has three components:

- a) The first component consists of shuttle bus service between the City's remote Commuter Parking Lots and the CBD (Commuter Lot Service); and,
- b) The second component consists of a shuttle bus service along State Street (State Street Service); and,
- c) The third component consists of service between the CBD and the Waterfront area (Waterfront Service), as a tourist connection under Highway 101; and,

WHEREAS, the City and District recognize that:

- a) Ease of circulation is critical to the economic vitality of the City's CBD and Waterfront; and,
- b) Current and planned developments in these areas of the City will result in greater transportation demand in the CBD and Waterfront; and,
- c) The City's Circulation Element of the General Plan, the Central City Redevelopment Plan and EIR, the TMP, and the Santa Barbara County Air Quality Attainment Plan support expansion of public transportation service as a method of achieving federal air quality standards and mitigating adverse impacts of vehicular travel; and,
- d) Expanded public transportation service will facilitate greater economic vitality in the CBD and Waterfront while improving air quality and traffic congestion problems; and,

WHEREAS, the City recognizes that the District is the agency empowered by state statute to provide public transportation service in the South Coast of Santa Barbara County, including the City of Santa Barbara, and the City also recognizes that the District has the equipment, vehicles, experience, and expertise necessary to provide or cause to be provided high-quality shuttle bus service, which meet the objectives of the City's TMP; and,

WHEREAS, pursuant to the provisions of this Agreement, the City provides funding to enable discounted and/or free fares for shuttle bus service along the State Street and Waterfront routes; and,

WHEREAS, the City and District would like to provide continued commuter lot transit services of approximately 2,537 hours of service, annually, to the City's commuter parking lots; and,

WHEREAS, the City and the Redevelopment Agency of the City of Santa Barbara have, pursuant to the Central City Redevelopment Plan and EIR, arranged to provide Redevelopment Agency funds for commuter transit services and expect that such funds can be used to provide transit services on State Street and to the commuter lots within the CBD of the City of Santa Barbara; and,

WHEREAS, the District Board of Directors has adopted a policy which requires that fares be charged to passengers on District's public transportation services.

NOW, THEREFORE it is mutually agreed between the Parties that:

1. Downtown/Waterfront Shuttle Service

The District shall provide the Downtown/Waterfront Shuttle service utilizing 22-foot electric shuttles. The Downtown/Waterfront Shuttle provides service on State Street between Stearns Wharf and Sola Street, and on Cabrillo Avenue between East Beach and the Harbor. The District shall provide between 13,500 and 15,088 hours of service, which will be provided annually from July through June. The City shall provide the District a fare buy-down subsidy under the following terms and conditions:

- a) For the period of July 1, 2011 to June 30, 2012, the City shall provide to the District a total subsidy not to exceed \$1,188,180 for operation of the Downtown/Waterfront Service Shuttle. Requests by the City for additional city related service will be billed at a rate of \$78.75 per hour. Requests by the City for additional service on behalf of a third-party, such as cruise lines etc. shall be billed at the budgeted system operating rate for fiscal year 2011-12. The rate will be calculated by dividing the operating expense budget by the number of budgeted revenue hours.
- b) The District shall apply the actual fare box revenue from the prior month as a credit to the monthly invoices, thereby reducing the City's financial responsibility for the services specified herein. The monthly invoices will reflect 1/12th of the \$1,188,180 less actual fare box revenue from the prior month.
- c) For the District to qualify for the City's subsidy, service shall be provided with a fare not to exceed 50¢ per trip (transfers from other Downtown/Waterfront Shuttles, children under 45 inches, and blind persons are free) unless a change in fare is made, based on mutual consent of both parties.
- d) The City shall make payments to the District as provided in Section 11.
- e) The District shall "brand" the shuttles in a manner that distinguishes them from other District services and is with the character of the City. The brand shall be developed by the District and approved by the Public Works Director.

2. Commuter Lot Service

The District shall provide up to 2,537 hours annually of transportation services, in accordance with the terms, conditions, and provisions of this Agreement. 1,272 hours shall be for shuttle service from the Downtown to the Carrillo Street lot for designated commuters, and 1,265 hours shall be applied towards the Crosstown Electric Shuttle service (as provided in Section 3). The City retains the right to reduce these hours

and apply them to other services or obtain a credit. The City shall provide a fare buy-down subsidy for this service as follows:

- a) For the period of July 1, 2011 to June 30, 2012, the City shall provide the District a total subsidy not to exceed \$203,341 for operation of the Commuter Lot service. The City shall pay the District the sum of \$80.15 per hour for each hour of operation of such commuter lot service in accordance with the terms, conditions, and provisions of this Agreement.
- b) No rider fare will be collected for the ride on this service.
- c) The City shall make payments to the District for operation of the Commuter Lot service as provided in Section 11.

3. The District's Right Not To Perform A Service Where Subsidy Is Not Provided

If the District determines to perform the services, the City shall make the subsidy described herein available to the District according to the provisions of this Agreement. The District is not required to perform any service for which a subsidy is not provided as is specified under the terms, conditions, and limitations provided herein.

4. The District's Discretion Over Services

The District shall be responsible for developing routes, hours of operation, days of operation, and headways appropriate to maintain such services. The District shall retain sole responsibility and full discretion for the planning, management, administration, maintenance, and operation of such services, including hours, location, headways, equipment, personnel, advertising, and services. Prior to any significant change of route and/or schedule, MTD shall work cooperatively with City staff. The District may provide such services with District personnel and resources, through third party contracts for all or part of such services, or by other agreements, at the sole discretion of the District. The District shall each year conduct any and all necessary public hearings to develop the routes, days, hours, and methods of operation, and headways appropriate for such service.

5. Annual Report

The District shall provide an annual report to the City by August 15th of each year, stating total fares collected, ridership, scheduled revenue hours, and actual revenue hours. This report shall also include historical annual ridership and annual fare box revenue for the previous ten years. The district shall provide a monthly report on the Downtown Waterfront Shuttle and Carrillo Commuter Lot Shuttle services to the City that detail the operation of the services provided. Such reports shall be in the current format or a format mutually agreed upon by both parties, and include at least the following:

- a) Actual revenue hours;

- b) Ridership per revenue hour;
- c) Monthly fare box revenue;
- d) Total ridership;
- e) Explanation of any variances between the ridership totals and the fare box revenue;
- f) Historical comparison of ridership detailed on a monthly basis;
- g) Historical comparison of fare box revenue detailed on a monthly basis;
- h) Summary of marketing and promotional activities exclusively specific for the Downtown/Waterfront service;
- i) Summary of marketing and promotional activities that mention the Downtown/Waterfront Shuttle service, as part of general District marketing activities; and
- j) Summary of comments received from customers regarding shuttle service, including complaints, commendations, and suggestions for change.

- k) The District shall provide an annual report regarding the number of daily and afternoon peak hour trips mitigated by the Crosstown Shuttle, the Mesa Loop, and the enhanced peak-period service on Transit Lines 1 & 2. Said report shall be delivered to the City on the 15th of August.

Monthly reports shall be submitted to the City by the 15th of each month for the preceding month.

6. Placement Of The City Seal On Electric Shuttle Vehicles

The District shall place on all electric shuttle vehicles regularly operated on City supported routes the City Seal, which shall be displayed in a prominent location. The District shall use the City seal wherever appropriate and reference the City as providing operating assistance in all written marketing material solely related to the aforementioned services distributed to the public, which shall include, but not be limited to schedules, annual reports, and District budget.

7. City Advertisement On Shuttle Vehicles

The City shall be able to advertise City programs using exterior space on the shuttles at no cost, utilizing the ad space that is not able to be sold by the District to other paying customers. It is understood that the City ads may be displaced if the ad space is sold. Such ads will follow the District's general advertising policy. The City shall pay the actual cost for the preparation and installation of the artwork.

8. Air Emission Credits

Any air emission credits (under the Clean Air Act, under any California regulations, and under any regulations of the Santa Barbara County Air Pollution Control District) which are generated or available by reason of the use of electric vehicles shall be credited to the District. The District shall assess the reasonable value of such air emissions credits, record their development and value, and keep account of the value of such credits on a generally recognized accounting basis.

9. City Payment Provisions And District Recordkeeping

The City shall pay operating subsidy payments monthly to the District in response to invoices in the usual City format, approved by the City Public Works Department. The payments shall be made within sixty days of receipt of the District's invoice. The District shall keep and maintain financial records of all services that receive such subsidy on a generally recognized accounting basis. The District shall maintain such records for at least five years following the date such services were provided. All such financial records shall be made available to City agents and employees for review and audit during regular business hours. The District shall provide the City with a written annual report describing and quantifying the services that have received a subsidy for the preceding year, with a detailed report of all the costs of the services provided.

10. Adjustments To Services

Any changes, adjustments, increases, reductions or losses of service by reason of new or lost funding sources shall be on the basis of the hourly rate described in the appropriate section of this Agreement of qualifying shuttle service or other service subsidized by the City. Any increase in the number of service hours provided will be based upon costs approved in writing by the District General Manager and the City Public Works Director. Changes in service, operational provisions, specifications, schedules, fares, and location of services, required to meet unforeseen changes in demand, unforeseen funding restrictions, or the availability of additional funds for enhanced service shall be made on 90 days advance written notice.

11. City Funding Not Guaranteed

The obligation of the City to provide funds hereunder shall be subject to the condition precedent that funds for said services are approved in applicable budgets and appropriated to the City for such services, and subject, further, to the receipt of such funds for use as provided herein.

12. Termination

The City reserves the right to terminate the service described in Sections 1 or 2 of this agreement for any reason; however, the City shall provide at least 90 days written notice to District of any such decision. District reserves the right to suspend and/or terminate the service described in Sections 1 or 2 at any time for valid business reasons; however, District shall provide at least 60 days written notice to the City of any such decision.

13. Indemnity

Neither the District nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by the City under or in connection with any work, authority or jurisdiction delegated to the City herein. It is also agreed that, pursuant to California Government Code Section 895.4, the City shall fully indemnify and hold the District harmless from any liability imposed for

injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by the City under, or in connection with, any work, authority or jurisdiction delegated to the City hereunder. Neither the City, nor any officer or employee thereof, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by the District under, or in connection with, any work, authority or jurisdiction delegated to the District herein. It is also agreed that, pursuant to California Government Code Section 895.4, the District shall fully indemnify and hold the City harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by the District under or in connection with any work, authority or jurisdiction delegated to the District hereunder.

14. Insurance Requirements

The District, to qualify for any subsidy herein shall purchase and maintain the following insurance at its sole cost and expense, with an insurer or insurers satisfactory to the City:

- a) Combined single limits of not less than one million (\$1,000,000) dollars of Comprehensive General Liability Insurance, including Bodily Injury and Property Damage, and five million (\$5,000,000) dollars of Comprehensive Automobile Liability Insurance, including Bodily Injury and Property Damage. This insurance shall include:
 - i. Extension of coverage to the City, its officers, agents and employees, as additional insureds, with respect to the District's liabilities hereunder;
 - ii. A provision that coverage will not be canceled or subject to reduction until at least thirty (30) days prior written notice has been given to the City Clerk, addressed to P.O. Box 1990, Santa Barbara, California 93102-1990;
 - iii. A provision that the District's insurance shall apply as primary, and not excess of, or contributing with, the City;
 - iv. Contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the District in the indemnity and hold harmless provisions herein;
 - v. A cross liability clause, or equivalent wording, stating that coverage will apply to each named or additional insured as if separate policies had been issued to each;
 - vi. A broad form property damage endorsement; and,
 - vii. A provision that the policies be provided on an "occurrence" basis.

- b) Statutory Workers' Compensation and Employer's Liability Insurance that shall cover all employees while performing any work incidental to the performance of duties hereunder.
- c) Approval of insurance by the City or acceptance of the certificate of insurance by the City shall not relieve or decrease the extent to which the District may be held responsible for payment of damages resulting from the District's services or operation pursuant to these conditions, nor shall it be deemed a waiver of the City's rights to insurance coverage hereunder.
- d) Current Certificates of Insurance on forms supplied by the City and evidencing the above coverage shall be completed by the District's insurer or its agent and submitted to the City prior to execution of this document by the City. The District shall exercise due diligence to require any and all third party contractors to provide General and Automobile Liability, and Workers' Compensation and Employer's Liability Insurance with minimum limits of coverage and upon terms and provisions required above.
- e) The City understands that the District is self insured with regard to Worker's Compensation Insurance with a Self Insured Retention (SIR) of \$1,500,000. Further, the District has a self-retention of up to \$250,000, which it must pay before its comprehensive general liability policy comes into effect. The City accepts such circumstance so long as the limits on comprehensive general liability insurance are not less than one million (\$1,000,000) dollars, and the limits on automobile liability insurance, including bodily injury and property damage, are not less than five million (\$5,000,000) dollars.

15. Notices

All notices, approvals, acceptances, demands and other communications required or permitted hereunder, to be effective shall be in writing and shall be delivered either in person or by mailing the same by United States mail (postage prepaid, registered or certified, return receipt requested) or by Federal Express or other similar overnight delivery service to the party to whom the notice is directed at the address of such party as follows:

The Santa Barbara MTD	The City of Santa Barbara
General Manager	Santa Barbara Public Works Director
550 Olive Street	City Hall, 735 Anacapa Street
Santa Barbara, California 93110	P.O. Box 1990
	Santa Barbara, CA 93110

Any written communication given by mail shall be deemed delivered two (2) business days after such mailing date and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Either party may change its address by giving the other party written notice of its new address as herein provided.

16. No Third-Party Beneficiary Intended

Nothing herein is intended to confer any rights or remedies, express or implied, under or by reason of this document on any persons other than the parties hereto and their respective successors and assigns, nor is anything in this document intended to relieve or discharge the obligations or liability of any third persons to any party hereto, nor shall any provision give any third persons any right or subrogation or action over or against any party.

17. Term Of Agreement

The term of this agreement shall be July 1, 2011 through June 30, 2012.

IN WITNESS WHEREOF, the parties hereto have executed this Transportation Management and Transit Services agreement as of the day and year first above written.

CITY OF SANTA BARBARA
a Municipal Corporation

SANTA BARBARA METROPOLITAN
TRANSIT DISTRICT

By _____

By _____

Christine Anderson
Public Works Director

Sherrie Fisher
General Manager
550 Olive Street
Santa Barbara, CA 93101

ATTEST:

By _____
Cynthia M. Rodriguez, C.M.C.
City Clerk Services Manager

APPROVED AS TO CONTENT:

By _____
Browning Allen
Transportation Manager

APPROVED AS TO FORM:

By _____
Stephen P. Wiley
City Attorney



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 31, 2011 **AGENDA ITEM #:** 10

TYPE: ACTION

PREPARED BY: BRAD DAVIS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: **Staff Pension Plan Administrative Committee**

RECOMMENDATION:

Staff recommends that the Board approve resolution 11-04 in the matter of reauthorizing the appointment of an administrative committee to administer and monitor the MTD Profit Sharing and Salary Deferral Plan.

DISCUSSION:

The Administrative Committee is a committee composed of MTD staff members that oversees and administers the staff pension plan. The duties and authorities of the Committee, including its indemnification by the District, were established and authorized by Board resolution in 1984. Based upon discussions with John Nelson, legal counsel for retirement plan matters, it was determined necessary to update the resolution. The Board is being requested to approve the attached resolution as the updated authorization for the Administrative Committee. The issue was previously reviewed by the Board Finance Committee at its meeting of last May 10.

ATTACHMENT(S):

- MTD Board Resolution 11-04

RESOLUTION
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

IN THE MATTER OF REAUTHORIZING THE
APPOINTMENT OF AN ADMINISTRATIVE
COMMITTEE TO ADMINISTER & MONITOR
THE MTD PROFIT SHARING AND SALARY
DEFERRAL PLAN

RESOLUTION NO. 11-04

WHEREAS, Santa Barbara Metropolitan Transit District (the “Employer”) has adopted and maintains the Santa Barbara Metropolitan Transit District Profit Sharing and Salary Deferral Plan (the “Plan”); and

WHEREAS, the Employer is the “Plan Administrator” under the Plan. The Employer, acting in its capacity as the Plan Administrator, is responsible for the general administration and management of the Plan; and

WHEREAS, the Employer may delegate all or any portion of its administrative responsibilities with respect to the Plan to a committee.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of MTD hereby:

REAUTHORIZES the appointment of an administrative committee (the “Committee”) to administer the Plan and to monitor the Plan's investments.

The Committee shall consist of at least three members. The General Manager shall appoint the members. A Committee member may resign by delivering a written notice of resignation to the General Manager. The General Manager may remove any member (with or without cause) from the Committee by delivering a written notice of removal to such member. Appointment, resignation or removal shall be effective on the date specified.

Any action of the Committee shall be taken pursuant to a majority vote or pursuant to the written consent of a majority of its members.

The Committee shall be responsible for the general administration and management of the Plan. The Committee shall have all powers and duties that are necessary to fulfill its responsibilities, including, but not limited to, the following:

1. To adopt rules of procedure and policies for the proper and efficient administration of the Plan;
2. To engage service providers as the Committee deems reasonable and advisable to assist the committee with the administration and management of the Plan;

- 3. To select and monitor the investment options offered under the Plan;
- 4. To periodically review the reasonableness of plan expenses and services for each plan service provider; and,
- 5. To exercise all other powers and duties granted to the Plan Administrator under the terms of the Plan or the Plan’s companion trust agreement.

BE IT FURTHER RESOLVED that the Employer shall indemnify and save harmless to the extent permitted by applicable law any individual serving as a member of the Committee against any and all expenses, liabilities and claims (including legal fees incurred to defend against liabilities and claims) arising out of the member’s discharge in good faith of responsibilities under or incident to the Plan.

Expenses and liabilities arising out of willful misconduct shall not be covered under this indemnity.

This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Employer or provided by the Employer under any bylaw, agreement or otherwise.

Payment with respect to any indemnity and payment of expenses or fees shall be made only from assets of the Employer and shall not be made from Plan assets.

BE IT FURTHER RESOLVED that the appropriate officers of the Employer are hereby authorized and directed to execute any and all documents and take any actions as may be necessary or appropriate in order to carry out the purpose of the foregoing resolutions.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara Metropolitan Transit District this 31st day of May, 2011, by the following vote:

AYES: _____
 NAYS: _____
 ABSENT: _____

 Chair, Board of Directors

ATTEST:

 Secretary, Board of Directors

BOARD OF DIRECTORS REPORT

AGENDA DATE: MAY 31, 2011

AGENDA ITEM #: 11

TYPE: ACTION

PREPARED BY: JERRY ESTRADA

Signature

REVIEWED BY: SHERRIE FISHER

GM Signature

SUBJECT: PROPOSITION 1B – PTMISEA FISCAL YEARS 2010-11, 11-12 & 12-13 AUTHORIZING AGENT RESOLUTION

DISCUSSION:

Santa Barbara Metropolitan Transit District (MTD) has been apportioned Proposition 1B – PTMISEA Grant Program funding for three fiscal years consisting of 10-11, 11-12 and 12-13. These funds are available for transit capital projects only and can be applied to 100% of the capital project costs.

The board has already authorized the submittal of MTD's project application for the aforementioned grant and it was approved by the SBCAG board this month. As such, SBCAG will forward the approved project application to Caltrans but the program guidelines also require that the attached Resolution be approved by MTD's board of directors.

Importantly, the California Transportation Committee (CTC) will likely approve MTD's allocation request but funding will not be made available until the state of California is able to sell bonds to cover the cost of the project.

RECOMMENDATION:

Staff recommends the approval of the Resolution authorizing the General Manager to submit certifications and assurances as well as any other required documents on behalf of the District.

ATTACHMENT I

RESOLUTION # _____

**AUTHORIZATION FOR THE EXECUTION OF THE
CERTIFICATIONS AND ASSURANCES
FOR THE PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND
SERVICE ENHANCEMENT ACCOUNT BOND PROGRAM**

WHEREAS, the Santa Barbara Metropolitan Transit District is an eligible project sponsor and may receive state funding from the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) now or sometime in the future for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 88 (2007) named the Department of Transportation (Department) as the administrative agency for the PTMISEA; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing PTMISEA funds to eligible project sponsors (local agencies); and

WHEREAS, the Santa Barbara Metropolitan Transit District wishes to delegate authorization to execute these documents and any amendments thereto to the General Manager; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the *Santa Barbara Metropolitan Transit District* that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances document and applicable statutes, regulations and guidelines for all PTMISEA funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that the General Manager be authorized to execute all required documents of the PTMISEA program and any Amendments thereto with the California Department of Transportation.

AGENCY BOARD DESIGNEE:

BY: _____

Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Bond Program

Certifications and Assurances

Project Sponsor: *Santa Barbara Metropolitan Transit District*

Effective Date of this Document: *May 31, 2011*

The California Department of Transportation (Department) has adopted the following certifications and assurances for the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) bond program. As a condition of the receipt of PTMISEA bond funds, project sponsors must comply with these terms and conditions.

A. General

- (1) The project sponsor agrees to abide by the current PTMISEA Guidelines
- (2) The project sponsor must submit to the Department a PTMISEA Program Expenditure Plan, listing all projects to be funded for the life of the bond, including the amount for each project and the year in which the funds will be requested.
- (3) The project sponsor must submit to the Department a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

B. Project Administration

- (1) The project sponsor certifies that required environmental documentation is complete before requesting an allocation of PTMISEA funds. The project sponsor assures that projects approved for PTMISEA funding comply with Public Resources Code § 21100 and § 21150.
- (2) The project sponsor certifies that PTMISEA funds will be used only for the transit capital project and that the project will be completed and remains in operation for its useful life.
- (3) The project sponsor certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.

- (4) The project sponsor certifies that they will notify the Department of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
- (5) The project sponsor must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
- (6) Any interest the project sponsor earns on PTMISEA funds must be used only on approved PTMISEA projects.
- (7) The project sponsor must notify the Department of any changes to the approved project with a Corrective Action Plan (CAP).
- (8) Under extraordinary circumstances, a project sponsor may terminate a project prior to completion. In the event the Project Sponsor terminates a project prior to completion, the Project Sponsor must (1) contact the Department in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.
- (9) Funds must be encumbered and liquidated within the time allowed in the applicable budget act.

C. Reporting

- (1) Per Government Code § 8879.55, the project sponsor must submit the following PTMISEA reports:
 - a. Semi-Annual Progress Reports by February 15th and August 15th each year.
 - b. A Final Report within six months of project completion.
 - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of PTMISEA bond funds. A copy of the audit report must be submitted to the Department within six months of the close of the year (December 31) each year in which PTMISEA funds have been received or expended.

D. Cost Principles

- (1) The project sponsor agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

- (2) The project sponsor agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving PTMISEA funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (3) Any project cost for which the project sponsor has received payment that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by the project sponsor to the State of California (State). Should the project sponsor fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the project sponsor from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

E. Record Retention

- (1) The project sponsor agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the project sponsor, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the project sponsor, its contractors and subcontractors connected with PTMISEA funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the project sponsor, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the Project Sponsor pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the project sponsor's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with

the performance of the project sponsor's contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the project sponsor shall furnish copies thereof if requested.

- (3) The project sponsor, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

- (1) A project sponsor may lend its unused funds from one year to another project sponsor for an eligible project, for maximum fund use each fiscal year (July 1 – June 30). The project sponsor shall collect no interest on this loan.
- (2) Once funds have been appropriated in the budget act, a project sponsor may begin a project with its own funds before receiving an allocation of bond funds, but does so at its own risk.
- (3) The Department may perform an audit and/or request detailed project information of the project sponsor's PTMISEA funded projects at the Department's discretion at any time prior to the completion of the PTMISEA program.

I certify all of these conditions will be met.

Santa Barbara Metropolitan Transit District

BY: _____
Sherrie Fisher, General Manager



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 31, 2011

AGENDA ITEM #: 12

TYPE: ACTION ITEM

PREPARED BY: STEVE MAAS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: Resolution to Authorize Renewal of Caltrans Master Agreement

RECOMMENDATION:

Staff recommends that the Board approve a resolution authorizing the General Manager to execute a "Master Agreement for State Funded Transit Projects" with Caltrans.

DISCUSSION:

State-funded transit projects require a local agency such as MTD to execute a Master Agreement with Caltrans. MTD's current Master Agreement will expire on July 3, 2011. Caltrans has provided a sample Master Agreement (attached), which is very similar to the existing agreement. This will extend the Agreement through July 2021.

ATTACHMENTS:

- Board Resolution
- Sample Caltrans Master Agreement.

ATTACHMENT II

RESOLUTION
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

IN THE MATTER OF AUTHORIZING THE EXECUTION
OF A MASTER AGREEMENT AND PROGRAM
SUPPLEMENTS FOR STATE-FUNDED TRANSIT PROJECTS

RESOLUTION NO. 11-03

WHEREAS, the Santa Barbara Metropolitan Transit District may receive state funding from the California Department of Transportation (Department) now or sometime in the future for transit projects; and

WHEREAS, substantial revisions were made to the programming and funding process for the transportation projects programmed in the State Transportation Improvement Program, by Chapter 622 (SB 45) of the Statutes of 1997; and

WHEREAS, the Traffic Congestion Relief Act of 2000 (the Act) was established by Chapters 91 (AB 2928) and 92 (SB 496), as amended by SB 1662, of the statutes of 2000, creating the Traffic Congestion Relief Program (TCRP); and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to execute an agreement with the Department before it can be reimbursed for project expenditures; and

WHEREAS, the Department utilizes Master Agreements for State-Funded Transit Projects, along with associated Program Supplements, for the purpose of administering and reimbursing state transit funds to local agencies; and

WHEREAS, the Santa Barbara Metropolitan Transit District wishes to delegate authorization to execute these agreements and any amendments thereto to the General Manager; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Barbara Metropolitan Transit District that the fund recipient agrees to comply with all conditions and requirements set forth in this agreement and applicable statutes, regulations and guidelines for all state-funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that the General Manager be authorized to execute the Master Agreement and all Program Supplements for State-Funded Transit Projects and any Amendments thereto with the California Department of Transportation.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara Metropolitan Transit District this 31st day of May, 2011 by the following vote:

AYES: _____
NAYS: _____
ABSENT: _____

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors

Master Agreement State Funded Transit Projects



California Department of Transportation

DIVISION OF MASS TRANSPORTATION
1120 N STREET, ROOM 3300
P. O. BOX 942874, MS-39
SACRAMENTO, CA 94274-0001
PHONE (916) 654-9842

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
DIVISION OF MASS TRANSPORTATION

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**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
DIVISION OF MASS TRANSPORTATION**

**MASTER AGREEMENT
STATE FUNDED TRANSIT PROJECTS**

Effective Date of this Agreement: Month Date, Year

Termination Date of this Agreement: Month Date, Year

Recipient: Recipient Name

**APPLICABLE FUNDING SOURCES COVERED BY THIS AGREEMENT WILL BE
IDENTIFIED IN EACH SPECIFIC PROGRAM SUPPLEMENT
ADOPTING THE TERMS OF THIS AGREEMENT**

- ◆ **General Fund**
- ◆ **State Highway Account**
- ◆ **Public Transportation Account**
- ◆ **Transportation Investment Fund**
- ◆ **Traffic Congestion Relief Fund (TCR), GC 14556.40**
- ◆ **Clean Air and Transportation Improvement Act of 1990 (PROP. 116) Bond Fund**
- ◆ **Other State Funding Sources**

This AGREEMENT, entered into effective as of the date set forth above, is between the signatory public entity identified hereinabove, hereinafter referred to as **RECIPIENT**, and the STATE OF CALIFORNIA, acting by and through its Department of Transportation, hereinafter referred to as **STATE**.

ARTICLE I - PROJECT ADMINISTRATION

Section 1. Program Supplement

A. General

- (1) This AGREEMENT shall have no force and effect with respect to any PROJECT unless and until a separate PROJECT specific “PROGRAM SUPPLEMENT – STATE FUNDED TRANSIT PROJECT(S),” hereinafter referred to as “PROGRAM SUPPLEMENT,” adopting all of the terms and conditions of this AGREEMENT has been fully executed by both **STATE** and **RECIPIENT**.
- (2) **RECIPIENT** agrees to complete each defined PROJECT, or the identified PROJECT Phase/Component thereof, described in the PROGRAM SUPPLEMENT adopting all of the terms and conditions of this AGREEMENT.

- (3) A financial commitment of actual PROJECT funds will only occur in each detailed and separate PROGRAM SUPPLEMENT. No funds are obligated by the prior execution of this AGREEMENT alone.
- (4) **RECIPIENT** further agrees, as a condition to the release and payment of the funds encumbered for the PROJECT described in each PROGRAM SUPPLEMENT, to comply with the terms and conditions of this AGREEMENT and all the agreed-upon Special Covenants and Conditions attached to or made a part of the PROGRAM SUPPLEMENT identifying and defining the nature of that specific PROJECT.
- (5) The PROGRAM SUPPLEMENT shall include: a detailed Scope of Work conforming to the included Project Description, a Project Schedule, an Overall Funding Plan, and a Project Financial Plan as required by the applicable Guidelines.
 - a. The Scope of Work shall include a detailed description of the PROJECT and will itemize the major tasks and their estimated costs.
 - b. The Project Schedule shall include major tasks and/or milestones and their associated beginning and ending dates and duration.
 - c. The Overall Funding Plan shall itemize the various PROJECT Components, the committed funding program(s) or source(s), and the matching funds to be provided by **RECIPIENT** and/or other funding sources, if any [these Components include Environmental and Permits; Plans, Specifications and Estimates (PS&E); Right-of-Way (ROW); and Construction (including transit vehicle acquisition)].
 - d. The Project Financial Plan shall identify estimated expenditures for each PROJECT Component by funding source.
- (6) Adoption and execution of the PROGRAM SUPPLEMENT by **RECIPIENT** and **STATE**, incorporating the terms and conditions of this AGREEMENT into the PROGRAM SUPPLEMENT as though fully set forth therein, shall be sufficient to bind **RECIPIENT** to these terms and conditions when performing the PROJECT. Unless otherwise expressly delegated to a third-party in a resolution by **RECIPIENT**'s governing body, which delegation must be expressly assented to and concurred in by **STATE**, the PROGRAM SUPPLEMENT shall be managed by **RECIPIENT**.
- (7) The estimated cost and scope of each PROJECT will be as described in the applicable PROGRAM SUPPLEMENT. **STATE** funding participation for each PROJECT is limited to those amounts actually encumbered by **STATE** as evidenced in that applicable PROGRAM SUPPLEMENT. A contract awarded by **RECIPIENT** for PROJECT work in an amount in excess of said approved estimate or the PROGRAM SUPPLEMENT funding limit may exceed any said PROGRAM SUPPLEMENT cost estimate and the limits of **STATE**'s participation provided:
 - a. **RECIPIENT** provides the necessary additional funding, or
 - b. A cost increase in **STATE**'s share of PROJECT funding is first requested by **RECIPIENT** (before the cost overrun occurs) and that increase is approved by

STATE in the form of an Allocation Letter comprising the encumbrance document for that increased **STATE** funding level.

- (8) State programmed fund amounts may be increased to cover **PROJECT** cost increases only if:
 - a. Such funds are available;
 - b. **STATE** concurs with that proposed increase; and
 - c. **STATE** issues an approved Allocation Letter, Fund Shift Letter, or a Time Extension Letter with additional funding as stated in an executed amendment to that **PROGRAM SUPPLEMENT**.
- (9) When additional State programmed funds are not available, **RECIPIENT** agrees that reimbursements of invoiced **PROJECT** costs paid to **RECIPIENT** will be limited to, and shall not exceed, the amounts already approved in the **PROGRAM SUPPLEMENT** containing the **STATE** approved encumbrance documents and that any increases in **PROJECT** costs above that **STATE** supported funding level must be defrayed by **RECIPIENT** with non-State funds.
- (10) For each approved **PROGRAM SUPPLEMENT**, **RECIPIENT** agrees to contribute at least the statutorily or other required local contribution of appropriate matching funds (other than State funds) if any matching funds are specified within the **PROGRAM SUPPLEMENT**, or any attachment thereto, toward the actual cost of the **PROJECT** or the amount, if any, specified in an executed SB 2800 (Streets and Highways Code section 164.53) Agreement for local match fund credit, whichever is greater. **RECIPIENT** shall contribute not less than the required match amount toward the cost of the **PROJECT** in accordance with a schedule of payments as shown in a Project Financial Plan prepared by **RECIPIENT** as part of a **PROGRAM SUPPLEMENT**.
- (11) Upon the stated expiration date of this **AGREEMENT**, any **PROGRAM SUPPLEMENTS** executed under this **AGREEMENT** for a **PROJECT** with work yet to be completed pursuant to the approved Project Schedule shall be deemed to extend the term of this **AGREEMENT** only to conform to the specific **PROJECT** termination or completion date contemplated by the applicable **PROGRAM SUPPLEMENT** to allow that uncompleted **PROJECT** to be administered under the extended terms and conditions of this **AGREEMENT**.

B. Project Overrun

- (1) If **RECIPIENT** and **STATE** determine, at any time during the performance of a **PROJECT**, that the **PROJECT** budget may be exceeded, **RECIPIENT** shall take the following steps:
 - a. Notify the designated **STATE** representative of the nature and projected extent of the overrun and, within a reasonable period thereafter, identify and quantify

potential cost savings or other measures which **RECIPIENT** will institute to bring the Project Budget into balance; and

- b. Schedule the projected overrun for discussion at the next Quarterly Review meeting; and
- c. Identify the source of additional **RECIPIENT** or other third party funds that can be made available to complete PROJECT.

C. *Scope of Work*

- (1) **RECIPIENT** shall be responsible for complete performance of the work described in the approved PROGRAM SUPPLEMENT for the PROJECT related to the commitment of encumbered funds. All work shall be accomplished in accordance with the applicable provisions of the Public Utilities Code, the Streets and Highways Code, the Government Code, and other applicable statutes and regulations.
- (2) **RECIPIENT** acknowledges and agrees that **RECIPIENT** is the sole control and manager of each PROJECT and its subsequent employment, operation, repair and maintenance for the benefit of the public. **RECIPIENT** shall be solely responsible for complying with the funding and use restrictions established by (a) the statutes from which these funds are derived, (b) the California Transportation Commission (CTC), (c) the State Treasurer, (d) the Internal Revenue Service, (e) the applicable PROGRAM SUPPLEMENT, and (f) this AGREEMENT.

D. *Program Supplement Amendments*

PROGRAM SUPPLEMENT amendments will be required whenever there are CTC-approved changes to the cost, scope of work, or delivery schedule of a PROJECT from those specified in the original PROJECT Application and the original PROGRAM SUPPLEMENT. Those changes shall be mutually binding upon the Parties only following the execution of a PROGRAM SUPPLEMENT amendment.

Section 2. Allowable Costs and Payments

A. *Allowable Costs and Progress Payment Vouchers*

- (1) Not more frequently than once a month, but at least quarterly, **RECIPIENT** will prepare and submit to **STATE** (directed to the attention of the appropriate State District Transit Representative) signed Progress Payment Vouchers for actual PROJECT costs incurred and paid for by **RECIPIENT** consistent with the Scope of Work document in the PROGRAM SUPPLEMENT and **STATE** shall pay those uncontested allowable costs once the voucher is approved. If no costs were incurred during any given quarter, **RECIPIENT** is exempt from submitting a signed Progress Payment Voucher; but is still required to present a progress report at each Quarterly Review.

- (2) **STATE** shall not be required to reimburse more funds, cumulatively, per quarter of any fiscal year greater than the sums identified and included in the PROJECT Financial Plan. However, accelerated reimbursement of PROJECT funds in excess of the amounts indicated in the Project Financial Plan, cumulatively by fiscal year, may be allowed at the sole discretion of **STATE** if such funds are available for encumbrance to fulfill that need.
- (3) Each such voucher will report the total of PROJECT expenditures from all sources (including those of **RECIPIENT** and third parties) and will specify the percent of State reimbursement requested and the fund source. The voucher should also summarize State money requested by PROJECT component (environmental and permits, plans specifications, and estimates (PS&E); right of way; construction; rolling stock; or--if bond funded--private activity usage) and phase, and shall be accompanied by a report describing the overall work status and progress on PROJECT tasks. If applicable, the first voucher shall also be accompanied by a report describing any tasks specified in the PROGRAM SUPPLEMENT which were accomplished prior to the Effective Date of this AGREEMENT or the PROGRAM SUPPLEMENT with costs to be credited toward any required local contribution described in Article II, Section 1 of this Agreement (but only if expended pursuant to any applicable prior executed Agreement for Local Match Fund Credit between **RECIPIENT** and **STATE**).
- (4) An Indirect Cost Rate Proposal and/or Central Service Cost Allocation plan and related documentation approved under cognizant agency regulations are to be provided to **STATE** (Caltrans Audits & Investigations) annually for their review, and approval and filing prior to ADMINISTERING AGENCY seeking reimbursement of indirect costs incurred within each fiscal year being claimed for reimbursement.

B. Advance Payments (TCR Projects Only)

- (1) Advance reimbursements or payments by **STATE** are not allowed except in the case of TCR funded Projects, and only then when expressly authorized by the CTC.
- (2) In order to receive a CTC approved TCR payment advance, **RECIPIENT** must provide duplicate signed invoices to **STATE** requesting payment of that authorized advance.
- (3) For TCR Projects approved for advanced payment allocation by the CTC, said advance payment shall be deposited by **RECIPIENT** in an interest bearing account held by institutions with long-term credit ratings of "AA" or better from at least two nationally recognized credit rating agencies, or in instruments issued by and secured by the full faith and credit of the U.S. Government or by an agency of the U.S. Government. No TCR interest earnings may be spent on the PROJECT. Interest earned shall be recorded and documented from the time the TCR funds are first deposited in **RECIPIENT**'s account until all the approved TCR advance funds have been expended or returned to **STATE** together with all accrued interest. Interest earned shall be reported to **STATE**'s Project Coordinator on an annual basis and upon the final PROJECT

payment when interest earnings, overpayments, and unexpended advanced TCR funds shall be returned to **STATE** no later than thirty (30) days after PROJECT completion or termination of the PROGRAM SUPPLEMENT, whichever is first in time.

- (4) Advanced funds are to be expended only as indicated in the approved TCR Application. **RECIPIENT** must be able to document the expenditures/disbursement of funds advanced to only pay for actual allowable PROJECT costs incurred.
- (5) Except as expressly allowed hereinbelow, non-TCR funds and TCR project funds not authorized for advance payment can only be released by **STATE** as reimbursement of actual allowable PROJECT costs already incurred and paid for by **RECIPIENT** no earlier than the effective date of this AGREEMENT and not incurred beyond the AGREEMENT/PROGRAM SUPPLEMENT Termination Date.
- (6) Where advance payments are authorized in a PROGRAM SUPPLEMENT, **RECIPIENT** must report and document the expenditure/disbursement of funds advanced to pay for actual eligible PROJECT costs incurred, at least quarterly, using a Progress Payment Voucher to be approved by **STATE**'s District Project Administrator.

C. Expedited Payments

Should **RECIPIENT** have a valid Memorandum of Understanding (MOU) for "Expedited Payment" on file with **STATE**'s Accounting Service Center, **RECIPIENT** will, not more frequently than as authorized by that MOU, prepare and submit to **STATE** an Expedited Payment Invoice for reimbursements that are consistent with that MOU, this AGREEMENT, and the applicable PROGRAM SUPPLEMENT. Expedited Payments are subject to policies established in the Caltrans Accounting Manual. One time payments and final payments eligible for expedited pay pursuant to this Section will have ten percent (10%) of each invoice amount withheld until PROJECT completion and **STATE** has evaluated **RECIPIENT**'s performance and made a determination that all requirements assumed under this AGREEMENT and the relevant PROGRAM SUPPLEMENT have been satisfactorily fulfilled by **RECIPIENT**.

D. Advance Expenditure of Local Funds

Government Code section 14529.17 (AB 872) allows public agencies to expend their own funds on certain programmed projects prior to the CTC's allocation of funds, and, upon receipt of CTC approval, to then seek reimbursement for those allowable prior expenditures following execution of a PROGRAM SUPPLEMENT wherein **STATE** acknowledges and accepts those statutorily authorized prior expenditures as a credit towards a required **RECIPIENT** match, (if any) or as eligible PROJECT expenditures for reimbursement.

E. Travel Reimbursement

Payments to **RECIPIENT** for PROJECT related travel and subsistence expenses of **RECIPIENT** forces and its subcontractors claimed for reimbursement or applied as local match credit shall not exceed rates authorized to be paid rank and file State employees under current

State Department of Personnel Administration (DPA) rules. If the rates invoiced by **RECIPIENT** are in excess of those authorized DPA rates, then **RECIPIENT** is responsible for the cost difference, and any overpayments inadvertently paid by **STATE** shall be reimbursed to **STATE** by **RECIPIENT** on demand.

F. *Final Invoice*

The PROGRAM SUPPLEMENT Termination Date refers to the last date for **RECIPIENT** to incur valid PROJECT costs or credits and is the date that the PROGRAM SUPPLEMENT expires. **RECIPIENT** has one hundred and eighty (180) days after that Termination Date to make already incurred final allowable payments to PROJECT contractors or vendors, prepare the PROJECT Closeout Report, and submit the final invoice to **STATE** for reimbursement of allowable PROJECT costs before those remaining State funds are unencumbered and those funds are reverted as no longer available to pay any PROJECT costs. **RECIPIENT** expressly waives any right to allowable reimbursements from **STATE** pursuant to this AGREEMENT for costs incurred after that termination date and for costs invoiced to **RECIPIENT** for payment after that one hundred and eightieth (180th) day following the PROJECT Termination Date.

ARTICLE II – GENERAL PROVISIONS

Section 1. Funding

A. *Local Match Funds*

Subparagraphs “(1) and (2)” within this Section 1.A. apply only to those PROJECTS where the PROJECT funding is programmed to require a local match. (See individual Program Guidelines for specific funding requirements).

- (1) Except where specifically allowed by the applicable PROGRAM SUPPLEMENT, reimbursement of and credits for local matching funds will be made or allowed only for work performed after the Effective Date of a PROGRAM SUPPLEMENT and prior to the Termination Date unless permitted as local match PROJECT expenditures made prior to the effective date of the PROGRAM SUPPLEMENT pursuant to Government Code section 14529.17 or by an executed SB 2800 Agreement for Local Match Fund Credit.
- (2) **RECIPIENT** agrees to contribute at least the statutorily or other required local contribution of matching funds (other than State or federal funds), if any is specified within the PROGRAM SUPPLEMENT or any attachment thereto, toward the actual cost of the PROJECT or the amount, if any, specified in any executed SB 2800 (Streets and Highways Code Section 164.53) Agreement for local match fund credit, whichever is greater. **RECIPIENT** shall contribute not less than its required match amount toward the PROJECT cost in accordance with a schedule of payments as shown in the Project Financial Plan prepared by **RECIPIENT** and approved by **STATE** as part of a PROGRAM SUPPLEMENT.

B. *Funding Contingencies*

Delivery by **STATE** of all funds encumbered to reimburse allowable **PROJECT** costs pursuant to this **AGREEMENT** is contingent upon prior budget action by the Legislature, fund allocation by the CTC or the United States Department of Transportation, and submittal by **RECIPIENT** and approval by **STATE** of all **PROJECT** documentation, including, without limitation, that required by Government Code section 14085. In the event of the imposition of additional conditions, delays, or a cancellation or reduction in funding, as approved by the Legislature, the CTC or the United States Department of Transportation, **RECIPIENT** shall be excused from meeting the time and expenditure constraints set forth in the Project Financial Plan and the Project Schedule to the extent of such delay, cancellation or reduction and the **PROGRAM SUPPLEMENT** will be amended to reflect the resultant necessary changes in **PROJECT** funding, scope, or scheduling.

C. *Funds Movement*

RECIPIENT shall not make any proposed changes in any of the four **PROJECT** expenditure Components (Environmental and Permits, PS&E, Right-of-Way and Construction (including major equipment acquisitions) without prior written **STATE** approval. **STATE** will also determine whether those proposed changes are significant enough to warrant CTC review. Specific rules and guidelines regarding this process may be detailed in the applicable CTC Resolutions, including, but not limited to, numbers G-06-04 and G-06-20 or their successors.

Section 2. Audits and Reports

A. *Cost Principles*

- (1) **RECIPIENT** agrees to comply with Title 2 Code of Federal Regulations 225 (2 CFR 225) Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (2) **RECIPIENT** agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual Project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving **PROJECT** funds as a contractor or sub-contractor under this **AGREEMENT** shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (3) Any **PROJECT** costs for which **RECIPIENT** has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR 225, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by **RECIPIENT** to **STATE**. Should

RECIPIENT fail to reimburse moneys due **STATE** within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, **STATE** is authorized to intercept and withhold future payments due **RECIPIENT** from **STATE** or any third-party source, including but not limited to, the State Treasurer, the State Controller and the CTC.

B. *Record Retention*

- (1) **RECIPIENT** agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred PROJECT costs and matching funds by line item for the PROJECT. The accounting system of **RECIPIENT**, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of **RECIPIENT**, its contractors and subcontractors connected with PROJECT performance under this AGREEMENT and each PROGRAM SUPPLEMENT shall be maintained for a minimum of three (3) years from the date of final payment to **RECIPIENT** under a PROGRAM SUPPLEMENT and shall be held open to inspection, copying, and audit by representatives of **STATE**, the California State Auditor, and auditors representing the federal government. Copies thereof will be furnished by **RECIPIENT**, its contractors, and subcontractors upon receipt of any request made by **STATE** or its agents. In conducting an audit of the costs and match credits claimed under this AGREEMENT, **STATE** will rely to the maximum extent possible on any prior audit of **RECIPIENT** pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by **RECIPIENT**'s external and internal auditors may be relied upon and used by **STATE** when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of **RECIPIENT**'s contracts with third parties pursuant to Government Code section 8546.7, **RECIPIENT**, **RECIPIENT**'s contractors and subcontractors and **STATE** shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such AGREEMENT and PROGRAM SUPPLEMENT materials available at their respective offices at all reasonable times during the entire PROJECT period and for three (3) years from the date of final payment to **RECIPIENT** under any PROGRAM SUPPLEMENT. **STATE**, the California State Auditor, or any duly authorized representative of **STATE** or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent to a PROJECT for audits, examinations, excerpts, and transactions, and **RECIPIENT** shall furnish copies thereof if requested.

- (3) **RECIPIENT**, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by **STATE**, for the purpose of any investigation to ascertain compliance with this AGREEMENT.

C. *Quarterly Review*

- (1) Subject to the discretion of **STATE**, **RECIPIENT** and **STATE** agree to conduct, on a quarterly basis, on-site reviews of all aspects of the progress of each PROJECT. **RECIPIENT** agrees, during each quarterly progress review, to inform **STATE** regarding:
 - a. Whether the PROJECT is proceeding on schedule and within budget;
 - b. Any requested changes to the Project Description, Scope of Work, Project Schedule, Overall Funding Plan, or Project Financial Plan contained in a PROGRAM SUPPLEMENT;
 - c. Major construction accomplishments during the quarter;
 - d. Any actual or anticipated problems which could lead to delays in schedule, increased costs or other difficulties;
 - e. The status of the PROJECT budget; and
 - f. The status of critical elements of PROJECT.
- (2) Quarterly reviews of **RECIPIENT** progress will include consideration of whether reported implementation activities are within the scope of the PROJECT PROGRAM SUPPLEMENT and in compliance with State laws, regulations, and administrative requirements.

Section 3. Special Requirements

A. *California Transportation Commission (CTC) Resolutions*

- (1) **RECIPIENT** shall adhere to applicable CTC policies on “Timely Use of Funds” as stated in Resolution G-06-04, adopted April 26, 2006, addressing the expenditure and reimbursement of TCR funds; and Resolution G-06-20, adopted December 13, 2006, to provide guidance for the use of Proposition 116 and STIP funds. These resolutions, and/or successor resolutions in place at the time a PROGRAM SUPPLEMENT is executed, shall be applicable to all Prop 116, STIP and TCR funds, respectively.
- (2) **RECIPIENT** shall be bound to the terms and conditions of this AGREEMENT; the PROJECT application contained in the PROGRAM SUPPLEMENT (as applicable); and CTC Resolutions G-06-04, G-06-20 and/or their respective successors in place at the time the PROGRAM SUPPLEMENT is signed (as applicable) and all restrictions, rights, duties and obligations established therein on behalf of **STATE** and CTC shall accrue to the benefit of the CTC and shall thereafter be subject to any necessary

enforcement action by CTC or **STATE**. All terms and conditions stated in the aforesaid CTC Resolutions and CTC-approved Guidelines in place at the time the PROGRAM SUPPLEMENT is signed (if applicable) shall also be considered to be binding provisions of this AGREEMENT.

- (3) **RECIPIENT** shall conform to any and all permit and mitigation duties associated with PROJECT as well as all environmental obligations established in CTC Resolution G-91-2 and/or its successors in place at the time a PROGRAM SUPPLEMENT is signed, as applicable, at the expense of **RECIPIENT** and/or the responsible party and without any further financial contributions or obligations on the part of **STATE** unless a separate PROGRAM SUPPLEMENT expressly provides funding for the specific purpose of hazardous materials remediation.

B. RECIPIENT Resolution

- (1) **RECIPIENT** has executed this AGREEMENT pursuant to the authorizing **RECIPIENT** resolution, attached as Attachment II to this AGREEMENT, which empowers **RECIPIENT** to enter into this AGREEMENT and which may also empower **RECIPIENT** to enter into all subsequent PROGRAM SUPPLEMENTS adopting the provisions of this AGREEMENT.
- (2) If **RECIPIENT** or **STATE** determines that a separate Resolution is needed for each PROGRAM SUPPLEMENT, **RECIPIENT** will provide information as to who the authorized designee is to act on behalf of the **RECIPIENT** to bind **RECIPIENT** with regard to the terms and conditions of any said PROGRAM SUPPLEMENT or amendment and will provide a copy of that additional Resolution to **STATE** with the PROGRAM SUPPLEMENT or any amendment to that document.

C. Termination

- (1) **STATE** reserves the right to terminate funding for any PROGRAM SUPPLEMENT upon written notice to **RECIPIENT** in the event that **RECIPIENT** fails to proceed with PROJECT work in accordance with the PROGRAM SUPPLEMENT, the bonding requirements, if applicable, or otherwise violates the conditions of this AGREEMENT and/or the PROGRAM SUPPLEMENT or the funding allocation such that substantial performance is significantly endangered.
- (2) No such termination shall become effective if, within thirty (30) days after receipt of a Notice of Termination, **RECIPIENT** either cures the default involved or, if not reasonably susceptible of cure within said thirty (30)-day period, **RECIPIENT** proceeds thereafter to complete the cure in a manner and time line acceptable to **STATE**. Any such termination shall be accomplished by delivery to **RECIPIENT** of a Notice of Termination, which notice shall become effective not less than thirty (30) days after receipt, specifying the reason for the termination, the extent to which funding of work under this AGREEMENT is terminated and the date upon which such termination becomes effective, if beyond thirty (30) days after receipt. During the

period before the effective termination date, **RECIPIENT** and **STATE** shall meet to attempt to resolve any dispute.

- (3) Following a fund encumbrance made pursuant to a PROGRAM SUPPLEMENT, if **RECIPIENT** fails to expend TCR/GENERAL FUND monies by June 30 of any applicable Fiscal Year that those funds would revert, those funds will be deemed withdrawn and will no longer be available to reimburse PROJECT work unless those funds are specifically made available beyond the end of that Fiscal Year through re-appropriation or other equivalent action of the Legislature and written notice of that action is provided to **RECIPIENT** by **STATE**.
- (4) In the event **STATE** terminates a PROGRAM SUPPLEMENT for convenience and not for a default on the part of **RECIPIENT** as is contemplated in C (1) and (2) above of this Section 3, **RECIPIENT** shall be reimbursed its authorized costs up to **STATE**'s proportionate and maximum share of allowable PROJECT costs incurred to the date of **RECIPIENT**'s receipt of that notice of termination, including any unavoidable costs reasonably and necessarily incurred up to and following that termination date by **RECIPIENT** to effect such termination following receipt of that termination notice.

D. *Third Party Contracting*

- (1) **RECIPIENT** shall not award a construction contract over \$10,000 or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code Sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this AGREEMENT without the prior written approval of **STATE**. Contracts awarded by **RECIPIENT**, if intended as local match credit, must meet the requirements set forth in this AGREEMENT regarding local match funds.
- (2) Any subcontract entered into by **RECIPIENT** as a result of this AGREEMENT shall contain the provisions of ARTICLE II – GENERAL PROVISIONS, Section 2. Audits and Reports and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as PROJECT costs only after those costs are incurred and paid for by the subcontractors.
- (3) To be eligible for local match credit, **RECIPIENT** must ensure that local match funds used for the PROJECT meet the General Provisions requirements outlined in this ARTICLE II in the same manner as required of all other PROJECT expenditures.
- (4) In addition to the above, the preaward requirements of third party contractor/consultants with local transit agencies should be consistent with Local Program Procedures (LPP-00-05).

E. *Change in Funds and Terms/Amendments*

This AGREEMENT and the resultant PROGRAM SUPPLEMENTS may be modified, altered, or revised only with the joint written consent of **RECIPIENT** and **STATE**.

F. *Project Ownership*

- (1) Unless expressly provided to the contrary in a PROGRAM SUPPLEMENT, subject to the terms and provisions of this AGREEMENT, **RECIPIENT**, or a designated subrecipient acceptable to **STATE**, as applicable, shall be the sole owner of all improvements and property included in the PROJECT constructed, installed or acquired by **RECIPIENT** or subrecipient with funding provided to **RECIPIENT** under this AGREEMENT. **RECIPIENT**, or subrecipient, as applicable, is obligated to continue operation and maintenance of the physical aspects of the PROJECT dedicated to the public transportation purposes for which PROJECT was initially approved unless **RECIPIENT**, or subrecipient, as applicable, ceases ownership of such PROJECT property; ceases to utilize the PROJECT property for the intended public transportation purposes; or sells or transfers title to or control over PROJECT and **STATE** is refunded the Credits due **STATE** as provided in paragraph (4) herein below.
- (2) Should State bond funds be encumbered to fund any part of a PROJECT under this AGREEMENT, then, at **STATE**'s option, before **RECIPIENT** will be permitted to make any proposed change in use, **RECIPIENT** shall be required to first obtain a determination by Bond Counsel acceptable to the State Treasurer's Office and **STATE** that a change in the operation, proportion, or scope of PROJECT as originally proposed by **RECIPIENT** will not adversely affect the tax exempt status of those bonds.
- (3) PROJECT right-of-way, PROJECT facilities constructed or reconstructed on a PROJECT site and/or PROJECT property (including vehicles and vessels) purchased by **RECIPIENT** (excluding temporary construction easements and excess property whose proportionate resale proceeds are distributed pursuant to this AGREEMENT) shall remain permanently dedicated to the described public transit use in the same proportion and scope, and to the same extent as mandated in the PROGRAM SUPPLEMENT and related Bond Fund Certification documents, if applicable, unless **STATE** agrees otherwise in writing. Vehicles acquired as part of PROJECT, including, but not limited to, buses, vans, rail passenger equipment and ferry vessels, shall be dedicated to that public transportation use for their full economic life cycle, which, for the purpose of this AGREEMENT, will be determined in accordance with standard national transit practices and applicable rules and guidelines, including any extensions of that life cycle achievable by reconstruction, rehabilitation or enhancements.
- (4) (a) Except as otherwise set forth in this Section 4, **STATE**, or any other **STATE**-assignee public body acting on behalf of the CTC, shall be entitled to a refund or credit (collectively the Credit), at **STATE**'s sole option, equivalent to the proportionate PROJECT funding participation received by **RECIPIENT** from

STATE if **RECIPIENT**, or a sub-recipient, as applicable, (i) ceases to utilize **PROJECT** for the original intended public transportation purposes or (ii) sells or transfers title to or control over **PROJECT**. If federal funds (meaning only those federal funds received directly by **RECIPIENT** and not federal funds derived through or from the State) have contributed to the **PROJECT**, **RECIPIENT** shall notify both **STATE** and the original federal source of those funds of the disposition of the **PROJECT** assets or the intended use of those sale or transfer receipts.

- (b) **STATE** shall also be entitled to an acquisition Credit for any future purchase or condemnation of all or portions of **PROJECT** by **STATE** or a designated representative or agent of **STATE**.
- (c) The Credit due **STATE** will be determined by the ratio of **STATE**'s funding when measured against the **RECIPIENT**'s funding participation (the Ratio). For purposes of this Section 4, the State's funding participation includes federal funds derived through or from **STATE**. That Ratio is to be applied to the then present fair market value of **PROJECT** property acquired or constructed as provided in (d) and (e) below.
- (d) For Mass Transit vehicles, this Credit [to be deducted from the then remaining equipment value] shall be equivalent to the percentage of the full extendable vehicle economic life cycle remaining, multiplied by the Ratio of funds provided for that equipment acquisition. For real property, this same funding Ratio shall be applied to the then present fair market value, as determined by **STATE**, of the **PROJECT** property acquired or improved under this AGREEMENT.
- (e) Such Credit due **STATE** as a refund shall not be required if **RECIPIENT** dedicates the proceeds of such sale or transfer exclusively to a new or replacement **STATE** approved public transit purpose, which replacement facility or vehicles will then also be subject to the identical use restrictions for that new public purpose and the Credit ratio due **STATE** should that replacement project or those replacement vehicles cease to be used for that intended described pre-approved public transit purpose.
 - (1) In determining the present fair market value of property for purposes of calculating **STATE**'s Credit under this AGREEMENT, any real property portions of a **PROJECT** site contributed by **RECIPIENT** shall not be included. In determining **STATE**'s proportionate funding participation, **STATE**'s contributions to third parties (other than **RECIPIENT**) shall be included if those contributions are incorporated into the **PROJECT**.
 - (2) Once **STATE** has received the Credit as provided for above because **RECIPIENT**, or a sub-recipient, as applicable, has (a) ceased to utilize the **PROJECT** for the described intended public transportation purpose(s) for which **STATE** funding was provided and **STATE** has not consented to that cessation of services or (b) sold or transferred title to or control over **PROJECT** to another

party (absent **STATE** approval for the continued transit operation of the **PROJECT** by that successor party under an assignment of **RECIPIENT**'s duties and obligations), neither **RECIPIENT**, subrecipient, nor any party to whom **RECIPIENT** or subrecipient, as applicable, has transferred said title or control shall have any further obligation under this **AGREEMENT** to continue operation of **PROJECT** and/or **PROJECT** facilities for those described public transportation purposes, but may then use **PROJECT** and/or any of its facilities for any lawful purpose.

- (3) To the extent that **RECIPIENT** operates and maintains Intermodal Transfer Stations as any integral part of **PROJECT**, **RECIPIENT** shall maintain each station and all its appurtenances, including, but not limited to, restroom facilities, in good condition and repair in accordance with high standards of cleanliness (Public Utilities Code section 99317.8). Upon request of **STATE**, **RECIPIENT** shall also authorize State-funded bus services to use those stations and appurtenances without any charge to **STATE** or the bus operator. This permitted use will include the placement of signs and informational material designed to alert the public to the availability of the State-funded bus service (for the purpose of this paragraph, "State-funded bus service" means any bus service funded pursuant to Public Utilities Code section 99316).
- (4) Special conditions apply to any proposed sale or transfer or change of use as respects **PROJECT** property, facilities or equipment acquired with tax free State bond funds and **RECIPIENT** shall conform to those restrictions as set forth herein and in said bonds.

G. Disputes

STATE and **RECIPIENT** shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, **RECIPIENT** shall submit to the **STATE**'s District Contract Manager or designee a written demand for a decision regarding the disposition of any dispute arising under this agreement. The District Contract Manager shall make a written decision regarding the dispute and will provide it to the fund **RECIPIENT**. The fund **RECIPIENT** shall have an opportunity to challenge the District Contract Manager's determination but must make that challenge in writing within ten (10) working days to the Mass Transportation Program Manager or his/her designee. [If the fund **RECIPIENT** challenge is not made within the ten (10) day period, the District Contract Manager's decision shall become the final decision of the **STATE**.] **STATE** and **RECIPIENT** shall submit written, factual information and supporting data in support their respective positions. The decision of the Mass Transportation Program Manager or his/her designee shall be final, conclusive and binding regarding the dispute, unless **RECIPIENT** commences an action in court of competent jurisdiction to contest the decision in accordance with Division 3.6 of the California Government Code.

H. Hold Harmless and Indemnification

- (1) Neither **STATE** nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by **RECIPIENT**, its agents and contractors under or in connection with any work, authority, or jurisdiction delegated to **RECIPIENT** under this AGREEMENT or any PROGRAM SUPPLEMENT or as respects environmental clean up obligations or duties of **RECIPIENT** relative to PROJECT. It is also understood and agreed that, **RECIPIENT** shall fully defend, indemnify and hold the CTC and **STATE** and their officers and employees harmless from any liability imposed for injury and damages or environmental obligations or duties arising or created by reason of anything done or imposed by operation of law or assumed by, or omitted to be done by **RECIPIENT** under or in connection with any work, authority, or jurisdiction delegated to **RECIPIENT** under this AGREEMENT and all PROGRAM SUPPLEMENTS.
- (2) **RECIPIENT** shall indemnify, defend and hold harmless **STATE**, the CTC and the State Treasurer relative to any misuse by **RECIPIENT** of State funds, PROJECT property, PROJECT generated income or other fiscal acts or omissions of **RECIPIENT**.

I. *Labor Code Compliance*

RECIPIENT shall include in all subcontracts awarded using PROJECT funds, when applicable, a clause that requires each subcontractor to comply with California Labor Code requirements that all workers employed on public works aspects of any project (as defined in California Labor Code §§ 1720-1815) be paid not less than the general prevailing wage rates predetermined by the Department of Industrial Relations as effective the date of Contract award by the **RECIPIENT**.

J. *Non-Discrimination*

- (1) In the performance of work under this AGREEMENT, **RECIPIENT**, its contractor(s) and all subcontractors, shall not unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age, marital status, family and medical care leave, pregnancy leave, and disability leave. **RECIPIENT**, its contractor(s) and all subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. **RECIPIENT**, its contractor(s) and all subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900 et seq.), and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full. Each of **RECIPIENT**'s contractors and all subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreements, as appropriate.

- (2) Should federal funds be constituted as part of PROJECT funding or compensation received by **RECIPIENT** under a separate Contract during the performance of this AGREEMENT, **RECIPIENT** shall comply with this AGREEMENT and with all federal mandated contract provisions as set forth in that applicable federal funding agreement.
- (3) **RECIPIENT** shall include the non-discrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under this AGREEMENT.

K. State Fire Marshal Building Standards Code

The State Fire Marshall adopts building standards for fire safety and panic prevention. Such regulations pertain to fire protection design and construction, means of egress and adequacy of exits, installation of fire alarms, and fire extinguishment systems for any State-owned or State-occupied buildings per section 13108 of the Health and Safety Code. When applicable, **RECIPIENT** shall request that the State Fire Marshal review PROJECT PS&E to ensure PROJECT consistency with State fire protection standards.

L. Americans with Disabilities Act

By signing this Master Agreement, **RECIPIENT** assures **STATE** that **RECIPIENT** shall comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. 12101 et seq.).

M. Access for Persons with Disabilities

Disabled access review by the Department of General Services (Division of the State Architect) is required for all publicly funded construction of buildings, structures, sidewalks, curbs and related facilities. **RECIPIENT** will award no construction contract unless **RECIPIENT**'s plans and specifications for such facilities conform to the provisions of sections 4450 and 4454 of the California Government Code, if applicable. Further requirements and guidance are provided in Title 24 of the California Code of Regulations.

N. Disabled Veterans Program Requirements

- (1) Should Military and Veterans Code sections 999 et seq. be applicable to **RECIPIENT**, **RECIPIENT** will meet, or make good faith efforts to meet, the 3% Disabled Veterans Business Enterprises goals (or **RECIPIENT**'s applicable higher goals) in the award of every contract for PROJECT work to be performed under these this AGREEMENT.
- (2) **RECIPIENT** shall have the sole duty and authority under this AGREEMENT and each PROGRAM SUPPLEMENT to determine whether these referenced code sections are applicable to **RECIPIENT** and, if so, whether good faith efforts asserted by those contractors of **RECIPIENT** were sufficient as outlined in Military and Veterans Code sections 999 et seq.

O. *Environmental Process*

Completion of the PROJECT environmental process (“clearance”) by **RECIPIENT** (and/or **STATE** if it affects a State facility within the meaning of the applicable statutes) is required prior to requesting PROJECT funds for right-of-way purchase or construction. No State agency may request funds nor shall any State agency, board or commission authorize expenditures of funds for any PROJECT effort, except for feasibility or planning studies, which may have a significant effect on the environment unless such a request is accompanied with all appropriate documentation of compliance with or exemption from the California Environmental Quality Act (CEQA) (including, if as appropriate, an environmental impact report, negative declaration, or notice of exemption) under California Public Resources Code section 21080(b) (10), (11), and (12) provides an exemption for a passenger rail project that institutes or increases passenger or commuter services on rail or highway rights-of-way already in use.

ARTICLE III – SPECIAL PROVISIONS

Section 1. Bond Provisions (Applicable only to State Bond Funding encumbered against a specific Program Supplement).

A. *General Bond Provisions*

- (1) If **RECIPIENT** enters into a management contract with a private party (including AMTRAK) for operation of rail, ferry or other transportation services in connection with PROJECT, **RECIPIENT** will obtain prior approval from Bond Counsel acceptable to **STATE** that the terms of that management contract meet the requirements of Internal Revenue Service Revenue Procedure 97-13 (as supplemented or amended) or any successor thereto (dealing generally with guidelines for when management contracts may be deemed not to create a "private use" of bond-financed property) or are otherwise acceptable. **RECIPIENT** must also be prepared to certify, upon request of **STATE**, that the revenues which **RECIPIENT** (or its manager) will receive directly from the operation of transportation services in connection with PROJECT (but not including any subsidy of the transportation operation from taxes or other outside fund sources) are, for any fiscal year, less than the ordinary and necessary expenses directly attributable to the operation and maintenance of the transportation system (excluding any overhead or administrative costs of **RECIPIENT**).
- (2) Except as provided in this Article III, A (1), **STATE** and **RECIPIENT** agree that any costs of PROJECT acquired or constructed by **RECIPIENT** allocable to portions of PROJECT which are subject to any property interests held by a non-governmental person(s) in connection with business activities, such as easements, leases, or fee interests, not generally enjoyed by the public (hereinafter referred to as “Non-Governmentally Used Property” or “NUP”) shall require the prior approval of **STATE** and the State Treasurer, as applicable. If **RECIPIENT** receives any revenues or profits

from any NUP activities allowed pursuant to this Article (whether approved at this time or hereafter approved by **STATE**), **RECIPIENT** agrees that such revenues or profits shall be used exclusively for the public transportation services for which **PROJECT** was initially approved, either for capital improvements or operating costs. If **RECIPIENT** does not so dedicate those revenues or profits, a proportionate share shall (unless disapproved by Bond Counsel) be paid to **STATE** equivalent to the Ratio of **STATE**'s percentage of participation in **PROJECT**.

- (3) Notwithstanding the foregoing, **RECIPIENT** may be authorized to receive an allocation of bond proceeds for NUP activity, in an amount not to exceed the amount specified in the **PROGRAM SUPPLEMENT**, if **RECIPIENT** submits a certified bond certification questionnaire to the **STATE**, and both the **STATE** and the State Treasurer approve the private activities contained therein.
- (4) **RECIPIENT** shall not loan any portion of bond proceeds funding **PROJECT** to any private (including nonprofit) person or business. For this purpose, a "loan" includes any arrangement that is the economic equivalent of a loan, regardless of how it is named.
- (5) Delivery by **STATE** of any bond funds is contingent on the sale of bonds by the State Treasurer. **STATE** shall not be held liable for any resulting damage or penalty to **RECIPIENT** in the event bond sales are delayed, canceled, or downsized or other **AGREEMENT** funds are restricted, limited or otherwise conditioned by acts of Congress, the Internal Revenue Service, the United States Department of Transportation, the Legislature, or the CTC.
- (6) **RECIPIENT** shall, for the purposes of any State bond funded right of way acquisition which will become a permanent part of **PROJECT** (such acquisitions exclude temporary construction easements, property allocated to matching funds, and excess property purchased with State funds whose resale proceeds are returned or credited to **STATE**), maintain ownership of such **PROJECT** property for a minimum of twenty years or until the bonds have matured, whichever occurs first, before transferring or selling such property (subject to all refunds or Credits due **STATE** as provided hereinabove).
- (7) Where **RECIPIENT**'s **PROJECT** includes a commuter rail **PROJECT** within the meaning of Proposition 116, **RECIPIENT** shall coordinate and share with other public transit operators any rail rights-of-way, common maintenance services and station facilities used for intercity and commuter rail. Intercity and commuter rail services shall be coordinated with each other, with other providers and with freight traffic to provide integrated rail passenger and freight services with minimal conflict.
- (8) **RECIPIENT** agrees that all passenger vehicles, rail, and water borne ferry equipment, and all facilities acquired or constructed with Proposition 116 bond funds shall be accessible to persons with physical disabilities, including wheelchair users, at all stops, stations and terminals, whether or not staffed.

- (9) NUP shall, for accounting and bookkeeping purposes, first be allocated to funding sources other than the State bond funds. For purposes of making such allocations, the costs attributable to NUP involving a sale, easement, lease or similar arrangement shall be determined on the basis of a fair allocation of value, which may include determinations based upon square meters/feet of the area encumbered by the NUP lease or easement relative to the total area acquired or constructed if all such area is of approximately equal value.
- (10) NUP will include, but is not limited to, property which is sold (including sales of air and subsurface rights), and property subject to easements, leases or similar rights. A rail right of way will not be treated as NUP solely as a result of a Freight Use Easement retained by the seller of the right of way to **RECIPIENT**, provided that the sales agreement appropriately excludes the Freight Use Easement from the property or rights being acquired. Further, notwithstanding anything in this Article III to the contrary, **RECIPIENT** may allocate grant funds to the cost of any NUP if (a) neither **RECIPIENT** nor any other governmental entity will receive, directly or indirectly, any payments from or on behalf of the non-governmental user of the NUP, or (b) the payment from such user does not exceed the operation and maintenance costs fairly attributable or allocable to the non-governmental use of the NUP.
- (11) **RECIPIENT** shall request, in writing, **STATE**'s advance approval if **PROJECT** funds are to be allocated to any NUP except "incidental use" property described below. If property, the costs of which have previously been allocated to **PROJECT** funds, is to become NUP before the State bond funds are fully paid or redeemed, then **RECIPIENT** may allocate the costs of such property to another funding source as provided or obtain **STATE**'s approval that the allocation of the costs of such property to the bond funds may remain. It is anticipated that **STATE**'s approval will be granted if, taking into account the existing and expected uses of the proceeds of the State bonds, **STATE** determines that the continued tax-exempt status of the State bonds will not be adversely affected and that the use of the property is consistent with **PROJECT** and its described purpose.
- (12) For purposes of these fund source allocations, **RECIPIENT** does not have to consider NUP as including those "incidental uses" of **PROJECT** (for example, advertising billboards, vending machines, telephones, etc.) which meet the applicable requirements of federal tax regulations (IRS Notice 87-69 or any successor thereto). In general, such Notice requires that the incidental use not be physically separated from the rest of **PROJECT** and not comprise, in the aggregate, more than 2-1/2% of the total costs of **PROJECT**.

Section 2. TCRP PROJECTS

The TRAFFIC CONGESTION RELIEF (TCR) ACT OF 2000 (the "ACT"), was added (in Chapter 4.5, commencing with section 14556) to part 5.3 of Division 3 of Title 2 of the Government Code by AB 2928 and SB 406, as amended by SB 1662 and AB 1705. As directed

by the ACT and the CTC established Guidelines (as set out in CTC Resolution G-06-04), and as those Guidelines may be amended prior to the execution of a future PROGRAM SUPPLEMENT, said Guidelines shall apply to each TCRP funded PROJECT. By this reference, those Guidelines are made an express part of this AGREEMENT and shall apply to each TCRP funded PROJECT. **RECIPIENT** will cause its specific TCRP mandated Resolution to be attached as part of any TCRP funded PROGRAM SUPPLEMENT as a condition precedent to the acceptance of TCR ACT funds for that PROJECT.

Section 3. PROJECT MANAGEMENT

- (1) **STATE's** PROJECT administrator for this AGREEMENT shall be the chief of the State Transit Grants Branch of the Division of Mass Transportation. **RECIPIENT's** General Manager, Executive Director or a Designee as named in writing to **STATE** following execution of this AGREEMENT shall be the administrator acting for **RECIPIENT**.
- (2) PROGRAM SUPPLEMENT administrators for **STATE** shall be the applicable District Division Chief for Planning and for **RECIPIENT**, the designee named in the applicable PROGRAM SUPPLEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT by their duly authorized officers.

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
DIVISION OF MASS TRANSPORTATION**

RECIPIENT NAME

BY: _____
BRIAN TRAVIS, Chief
State Transit Grants Branch

BY: _____
EXECUTIVE NAME
Title

APPROVED AS TO FORM AND PROCEDURE

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

BY: _____
DANIEL A. NEAR
Attorney

ATTACHMENT I

CTC RESOLUTION G-91-2

Passed by the CTC on February 21, 1991

**CALIFORNIA TRANSPORTATION COMMISSION
RESOLUTION G-91-2**

**Commission Policy Resolution for Hazardous Waste Identification
and Cleanup for Rail Right-of-Way**

WHEREAS, the Commission has programmed funding for rail right-of-way acquisition in the 1990 State Transportation Improvement Program and may allocate funds for rail right-of-way acquisition from the Clean Air and Transportation Improvement Act; and

WHEREAS, hazardous wastes, based upon federal and state statutes and regulations, include but are not limited to such categories as heavy metals, (e.g., lead), inorganic (e.g., excessive mineral levels) and organic compounds (e.g., petroleum products), and can occur on a property's surface and subsurface; and

WHEREAS, rail properties often have hazardous wastes exceeding State of California and federal hazardous waste standards; and

WHEREAS, such properties contaminated with hazardous wastes require mitigation prior to using them for rail purposes; and

WHEREAS, hazardous wastes discovered on rail property may significantly impact property value, project scheduling and future liability for the grant applicant; and

WHEREAS, the Commission must be assured that acquisition of rail properties have been fully reviewed by the grant applicant, and if warranted, the grant applicant has tested for hazardous wastes; and

WHEREAS, if hazardous wastes exist, the Commission must be assured that the hazardous wastes identified has either been cleaned up, or financial responsibility for the cleanup has been determined prior to title transfer to the grant applicant, or easement has been secured in lieu of purchasing the property, and the subsurface rights and liability for hazardous wastes remain with the property seller; and

WHEREAS, hazardous wastes identified subsequent to title transfer to the grant applicant will be cleaned up by the seller or a mechanism to recover clean-up-costs is established and executed as a condition prior to title transfer; and

WHEREAS, full due diligence is necessary in discovering hazardous waste and is an essential element in acquiring rail right-of-way properties by the grant applicant; and

NOW THEREFORE BE IT RESOLVED, that acquisition of all rail right-of-way properties will be fully investigated by the grant applicant to determine the absence/presence of hazardous wastes. Investigations shall be conducted in accordance to the standards and practices of the local, state and/or federal regulatory agencies having jurisdiction and by personnel adequately trained in hazardous waste investigation; and

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BE IT FURTHER RESOLVED, that all properties, discovered with hazardous wastes, which exceed the federal/state standards, will be cleaned up to the satisfaction of the responsible local, state and/or federal regulatory agency. The appropriate regulatory agency shall certify to grant applicant that the cleanup has been completed; and

BE IT FURTHER RESOLVED, that the grant applicant will certify by formal resolution to the Commission that all reasonable steps have been completed to assure full due diligence in the discovery of hazardous waste has been achieved during the acquisition of rail right-of-way and the state is held harmless from cleanup liability or damages, both present and future; and

BE IT FURTHER RESOLVED, that the grant applicant will certify by formal resolution that it will not seek further state funding, for cleanup, damages, or liability cost associated with hazardous wastes on or below acquired property's surface; and

BE IT FURTHER RESOLVED, that the grant applicant will certify to the Commission:

- that all rail right-of-way acquisition properties have been investigated and have been found clean;
- or that the cleanup of discovered hazardous waste has been completed prior to acquisition of the property;
- or that the grant applicant has obtained permanent easement and the subsurface rights and liability and full responsibility to pay for and remove such hazardous waste remains with the seller in conformance with applicable State and Federal law;
- or if hazardous wastes are known to exist prior to acquisition and if the applicant determines that time is of the essence for acquisition, then and in that event, an enforceable agreement will be entered into requiring the responsible party(ies) to clean all hazardous wastes by a date certain, with the option of funds sufficient for the clean-up costs deposited in escrow by the seller.

In the event of failure to clean up by the date determined, the recipient of the grant will make full restitution to the **STATE** for its participation. This resolve does not preclude the recipient from requesting re-allocation not to exceed the refunded amount after the hazardous waste(s) have been fully removed from the subject site; and

BE IT FURTHER RESOLVED, that the grant applicant will certify to the Commission that the seller from whom properties have been acquired retain liability for any hazardous waste investigation and/or cleanup, and damages discovered subsequent to the transfer of title; and

BE IT FURTHER RESOLVED, the Commission declares all future liability resulting from hazardous wastes remain with the seller or the grant applicant, not the state, and the grant applicant has been indemnified by the seller for any costs resulting from failure to eliminate hazardous wastes; and

BE IT FURTHER RESOLVED, no state funds will be made available for any future costs associated with cleanup; damages, or liability costs associated with hazardous wastes on or below the acquired property's surface.

ATTACHMENT II

(INSERT AGENCY BOARD RESOLUTION)

See Sample at

http://www.dot.ca.gov/hq/MassTrans/state_grants.html

under Transit Forms

BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 31, 2011

AGENDA ITEM #: 13

TYPE: INFORMATION

PREPARED BY: JERRY ESTRADA

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: Quarterly Financial Statement Analysis for the Period Ending March 31, 2011

DISCUSSION:

The financial statements for the period ending March 31, 2011 indicate that revenue and expenses are inline with budgeted expectations. Operating revenues exceeded the budget by \$245,205 or 1.9%, while expenses were under budget by \$248,032 or 1.5%. The federal government recently released the final transit appropriations for the current fiscal year and as anticipated it was less than what was originally budgeted for this year by approximately \$200,000. Staff intends to provide a more in depth assessment of MTD's revenue sources in the fiscal year 2011-12 budget that is scheduled to be brought before the board in June.

Operating costs of \$16,432,959 is within a few percentage points of the budget. However, that figure represents an increase of 5% or \$767,707 versus prior year results. The majority of the increase can be attributed to the following expenditures:

<u>Change from Prior Year:</u>	<u>(rounded)</u>
Diesel Fuel	\$393,000
Liability Expenses	\$182,000
Workers Compensation	\$153,000

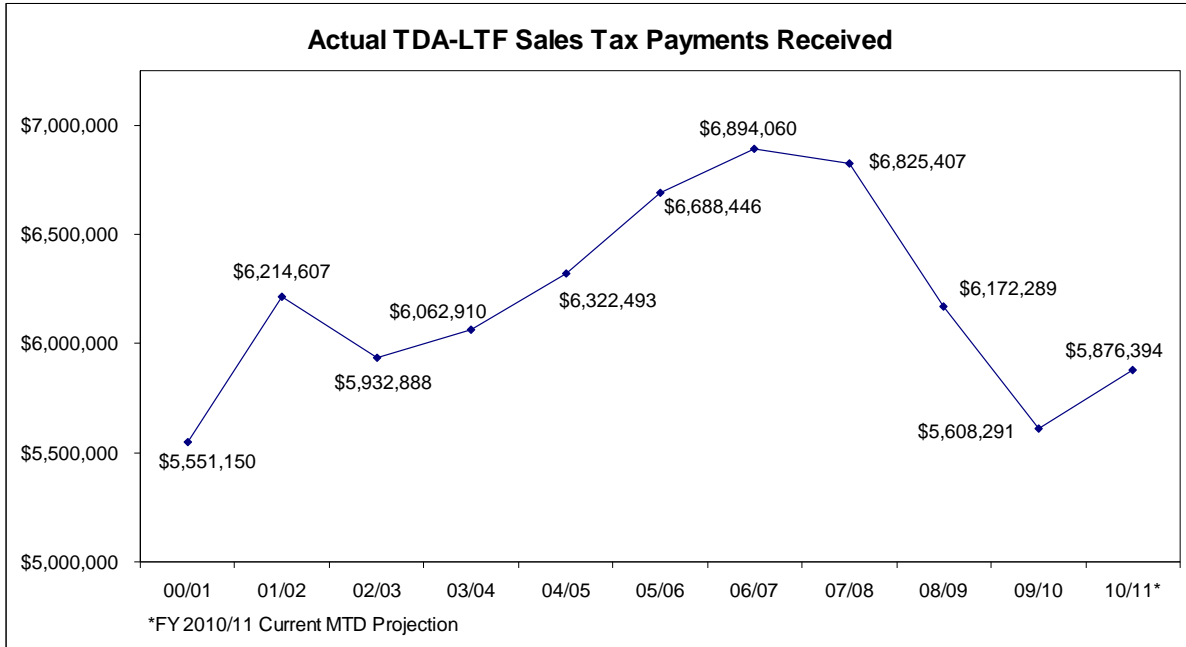
MTD entered into its first annual fixed-price (per gallon) diesel fuel contract in March 2009; which included a term of 12-months from June 2009 through May 2010. At that time MTD timed the market well and paid a price of under \$2.00 per gallon. In early May 2010, MTD entered into a new 24-month agreement that raised the price to \$2.47 the first year and to \$2.57 the second. As such, the current financial statements reflect the increase from under \$2.00 to \$2.47 per gallon. MTD consumes over 600,000 gallons of diesel fuel annually.

Forecasting liability costs and workers compensation costs is difficult. MTD tries to budget conservatively by assuming an increase over prior year results, while also adjusting the figure by the expectation for known claims.

MTD is slightly under budget as it pertains to total liability and workers compensation costs. However, said costs have exceeded last years combined total for the first nine months by approximately \$335,000.

Financial Trends

The graph below indicates that the sharp decline in Transportation Development Act - Local Transportation Fund sales tax revenue (TDA-LTF) appears to have ceased and begun to recover slightly. Fiscal year 2010-11 is on pace to be the first year since 2006-007 to record an increase in revenue over the prior year.



Staff is projecting an increase of approximately \$268,000 or 4.8% for the year. A cautionary point is that TDA-LTF sales tax revenue increased by 5.4% in the first half of the year and is on pace to increase by 3.7% over the second half. Despite the fact that the rate of growth in sales tax revenue has recently slowed it is still a welcome outcome.

Looking forward, staff would like to point out that TDA-LTF sales tax revenue is distributed throughout the county based on population. Recent population data released by the Bureau of the Census indicates that the population served by MTD (South County) has declined somewhat, while North County has experienced a significant rise in population. At some point, the new population figures will have an adverse effect on the aforementioned revenue source. MTD's preliminary estimate is that it could result in a decline in revenue in the range of \$100,000 to \$150,000.

As the chart below indicates, the trend in fare payment continues to swing from cash to discounted passes.

Fare Revenue Comparison by Payment Type

<u>General Fare Revenue:</u>	<u>FY 07-08</u>		<u>FY 08-09</u>		<u>FY 09-10</u>		<u>FY 10-11</u>	
Cash Fares	\$3,112,554	65.8%	\$3,128,453	62.6%	\$2,887,784	58.2%	\$2,750,595	54.5%
Discounted Passes	\$1,615,518	34.2%	\$1,866,805	37.4%	\$2,077,877	41.8%	\$2,295,568	45.5%

The trend over the past few years reflects a switch of approximately 4% a year. As a result, if ridership were to remain flat from year-to-year MTD could expect to see a slight decline in the amount of fare revenue generated annually. The trend has slowed each year which is a positive result from a revenue generation perspective.

**Santa Barbara Metropolitan Transit District
Revenue, Expense and Performance Report
Period Ending March 31, 2011**

Category	FY 10-11	FY 09-10	% Change
Passenger Fares (Cash & Discounted Passes)	\$3,786,278	\$3,739,541	1.25%
Passenger Fares (Contract Related)	\$2,316,597	\$2,467,984	-6.13%
Total Passenger Fares:	\$6,102,875	\$6,207,525	-1.69%
 Total Operating Expense	 \$16,184,927	 \$15,417,321	 4.98%
 Actual Farebox Ratio	 37.7%	 40.3%	 -6.35%
Required Farebox Ratio:	30.3%		
 Revenue Hours	 157,746	 157,791	 -0.03%
Revenue Miles	1,967,755	1,993,788	-1.31%
 Total Passengers	 5,725,937	 6,022,775	 -4.93%
Cost/Passenger	\$2.83	\$2.56	10.42%
Cost/Hour	\$102.60	\$97.71	5.01%
Cost/Mile	\$8.23	\$7.73	6.37%
Passenger/Hour	36.30	38.17	-4.90%
Passenger/Mile	2.91	3.02	-3.67%

Santa Barbara Metropolitan Transit District
Operating & Capital Budget
Period Ending March 31, 2011

	ACTUAL FY 10/11	BUDGET FY 10/11	PRIOR FY 09/10
OPERATING REVENUE			
Passenger Fares	\$6,102,875	\$6,006,091	\$6,207,525
Federal Operating Assistance	258,013	267,768	222,768
Property Tax Revenue	488,184	453,150	456,800
Measure A, Section 3 LSTI	1,144,382	1,107,846	0
Local Operating Assistance	121,049	77,946	1,165,602
Non-Transportation Income	560,552	499,129	458,808
Sales Tax Revenue (TDA)	4,466,080	4,484,000	4,255,563
Total Operating Revenue	<u>\$13,141,135</u>	<u>\$12,895,930</u>	<u>\$12,767,066</u>
OPERATING EXPENSE			
Route Operations	\$9,238,098	\$9,372,214	\$8,943,073
Vehicle Maintenance	3,967,284	4,020,679	3,475,788
Passenger Accommodations	1,154,901	1,230,462	1,206,920
General Overhead	1,824,644	1,809,604	1,791,540
Total Operating Expense	<u>\$16,184,927</u>	<u>\$16,432,959</u>	<u>\$15,417,321</u>
CAPITAL REVENUE			
Sales Tax Revenue (TDA)	\$0	\$0	\$0
Other Capital Assistance	0	0	0
Measure A - Capital Replacement Fund	0	0	0
Prop. 1B Capital Assistance Fund	240,132	240,132	1,352,419
State Transit Assistance (TDA)	0	0	0
Federal Capital Assistance	0	0	0
Total Capital Revenue	<u>\$240,132</u>	<u>\$240,132</u>	<u>\$1,352,419</u>
CAPITAL PROJECTS			
Haley/Calle Real/Fixed Facilities	\$102,763	\$125,000	\$0
Intelligent Transportation Systems	0	0	0
Calle Real Development	0	0	0
Management Information Systems	11,943	24,000	17,113
Passenger Facilities & Equipment	11,515	68,973	64,802
Service Vehicles	0	37,500	0
Buses	0	0	0
Buses - Radios/Fareboxes/Bike Racks	15,000	0	663
Revenue Vehicle Improvements	396,442	489,300	268,239
Shop Equipment	544	46,650	3,587
Office Furniture & Equipment	0	3,750	0
Total Capital Projects	<u>\$538,207</u>	<u>\$795,173</u>	<u>\$354,404</u>
DEFERRED CREDITS SURPLUS/(DEFICIT)	<u>(\$3,341,867)</u>	<u>(\$4,092,070)</u>	<u>(\$1,652,240)</u>

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

REVENUE VARIANCE REPORT

For the Nine Month Period Ending March 31, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VAR (\$)</u>	<u>PRIOR</u>	<u>VAR (\$)</u>
OPERATING REVENUE					
CASH FARES					
Regular Cash Fares	2,011,598	1,999,858	11,740	2,127,589	(115,992)
	<u>\$ 2,011,598</u>	<u>\$ 1,999,858</u>	<u>\$ 11,740</u>	<u>\$ 2,127,589</u>	<u>(\$ 115,992)</u>
TICKETS & TOKENS					
One Day Pass Fares	1,656	1,461	195	942	714
Adult Ten Ride Pass Fares	598,065	586,201	11,864	553,269	44,796
Youth Ten Ride Pass Fares	295,263	295,230	33	276,869	18,394
Senior Ten Ride Pass Fares	48,177	41,547	6,630	46,269	1,908
Mobility 10-Ride Pass Fares	25,372	29,252	(3,879)	33,004	(7,631)
Valley Express 10 Ride Pass Fares	34,041	41,597	(7,556)	40,023	(5,982)
Regular Fares - Tokens	51,348	30,050	21,299	37,370	13,978
Adult 30 Days Passports	441,500	422,187	19,313	379,999	61,501
Youth 30 Days Passports	102,360	86,855	15,505	78,110	24,250
Senior 30 Days Passports	53,404	51,041	2,363	50,940	2,464
Mobility 30 Days Passports	88,534	85,732	2,802	86,598	1,936
Valley Express 30 Days Passports	34,960	26,651	8,309	28,560	6,400
	<u>\$ 1,774,680</u>	<u>\$ 1,697,802</u>	<u>\$ 76,879</u>	<u>\$ 1,611,952</u>	<u>\$ 162,728</u>
CONTRACT FARES					
Brooks Institute Contract Fares	9,417	7,200	2,217	7,728	1,689
UCSB Contract Fares	674,829	678,486	(3,657)	688,879	(14,049)
City Shuttle Contract Fares	954,032	940,141	13,891	954,303	(271)
Downtown City My Ride Program Co	23,140	29,860	(6,720)	90,567	(67,428)
SBCC Contract Revenue	648,977	647,832	1,145	660,282	(11,305)
Carpinteria Seaside Shuttle Contract	0	0	0	63,180	(63,180)
CA Amtrak Contract Revenue	568	413	156	521	48
Special Event Fares	5,633	4,500	1,133	2,523	3,110
	<u>\$ 2,316,596</u>	<u>\$ 2,308,431</u>	<u>\$ 8,165</u>	<u>\$ 2,467,983</u>	<u>(\$ 151,387)</u>
OPERATING REVENUE SUBTOTAL	<u>\$ 6,102,875</u>	<u>\$ 6,006,091</u>	<u>\$ 96,783</u>	<u>\$ 6,207,525</u>	<u>(\$ 104,650)</u>
NON OPERATING REVENUE					
NON TRANSPORTATION REVENUE					
Advertising On Buses	362,996	322,500	40,496	284,831	78,165
Interest On Investments	35,959	26,250	9,709	38,812	(2,854)
Gain/(Loss) on Assets Sales	22,481	16,800	5,681	0	22,481
Miscellaneous Revenue	10,780	5,250	5,530	9,165	1,614
Overpass Property Revenue	128,338	128,329	8	126,000	2,338
Property Tax Revenue	488,184	453,150	35,034	456,800	31,384
	<u>\$ 1,048,736</u>	<u>\$ 952,279</u>	<u>\$ 96,457</u>	<u>\$ 915,608</u>	<u>\$ 133,128</u>
SALES TAX REVENUE					
SB325 Local Transportation Fund	4,466,081	4,484,000	(17,919)	4,255,563	210,518
Measure A, Section 3 LSTI	1,144,382	1,107,846	36,536	0	1,144,382
Local Operating Assistance	121,049	77,946	43,103	1,165,602	(1,044,554)
	<u>\$ 5,731,512</u>	<u>\$ 5,669,792</u>	<u>\$ 61,720</u>	<u>\$ 5,421,165</u>	<u>\$ 310,347</u>
FEDERAL ASSISTANCE					
FTA - Operating Assistance	0	0	0	0	0
FTA CMAQ Operating Assistance	258,013	267,768	(9,755)	222,768	35,245
	<u>\$ 258,013</u>	<u>\$ 267,768</u>	<u>(\$ 9,755)</u>	<u>\$ 222,768</u>	<u>\$ 35,245</u>
NON OPERATING REVENUE	<u>\$ 7,038,261</u>	<u>\$ 6,889,839</u>	<u>\$ 148,422</u>	<u>\$ 6,559,541</u>	<u>\$ 478,719</u>
GRAND TOTALS	<u>\$ 13,141,135</u>	<u>\$ 12,895,930</u>	<u>\$ 245,205</u>	<u>\$ 12,767,066</u>	<u>\$ 374,069</u>

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

OPERATING EXPENDITURES

For the Nine Month Period Ending March 31, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VAR (\$)</u>	<u>PRIOR</u>	<u>VAR (\$)</u>
<i>ROUTE OPERATIONS</i>					
DRIVERS	7,102,087	7,180,168	(78,081)	7,053,437	48,650
DISPATCH & SUPERVISION	386,833	381,265	5,568	390,655	(3,822)
HIRING & TRAINING	205,007	188,546	16,461	229,493	(24,486)
RISK & SAFETY	1,113,368	1,191,422	(78,054)	838,685	274,683
CONTRACTED TRANSPORTATION	430,803	430,813	(10)	430,803	0
<i>SUBTOTAL</i>	<u>\$ 9,238,098</u>	<u>\$ 9,372,214</u>	<u>(\$ 134,116)</u>	<u>\$ 8,943,073</u>	<u>\$ 295,025</u>
<i>VEHICLE MAINTENANCE</i>					
MECHANICS	825,634	834,394	(8,759)	831,411	(5,776)
CLEANERS & FUELERS	543,524	535,151	8,373	538,819	4,705
SHOP SUPERVISION	383,006	392,572	(9,566)	398,309	(15,303)
FUEL, LUBRICANTS AND TIRES	1,644,371	1,602,585	41,786	1,237,095	407,277
VEHICLE PARTS AND SUPPLIES	526,772	581,820	(55,048)	502,127	24,645
OUTSIDE VEHICLE MAINTENANCE	33,511	35,625	(2,114)	22,690	10,822
RISK AND SAFETY	10,465	38,533	(28,068)	(54,662)	65,127
<i>SUBTOTAL</i>	<u>\$ 3,967,284</u>	<u>\$ 4,020,679</u>	<u>(\$ 53,395)</u>	<u>\$ 3,475,788</u>	<u>\$ 491,496</u>
<i>PASSENGER FACILITIES</i>					
PASSENGER FACILITIES	502,643	508,410	(5,767)	575,861	(73,218)
TRANSIT DEVELOPMENT	260,983	275,440	(14,457)	251,494	9,489
PROMOTION & INFORMATION	181,178	228,843	(47,665)	153,558	27,620
FARE REVENUE COLLECTION	210,097	217,769	(7,672)	226,006	(15,909)
<i>SUBTOTAL</i>	<u>\$ 1,154,901</u>	<u>\$ 1,230,462</u>	<u>(\$ 75,560)</u>	<u>\$ 1,206,920</u>	<u>(\$ 52,018)</u>
<i>GENERAL OVERHEAD</i>					
FINANCE	403,273	410,666	(7,394)	399,451	3,822
PERSONNEL	77,970	76,060	1,910	76,269	1,701
OPERATING FACILITIES	199,382	194,599	4,783	174,819	24,563
DISTRICT ADMINISTRATION	989,719	965,778	23,941	992,756	(3,038)
UTILITIES	154,301	162,501	(8,200)	148,245	6,056
<i>SUBTOTAL</i>	<u>\$ 1,824,644</u>	<u>\$ 1,809,605</u>	<u>\$ 15,039</u>	<u>\$ 1,791,540</u>	<u>\$ 33,104</u>
<i>TOTAL OPERATING COST</i>	<u>\$ 16,184,927</u>	<u>\$ 16,432,959</u>	<u>(\$248,032)</u>	<u>\$ 15,417,320</u>	<u>\$ 767,607</u>

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

ROUTE OPERATIONS

For the Nine Month Period Ending March 31, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VAR (\$)</u>	<u>PRIOR</u>	<u>VAR (\$)</u>
DRIVERS					
WAGES					
Scheduled	4,344,708	4,377,427	(32,719)	4,311,211	33,498
Scheduled OT	182,550	178,402	4,148	176,291	6,259
Unscheduled	95,354	128,251	(32,897)	140,774	(45,420)
Driver Lite Duty	0	1,711	(1,711)	0	0
FRINGE BENEFITS					
FICA - Drivers	397,929	403,934	(6,005)	403,368	(5,438)
Pension - Drivers	654,423	672,509	(18,086)	647,656	6,767
Health Insurance - Drivers	736,749	740,552	(3,803)	730,720	6,029
Sick Pay - Drivers	98,415	82,838	15,577	79,028	19,387
Vacation - Drivers	308,797	320,194	(11,398)	301,697	7,100
Holiday Pay - Drivers	206,428	207,588	(1,160)	204,385	2,043
Other Pay - Drivers	25,221	18,375	6,846	16,233	8,988
Unemployment Insurance - Drivers	38,642	31,886	6,756	27,480	11,162
Uniforms - Drivers	12,871	16,500	(3,629)	14,594	(1,723)
	<u>\$ 7,102,087</u>	<u>\$ 7,180,168</u>	(\$ 78,081)	<u>\$ 7,053,437</u>	<u>\$ 48,650</u>
 DISPATCH & SUPERVISION					
WAGES					
Supervisors - Dispatch & Supervision	120,824	131,568	(10,744)	121,353	(529)
Staff - Dispatch & Supervision	120,042	115,810	4,233	124,638	(4,596)
FRINGE BENEFITS					
FICA - Dispatch & Supervision	20,555	21,649	(1,094)	21,353	(798)
Pension - Dispatch & Supervision	27,350	26,457	893	27,323	27
Health Insurance - Dispatch & Supervi	56,099	47,410	8,688	56,755	(657)
Sick Pay - Dispatch & Supervision	5,250	7,314	(2,064)	4,655	595
Vacation - Dispatch & Supervision	17,762	16,342	1,419	19,724	(1,962)
Holiday Pay - Dispatch & Supervision	11,418	10,570	848	11,331	87
Other Pay - Dispatch & Supervision	6,291	3,144	3,147	2,551	3,740
Unemployment Insurance - Dispatch &	1,243	1,001	242	972	271
	<u>\$ 386,833</u>	<u>\$ 381,265</u>	\$ 5,568	<u>\$ 390,655</u>	(\$ 3,822)
 HIRING & TRAINING					
WAGES					
Staff - Hiring & Training	24,375	27,375	(3,000)	25,813	(1,439)
Student Drivers	37,843	27,930	9,913	44,523	(6,680)
Existing Drivers/Supervisors Training	80,942	78,398	2,544	93,478	(12,536)
FRINGE BENEFITS					
FICA - Hiring & Training	9,390	10,857	(1,467)	10,087	(697)
Pension - Hiring & Training	10,575	8,057	2,518	11,580	(1,005)
Health Insurance - Hiring & Training	12,855	9,153	3,702	17,700	(4,845)
Sick Pay - Hiring & Training	819	2,206	(1,388)	2,048	(1,230)
Vacation - Hiring & Training	5,871	2,419	3,451	5,124	746
Holiday Pay - Hiring & Training	4,091	3,280	811	4,565	(474)
Other Pay - Hiring & Training	1,118	862	256	997	121
Unemployment Insurance - Hiring & Tr	706	364	342	472	233

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

ROUTE OPERATIONS

For the Nine Month Period Ending March 31, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VAR (\$)</u>	<u>PRIOR</u>	<u>VAR (\$)</u>
Medical/Driving Exams & DMV Fees (	15,905	15,919	(14)	11,270	4,635
Employment Ads	9	300	(291)	0	9
Training, Travel & Meetings (RO)	509	1,425	(916)	1,835	(1,326)
	<u>\$ 205,007</u>	<u>\$ 188,546</u>	<u>\$ 16,461</u>	<u>\$ 229,493</u>	<u>(\$ 24,486)</u>
RISK & SAFETY					
WAGES					
Staff - Risk & Safety	44,896	46,482	(1,586)	45,545	(649)
Supervisors - Risk & Safety	180,838	184,716	(3,878)	184,857	(4,020)
Driver Accident Pay	1,424	856	568	1,523	(99)
FRINGE BENEFITS					
FICA - Risk & Safety	19,549	20,104	(555)	19,198	351
Pension - Risk & Safety	26,752	20,198	6,553	25,933	819
Health Insurance - Risk & Safety	34,842	36,433	(1,592)	31,832	3,010
Sick Pay - Risk & Safety	4,424	2,347	2,077	3,423	1,000
Vacation - Risk & Safety	20,180	15,617	4,563	19,571	610
Holiday Pay - Risk & Safety	10,473	12,870	(2,397)	10,220	253
Other Pay - Risk & Safety	2,834	2,062	772	3,018	(184)
Unemployment Insurance - Risk & Saf	1,415	592	823	989	426
LIABILITY COSTS					
Liability - Professional Services	114,920	134,128	(19,207)	77,644	37,276
Liability Insurance	179,404	182,271	(2,867)	193,617	(14,213)
Liability CY Payouts	19,127	26,250	(7,123)	18,104	1,023
Liability CY Reserves	9,479	22,500	(13,021)	12,001	(2,522)
Liability PY Payouts	75,351	60,000	15,351	1,852	73,499
Change in PY Liability Reserves	(19,278)	(15,000)	(4,278)	(107,053)	87,775
WORKERS COMP COSTS					
WC Professional Services (RO)	108,759	129,707	(20,948)	116,993	(8,234)
WC Insurance (RO)	32,551	32,419	132	33,849	(1,298)
WC CY Incident Payouts (RO)	19,269	26,250	(6,981)	10,293	8,976
WC CY Incident Reserves (RO)	135,382	150,000	(14,618)	78,857	56,525
WC PY Incidents Payouts (RO)	184,393	180,000	4,393	76,062	108,331
Change In WC PY Incident Reserves (	(109,384)	(97,500)	(11,884)	(33,188)	(76,196)
Miscellaneous Risk & Safety	15,769	18,120	(2,351)	13,545	2,224
CONTRACTED TRANSPORTATION					
Paratransit Subsidy	430,803	430,813	(10)	430,803	0
	<u>\$ 1,544,171</u>	<u>\$ 1,622,235</u>	<u>(\$ 78,064)</u>	<u>\$ 1,269,488</u>	<u>\$ 274,683</u>
ROUTE OPERATIONS	<u><u>\$ 9,238,098</u></u>	<u><u>\$ 9,372,214</u></u>	<u><u>(\$ 134,116)</u></u>	<u><u>\$ 8,943,073</u></u>	<u><u>\$ 295,025</u></u>

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

VEHICLE MAINTENANCE

For the Nine Month Period Ending March 31, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VAR (\$)</u>	<u>PRIOR</u>	<u>VAR (\$)</u>
MECHANICS					
WAGES					
Mechanics	520,634	547,111	(26,477)	524,958	(4,324)
Less Mechanics Labor for Capitalizati	(9,212)	(16,345)	7,133	(10,038)	826
Mechanics-Overtime	11,259	5,210	6,049	5,380	5,879
FRINGE BENEFITS					
FICA - Mechanics	47,024	48,783	(1,759)	47,613	(590)
Pension - Mechanics	66,008	64,722	1,286	65,691	317
Health Insurance - Mechanics	71,741	71,863	(122)	75,124	(3,383)
Sick Pay - Mechanics	16,614	19,451	(2,837)	18,570	(1,956)
Vacation - Mechanics	50,248	41,835	8,413	47,869	2,379
Holiday Pay - Mechanics	27,316	27,521	(205)	27,238	78
Other Pay - Mechanics	1,584	1,144	440	776	808
Unemployment Insurance - Mechanics	3,822	2,548	1,274	2,646	1,176
Uniforms - Mechanics	8,696	9,000	(304)	9,082	(386)
Tool Allowance - Mechanics	9,900	11,550	(1,650)	16,500	(6,600)
	<u>\$ 825,634</u>	<u>\$ 834,394</u>	<u>(\$ 8,759)</u>	<u>\$ 831,411</u>	<u>(\$ 5,776)</u>
CLEANERS & FUELERS					
WAGES					
Service Workers - Cleaners & Fuelers	326,438	317,187	9,251	319,686	6,752
FRINGE BENEFITS					
FICA - Cleaners & Fuelers	26,994	26,293	701	27,388	(394)
Pension - Cleaners & Fuelers	54,128	54,259	(130)	53,414	714
Health Insurance - Cleaners & Fuelers	88,908	87,959	948	88,364	544
Sick Pay - Cleaners & Fuelers	4,680	5,289	(609)	6,429	(1,749)
Vacation - Cleaners & Fuelers	14,957	15,522	(565)	16,471	(1,514)
Holiday Pay - Cleaners & Fuelers	16,834	17,409	(575)	16,676	158
Other Pay - Cleaners & Fuelers	426	966	(540)	1,025	(599)
Unemployment Insurance - Cleaners	3,468	2,394	1,074	2,578	890
Uniforms - Cleaners & Fuelers	5,015	5,324	(309)	5,021	(6)
Medical Exams/DMV Fees (VM)	1,677	2,550	(873)	1,767	(90)
	<u>\$ 543,524</u>	<u>\$ 535,151</u>	<u>\$ 8,373</u>	<u>\$ 538,819</u>	<u>\$ 4,705</u>
SHOP SUPERVISION					
WAGES					
Staff - Maintenance Supervision	235,355	235,362	(7)	245,735	(10,380)
FRINGE BENEFITS					
FICA - Supervision Vehicle Mainten	20,322	20,447	(125)	21,100	(778)
Pension - Supervision Vehicle Maint	25,878	26,728	(851)	27,869	(1,992)
Health Insurance - Supervision/Vehicl	67,407	72,208	(4,801)	68,423	(1,016)
Sick Pay - Supervision Vehicle Mainte	423	1,526	(1,103)	346	77
Vacation - Supervision Vehicle Mainte	18,236	15,137	3,099	17,221	1,015
Holiday Pay - Supervision Vehicle Mai	11,975	12,210	(235)	12,513	(538)
Other Pay - Supervision & Vehicle Mai	920	5,088	(4,168)	1,506	(586)
Unemployment Insurance - Supervisio	1,447	865	582	945	502

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

VEHICLE MAINTENANCE

For the Nine Month Period Ending March 31, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VAR (\$)</u>	<u>PRIOR</u>	<u>VAR (\$)</u>
Training, Travel & Meetings (VM)	1,043	3,000	(1,956)	2,649	(1,606)
FUEL, LUBRICANTS AND TIRES					
Bus Tire Mounting	6,892	7,500	(608)	6,651	241
Fuel and Lubes - Buses	1,451,286	1,409,077	42,209	1,057,742	393,544
Electric Bus Power	69,089	67,500	1,589	59,448	9,641
Lease Cost - Tires Buses	117,104	118,508	(1,403)	113,254	3,850
VEHICLE PARTS AND SUPPLIES					
Vehicle Parts - Buses	462,689	515,820	(53,131)	439,035	23,654
Shop Supplies	48,608	46,875	1,733	43,853	4,756
Bus Cleaning Supplies	10,626	10,125	501	8,345	2,280
Hazmat Disposal/Tank Tests	4,850	9,000	(4,150)	10,894	(6,044)
OUTSIDE VEHICLE MAINTENANCE					
Vendor Vandalism Repairs	9,481	9,750	(269)	9,964	(483)
Vendor Accident Repairs	876	5,625	(4,749)	129	746
Less Monies Collected/Accident Colle	(6,467)	(6,000)	(467)	(10,085)	3,618
Vendor Bus Repairs	29,621	26,250	3,371	22,681	6,940
RISK AND SAFETY					
WC Professional Services (VM)	7,251	6,827	424	5,102	2,148
WC Insurance (VM)	1,713	1,706	7	1,782	(68)
WC CY Payouts (VM)	580	7,500	(6,920)	251	329
WC CY Incident Reserves (VM)	2,500	18,750	(16,250)	0	2,500
WC PY Incident Payouts (VM)	28,712	22,500	6,212	24,206	4,506
Change in WC PY Incident Reserves (	(30,292)	(18,750)	(11,542)	(86,003)	55,711
	<u>\$ 2,598,126</u>	<u>\$ 2,651,135</u>	(\$ 53,009)	<u>\$ 2,105,558</u>	<u>\$ 492,567</u>
VEHICLE MAINTENANCE	<u><u>\$ 3,967,284</u></u>	<u><u>\$ 4,020,679</u></u>	(\$ 53,395)	<u><u>\$ 3,475,788</u></u>	<u><u>\$ 491,496</u></u>

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

PASSENGER FACILITIES

For the Nine Month Period Ending March 31, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VAR (\$)</u>	<u>PRIOR</u>	<u>VAR (\$)</u>
PASSENGER FACILITIES					
WAGES					
Supervisors - Passengers Facilities	131,312	120,744	10,568	134,133	(2,820)
TC Advisors	94,127	99,973	(5,846)	95,977	(1,850)
Staff - Passenger Facilities (Bus Stop)	54,512	53,986	526	88,344	(33,832)
FRINGE BENEFITS					
FICA - Passenger Facilities	24,197	23,531	667	28,164	(3,967)
Pension - Passenger Facilities	25,777	23,909	1,868	30,561	(4,784)
Health Insurance - Passenger Facilitie	80,481	81,869	(1,388)	89,485	(9,004)
Sick Pay - Passenger Facilities	9,570	6,039	3,531	11,305	(1,735)
Vacation - Passenger Facilities	15,287	16,812	(1,525)	23,700	(8,413)
Holiday Pay - Passenger Facilities	13,025	12,191	833	14,206	(1,182)
Other Pay - Passenger Facilities	3,145	1,720	1,425	3,090	55
Unemployment Insurance - Passenger	2,890	1,819	1,071	2,207	683
BUILDINGS AND GROUNDS					
Property Insurance (PF)	1,107	1,183	(75)	939	168
Contract Maint-PF	37,649	34,710	2,939	36,710	939
B&G Repairs & Supplies (PF)	6,450	7,500	(1,050)	7,962	(1,511)
Bus Stop Repairs & Supplies	3,113	22,425	(19,312)	9,077	(5,964)
	<u>\$ 502,643</u>	<u>\$ 508,410</u>	<u>(\$ 5,767)</u>	<u>\$ 575,861</u>	<u>(\$ 73,218)</u>
TRANSIT DEVELOPMENT					
WAGES					
Staff - Transit Development	160,403	161,348	(945)	153,028	7,375
FRINGE BENEFITS					
FICA - Transit Development	13,960	14,248	(289)	13,756	204
Pension - Transit Development	18,255	18,626	(370)	18,036	220
Health Insurance - Transit Developme	37,184	41,159	(3,975)	37,418	(234)
Sick Pay - Transit Development	4,285	2,850	1,435	5,664	(1,379)
Vacation - Transit Development	9,353	11,369	(2,017)	11,483	(2,130)
Holiday Pay - Transit Development	8,181	8,551	(370)	8,204	(23)
Other Pay - Transit Development	982	3,562	(2,581)	1,981	(999)
Unemployment Insurance - Transit De	883	601	282	567	316
SERVICE PLANNING					
Planning Studies & Surveys	6,268	11,250	(4,982)	0	6,268
Training, Travel & Meetings (TD)	1,231	1,875	(644)	1,357	(127)
	<u>\$ 260,983</u>	<u>\$ 275,440</u>	<u>(\$ 14,457)</u>	<u>\$ 251,494</u>	<u>\$ 9,489</u>
PROMOTION & INFORMATION					
WAGES					
Staff - Promotion & Information	59,043	57,144	1,899	40,619	18,424
FRINGE BENEFITS					
FICA - Promotion & Information	5,000	5,053	(53)	3,311	1,689
Pension - Promotion & Information	6,573	6,605	(32)	2,451	4,122
Health Insurance - Promotion & Inform	9,654	10,239	(585)	6,438	3,216
Sick Pay - Promotion & Information	250	1,251	(1,001)	0	250
Vacation - Promotion & Information	2,615	2,651	(36)	681	1,934

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

PASSENGER FACILITIES

For the Nine Month Period Ending March 31, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VAR (\$)</u>	<u>PRIOR</u>	<u>VAR (\$)</u>
Holiday Pay - Promotion & Information	3,003	3,003	0	2,042	961
Other Pay - Promotion & Information	733	2,503	(1,770)	227	506
Unemployment Insurance - Promotion	382	255	127	189	193
PROMOTIONS					
Media Ad Placement (MA)	7,892	26,250	(18,358)	6,150	1,742
Brochures & Publications (BP)	3,704	4,875	(1,171)	0	3,704
Promotional Giveaways (PG)	5,803	4,352	1,451	2,536	3,267
Bus/Shuttle Decorations (BD)	1,610	1,875	(264)	0	1,610
Training, Travel & Meetings (PI)	310	750	(440)	186	124
INFORMATION					
Other Promotions (OP)	1,083	7,875	(6,792)	5,158	(4,075)
Route Schedules & Information (RI)	73,523	94,163	(20,639)	83,571	(10,048)
	<u>\$ 181,178</u>	<u>\$ 228,843</u>	<u>(\$ 47,665)</u>	<u>\$ 153,558</u>	<u>\$ 27,620</u>
FARE REVENUE COLLECTION					
WAGES					
Staff - Fare Revenue Collection	71,115	81,758	(10,643)	75,291	(4,176)
FRINGE BENEFITS					
FICA - Fare Revenue & Collection	6,404	7,052	(647)	6,622	(218)
Pension - Fare Revenue Collection	8,435	9,217	(783)	8,695	(260)
Health Insurance - Fare Revenue Coll	25,822	27,025	(1,203)	25,350	473
Sick Pay - Fare Revenue Collection	3,648	1,554	2,094	1,358	2,291
Vacation - Fare Revenue & Collection	5,124	4,019	1,106	3,616	1,508
Holiday Pay - Fare Revenue Collectio	3,617	3,894	(278)	3,794	(178)
Other Pay - Fare Revenue Collection	903	1,600	(696)	2,570	(1,666)
Unemployment Insurance - Fare Reve	601	400	201	416	185
Tickets and Transfers	30,669	17,500	13,169	23,655	7,015
Farebox Parts & Repairs	29,027	37,500	(8,473)	34,141	(5,114)
Fare Processing	24,732	26,250	(1,518)	40,499	(15,767)
	<u>\$ 210,097</u>	<u>\$ 217,769</u>	<u>(\$ 7,672)</u>	<u>\$ 226,006</u>	<u>(\$ 15,909)</u>
PASSENGER FACILITIES	<u>\$ 1,154,901</u>	<u>\$ 1,230,462</u>	<u>(\$ 75,560)</u>	<u>\$ 1,206,920</u>	<u>(\$ 52,018)</u>

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

GENERAL OVERHEAD

For the Nine Month Period Ending March 31, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VAR (\$)</u>	<u>PRIOR</u>	<u>VAR (\$)</u>
FINANCE					
WAGES					
Staff - Accounting	256,856	259,433	(2,577)	257,411	(555)
FRINGE BENEFITS					
FICA - Accounting	20,854	22,343	(1,489)	21,043	(189)
Pension - Accounting	29,850	29,207	643	22,161	7,689
Health Insurance - Accounting	52,656	55,503	(2,848)	52,519	137
Sick Pay - Accounting	4,118	2,327	1,792	5,407	(1,288)
Vacation - Accounting	19,835	21,115	(1,280)	21,242	(1,406)
Holiday Pay - Accounting	13,418	13,957	(539)	13,418	0
Other Pay - Accounting	4,239	5,815	(1,577)	5,249	(1,010)
Unemployment Insurance - Accountin	1,447	965	482	1,002	445
	<u>\$ 403,273</u>	<u>\$ 410,666</u>	<u>(\$ 7,394)</u>	<u>\$ 399,451</u>	<u>\$ 3,822</u>
PERSONNEL					
WAGES					
Staff - Personnel	44,896	46,071	(1,175)	45,545	(649)
FRINGE BENEFITS					
FICA - Personnel	4,213	4,050	163	4,126	87
Pension - Personnel	5,525	5,294	231	5,412	113
Health Insurance - Personnel	12,530	13,186	(656)	12,246	284
Sick Pay - Personnel	1,190	1,517	(327)	649	541
Vacation - Personnel	6,912	2,930	3,982	4,446	2,467
Holiday Pay - Personnel	2,431	2,426	5	2,431	0
Other Pay - Personnel	0	404	(404)	1,225	(1,225)
Unemployment Insurance - Personnel	273	182	91	189	84
UTILITIES					
Telephone & Data Communication	34,793	37,500	(2,707)	33,788	1,005
Power, Water, and Trash	102,783	105,001	(2,218)	98,355	4,428
Two-Way Radios	16,725	20,000	(3,275)	16,102	623
	<u>\$ 232,271</u>	<u>\$ 238,562</u>	<u>(\$ 6,291)</u>	<u>\$ 224,514</u>	<u>\$ 7,757</u>
OPERATING FACILITIES					
WAGES					
Staff - Operations/Facilities	29,992	30,103	(112)	29,215	777
FRINGE BENEFITS					
FICA - Operating Facilities	2,608	2,548	60	2,556	52
Pension - Operating Facilities & Equip	3,440	3,331	109	3,372	69
Health Insurance - Operating Facilities	6,199	6,783	(584)	6,173	26
Sick Pay - Operating Facilities & Equip	459	512	(53)	384	75
Vacation - Operating Facilities & Equip	2,391	1,281	1,110	2,562	(171)
Holiday Pay - Operating Facilities & E	1,537	1,537	0	1,533	4
Other Pay - Operating Facilities & Equi	0	128	(128)	0	0
Unemployment Insurance - Operating	273	182	91	189	84
SERVICE VEHICLES					
Service Vehicle Parts & Repairs	15,017	16,500	(1,483)	11,918	3,099

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

GENERAL OVERHEAD

For the Nine Month Period Ending March 31, 2011

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VAR (\$)</u>	<u>PRIOR</u>	<u>VAR (\$)</u>
Fuel - Services Vehicles	38,325	40,500	(2,175)	36,718	1,608
BUILDINGS & GROUNDS					
Property Insurance (OF)	9,966	10,644	(678)	8,454	1,512
Contract Maint-OF	51,860	50,550	1,310	50,148	1,713
B&G Repairs & Supplies-(OF)	37,314	30,000	7,314	21,598	15,716
	<u>\$ 199,382</u>	<u>\$ 194,599</u>	<u>\$ 4,783</u>	<u>\$ 174,819</u>	<u>\$ 24,563</u>
DISTRICT ADMINISTRATION					
WAGES					
Staff - District Administration	305,063	295,654	9,409	316,402	(11,339)
Bus Ad Revenue Placement	5,986	4,519	1,466	5,039	946
FRINGE BENEFITS					
FICA - District Administration	24,867	26,857	(1,989)	25,801	(933)
Pension - District Administration	36,788	35,107	1,682	44,274	(7,486)
Health Insurance - District Administrati	67,057	61,282	5,775	72,162	(5,104)
Health Insurance - Retiree & Cobra	77,622	72,774	4,848	69,435	8,187
Sick Pay - District Administration	5,398	5,044	354	6,297	(899)
Vacation - District Administration	25,682	30,222	(4,540)	25,122	560
Holiday Pay - District Administration	16,250	16,117	132	16,443	(194)
Other Pay - District Administration	8,772	6,715	2,057	7,519	1,253
Unemployment - District Administratio	1,590	1,138	452	1,233	357
ADMINISTRATIVE SERVICES					
Public Official Insurance	16,185	18,281	(2,096)	17,285	(1,100)
Legal Counsel	117,671	97,500	20,171	37,681	79,990
Pension Administration	14,545	8,175	6,370	5,378	9,168
Audit - Public Costs	42,000	45,000	(3,000)	44,600	(2,600)
Directors Fees	9,300	12,600	(3,300)	6,960	2,340
Office Machines Repair & Maintenanc	82,581	81,636	945	71,939	10,642
Miscellaneous Services	36,383	37,230	(847)	67,985	(31,602)
MISCELLANEOUS EXPENSES					
Training, Conferences & Meetings	3,795	3,000	795	2,208	1,587
Bus Ad Revenue Program (BA)	0	1,125	(1,125)	131	(131)
Mandated Fees and Permits	11,824	20,775	(8,951)	21,742	(9,918)
Overpass Site Service	1,765	4,125	(2,360)	49,574	(47,809)
Office & Computer Supplies	32,713	33,750	(1,037)	27,381	5,332
Dues & Subscriptions	27,258	27,056	202	26,930	328
Employee Relations	11,236	12,220	(984)	13,064	(1,828)
Miscellaneous Expenses	7,388	6,375	1,013	10,173	(2,786)
Environmental Cleanup Costs	0	0	0	0	0
Overpass Site Materials	0	1,500	(1,500)	0	0
	<u>\$ 989,719</u>	<u>\$ 965,778</u>	<u>\$ 23,941</u>	<u>\$ 992,756</u>	<u>(\$ 3,038)</u>
GENERAL OVERHEAD	<u>\$ 1,824,644</u>	<u>\$ 1,809,605</u>	<u>\$ 15,039</u>	<u>\$ 1,791,540</u>	<u>\$ 33,104</u>

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

BALANCE SHEET

For the Nine Month Period Ending March 31, 2011

ASSETS

CURRENT ASSETS

CASH & CASH ITEMS	11,533,626	
SHORT TERM INVESTMENTS	0	
RECEIVABLES	334,255	
MATERIALS & SUPPLIES INVENTORY	1,063,773	
PREPAYMENTS	<u>136,407</u>	
		13,068,060

NON-CURRENT ASSETS

WORK IN PROCESS	544,821	
LAND	5,596,297	
FIXED FACILITIES	12,376,965	
BUSES	32,342,349	
NON-REVENUE VEHICLES	886,434	
SHOP EQUIPMENT	534,789	
OFFICE FIXTURES/EQUIPMENT	1,355,019	
BUS STOP EQUIPMENT	954,916	
EV RESEARCH & DEVELOPMENT	159,837	
ACCUMULATED DEPRECIATION	<u>27,962,135</u>	
		26,789,292

TOTAL ASSETS

\$39,857,352

LIABILITIES

CURRENT LIABILITIES

TRADE PAYABLES	468,299	
PAYROLL LIABILITIES	1,255,197	
OTHER CURRENT LIABILITIES	<u>1,754,876</u>	
		3,478,373

NON-CURRENT LIABILITIES

TDA DEFERRED CREDITS	<u>2,114,638</u>	
		<u>2,114,638</u>

TOTAL LIABILITIES

\$5,593,010

CAPITAL

FEDERAL CAPITAL

FEDERAL GRANTS	<u>29,134,505</u>	
		29,134,505

TDA & OTHER CAPITAL

TDA & OTHER CAPITAL	<u>8,173,629</u>	
		<u>8,173,629</u>

TOTAL CAPITAL

\$37,308,134

YTD NET GAIN (LOSS)

(\$3,043,792)

TOTAL LIABILITIES & CAPITAL

\$39,857,352

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

ASSET ACQUISITION REPORT

For the Nine Month Period Ending March 31, 2011

	BEGINNING BALANCE	ENDING BALANCE	CURRENT YEAR ACQUISITION
WORK IN PROCESS			
WIP - Overpass Remediation	0	0	0
WIP - DEF Dispenser System	0	0	0
WIP - Bus Refurbishing	8,249	8,249	0
WIP - Buses	0	0	0
WIP - Calle Real Development	0	0	0
WIP - Electric Vehicle Projects	0	0	0
WIP - Lithiumion	149,617	158,218	8,600
WIP - SuperStop	5,597	17,112	11,515
WIP - ITS Projects	63,131	71,591	8,460
WIP - TC Village	0	2,000	2,000
WIP - Security Systems	196,255	287,652	91,397
	<u>\$ 422,849</u>	<u>\$ 544,821</u>	<u>\$ 121,972</u>
LAND			
Cota Street Land	3,518,444	3,518,444	0
Chapala Street Land	426,986	426,986	0
Overpass RD. Land	281,435	281,435	0
Calle Real Land	1,369,431	1,369,431	0
	<u>\$ 5,596,297</u>	<u>\$ 5,596,297</u>	<u>\$ 0</u>
FIXED FACILITIES			
Terminal One Fixed Facilities	9,968,616	9,977,306	8,690
TC Fixed Facilities	601,850	602,525	676
Overpass Fixed Facilities	1,797,134	1,797,134	0
	<u>\$ 12,367,599</u>	<u>\$ 12,376,965</u>	<u>\$ 9,366</u>
BUSES			
Buses	27,843,183	27,843,183	0
Bus Equip-Radios/Fareboxes/Bikeracks	2,349,278	2,364,278	15,000
Bus Equip-Drivetrains/Trailer	1,036,490	1,269,351	232,861
Bus Equip-Electric Vehicles	166,819	195,617	28,798
Bus-Chargin Equipment	375,876	490,195	114,319
Buses-Refurbishing	167,861	179,725	11,864
	<u>\$ 31,939,508</u>	<u>\$ 32,342,349</u>	<u>\$ 402,841</u>
NON-REVENUE VEHICLES			
Service Vehicles	886,434	886,434	0
	<u>\$ 886,434</u>	<u>\$ 886,434</u>	<u>\$ 0</u>
SHOP EQUIPMENT			
Shop Equipment	534,243	534,789	546
	<u>\$ 534,243</u>	<u>\$ 534,789</u>	<u>\$ 546</u>
OFFICE FIXTURES/EQUIPMENT			
Office Furniture & Equipment	922,241	922,241	0
Office Business Machines	429,295	432,778	3,483
	<u>\$ 1,351,536</u>	<u>\$ 1,355,019</u>	<u>\$ 3,483</u>
BUS STOP EQUIPMENT			
Bus Stop Equip-Signs & Poles & Securit	258,917	258,917	0
Bus Stop Equip-Benches/Trash Recept	167,911	167,911	0
Bus Stop Equip-Shelters	528,089	528,089	0
	<u>\$ 954,916</u>	<u>\$ 954,916</u>	<u>\$ 0</u>
EV RESEARCH & DEVELOPMENT			
EV Research & Development	159,837	159,837	0
	<u>\$ 159,837</u>	<u>\$ 159,837</u>	<u>\$ 0</u>
GRAND TOTAL	<u>\$ 54,213,219</u>	<u>\$ 54,751,427</u>	<u>\$ 538,207</u>

To: Chair Davis
Members of the Board of Directors
From: Sherrie Fisher, General Manager
Date: 05/27/11
Subject: Administrative Update

A new and improved customer interface has been installed at the transit center. Passengers can now speak face to face with a customer service representative through a sliding glass window. This new system replaces the unreliable microphones and creates a much better user experience.

Staff conducted a senior travel training session at Maravilla on May 19th, and approximately 15 residents participated. After the training, the participants were accompanied on a Line 9 trip as a familiarization tour. A second training session is planned for October of this year. Such marketing opportunities are offered to senior centers on an ongoing basis.

Our elementary school outreach program (ESOP) is in full swing; three additional presentations were given during the week of May 23rd. The end-of-year programs are designed to educate the older children, who are about to transition to junior high school, on the consequences of bad behavior while riding the bus. MTD will once again be participating in Safety Town, where we will be educating pre-school children on the benefits of using the bus. This includes that the bus is a safe place to go if you find yourself in trouble. Safety Town begins on June 9th.

The American Public Transit Association (APTA) will be sponsoring "Dump the Pump" day On June 16th. MTD will send out press releases to encourage the media to write articles or broadcast the benefits of using transit.

The Operations Manager and the Superintendent attended the 2011 Crisis Intervention Training for Law Enforcement on Monday, May 23rd. Speakers included Santa Barbara Police Department Chief Cam Sanchez and Officer Hove, and staff from the Mental Health Association. This training program prepares officers to recognize the signs and symptoms of severe mental illness, with or without the co-occurring condition of substance abuse, and provides them with the skill and knowledge to respond effectively. Operations staff learned a better understanding of the problems some of our passengers present, and methods to assist drivers in communicating. Compassion and understanding were stressed in dealing with people with these issues.

Verification of Transit Training (VTT) classes are being held this week. Topics covered are drug and alcohol testing, infectious diseases, current issues, and service changes. Presenters for these sets of classes are Sherrie, David, Bill, James, and Dave. VTT classes are held four times annually, with four classes in each session. Due to the number of employees attending and their various personal and work-related schedules, we offer four separate times for each session.

MTD's 401(k) staff pension plan is being moved from Prudential to Fidelity for trust and recordkeeping services effective this June. The decision was made by the Administrative Committee following an analysis by Hub International (John Nelson), which indicated a cost savings for both MTD and the plan participants. The services and investments offered by Fidelity also appear to be of equivalent and in some instances better quality than that provided by Prudential. MTD was not displeased with Prudential, whom MTD has been with since 2004. Rather, it is part of the Committee's fiduciary responsibility to review service providers from time to time to ensure that the best interests of the participants are being served

MTD recently solicited statements of qualifications from electrical engineering firms for design and project management services for the emergency generator project. Staff will be carrying out negotiations this week with the firm determined as being most qualified. Assuming that price and other terms are agreed upon, it is anticipated that a contract will be awarded to the firm in June. Due to project funding requirements, the generator project needs to be completed by March 2012.

Staff attended a meeting of SBCAG's North County Transit Coordinating Committee on Tuesday, May 17th. The meeting included discussions of SBCAG's integration of commuter service from Solvang and Buellton to the South Coast into the Clean Air Express, as well as other Clean Air Express issues including ridership overloads and a potential fare increase. The Committee also discussed the possibility of the implementation of reverse commute service from the South Coast to North County.

On Thursday, May 25th, staff attended a meeting with SBCAG staff regarding interregional transit issues. The meeting included discussions of details related to the termination of MTD's Valley Express service from the Santa Ynez Valley to the South Coast, the new MTD service from Ventura County to the South Coast, and "last mile" service for riders of the proposed commuter rail service from Ventura County to the South Coast.

Structural repair to the RH front area of EV 6 is in progress. The area being repaired entails the steering gear and front spring hanger bracket mounting structure, which were deteriorated by fatigue and corrosion.

The new diesel and diesel hybrid buses are in production at Gillig. The first bus (hybrid) is expected to arrive at MTD next Thursday, June 2.

The individual replacement lead acid batteries have arrived and are being installed in packs for upcoming use.

Quotes are being solicited from potential vendors for DEF (Diesel Exhaust Fluid) to be supplied in closed system 330 gallon totes. The DEF dispenser system installation at the fuel station continues. We are awaiting additional equipment and plan to have the system operational (on time for the new vehicles) by June 2.