



AGENDA

Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, September 20, 2016
8:30 AM
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; Chuck McQuary, Vice Chair; Olivia Rodriguez, Director; Dick Weinberg, Director; Bill Shelor, Secretary; David Tabor, Director; Roger Aceves, 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 August 23, 2016.

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

The Board will be asked to review and approve the cash reports for the periods of August 16, 2016 through August 29, 2016 and August 30, 2016 through September 12, 2016.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

Members of the public may address the Board on items within 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, 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 number that you wish to comment on.

7. ANNUAL FINANCE UPDATE FOR THE 12-MONTH PERIOD ENDING JUNE 30, 2016 – (ATTACHMENT-INFORMATIONAL)

Staff will report on the preliminary financial results for the fiscal year ended last June 30.

8. ANNUAL RIDERSHIP AND PERFORMANCE REPORT (ATTACHMENT- INFORMATIONAL)

The Board will receive a report about MTD's ridership and performance metrics for Fiscal Year 2015-16.

9. 2016 CONFLICT OF INTEREST CODE BIENNIAL NOTICE– (ATTACHMENT- ACTION MAY BE TAKEN)

Staff recommends Board of Directors approve changes to MTD's Conflict of Interest Policy.

10. GENERAL MANAGER'S REPORT UPDATE – (INFORMATIONAL)

- a) Retirement – Louis Jones
- b) BYD Project
- c) FTA Grant
- d) Auditorium

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

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

12. ADJOURNMENT

AMERICAN 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.



MINUTES

Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, August 23, 2016
8:30 AM
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 Aceves and Director Rodriguez that is expected to arrive shortly.

3. REPORT REGARDING POSTING OF AGENDA

Lilly Gomez, Interim Executive Assistant, reported that the agenda was posted on Friday, August 19th, 2016 at MTD's Administrative office, mailed and emailed to those on the agenda list, and posted on MTD's website.

CONSENT CALENDAR

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

Director Shelor moved to approve the draft minutes for the meeting of August 9, 2016. Director McQuary seconded the motion. The motion passed unanimously with one abstention by Director Tabor who did not attend the August 9th meeting.

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

Director Shelor requested clarification on the Clever Devices Payment. Assistant General Manager, Brad Davis reported that the Clever Devices payment is a contractual payment for agreed milestone services already rendered. Director Shelor moved to approve the cash report for the period of August 2, 2016 through August 15, 2016. Director McQuary seconded the motion. The motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

None was made.

7. JANITORIAL SERVICES IFB CONTRACT AWARD RECOMMENDATION - (ATTACHMENTS-ACTION MAY BE TAKEN)

Procurement Specialist, Ryan Gripp recommended the board authorize the General Manager to execute a three-year base janitorial services contract with JaniCare for the Olive Terminal and the Transit Center.

Director Tabor motioned to approve staff's recommendation to award the contract to JaniCare. Director McQuary seconded the motion. The motion passed unanimously.

8. VEHICLE FLEET - FUEL AND PROPULSION SYSTEMS - (INFORMATIONAL)

Fleets and Facilities Manager, David Harbour provided the Board with an update on the vehicle fleet - fuel and propulsion system considerations for future replacements.

Mr. Harbour reviewed the pros and cons of Diesel, CNG, Hybrid, and Battery-electric buses. He also shared the plan moving forward to convert MTD to all electric buses is to begin with performing a fleet needs assessment, performing site assessment, developing fleet plan and vehicle replacement policy based on findings, seeking funding and incentive opportunities, and focusing on purchase of all-electric and hybrid options when replacing non-revenue vehicles. Mr. Harbour believes MTD is ahead of the curve as far as infrastructure, for an all electric vehicle fleet as the MTD properties already have 30 charging stations, and experience with electric vehicles. However, the biggest obstacle is due to the limitation on real estate.

Chair Davis thanked Mr. Harbour for a great presentation.

AT 9:02 A.M. DIRECTOR RODRIGUEZ JOINED THE MEETING

9. AUTHORIZATION TO LEASE 6 BYD 30' ELECTRIC VEHICLES - (ATTACHMENTS-ACTION MAY BE TAKEN)

Assistant General Manager, Brad Davis recommended that the Board Authorize the General Manager to enter into an agreement with BYD Motors to lease six thirty-foot battery-electric "shuttle configuration" buses, due to the fact that MTD's current electric shuttle fleet is 14+ years of age, are no longer in production, and are becoming increasingly costly to maintain in terms of labor and parts.

Mr. Davis also shared BYD warranties their battery for 12 years, with no-cost repair or replacement if the battery falls below 70% capacity. Additionally, BYD has made the commitment to MTD to use its K7 platform to purpose-build an open-air shuttle/trolley to replace the current battery-electric shuttles and to meet MTD's current service needs. Some of the construction details included larger window openings, removable window panels, inboard facing bench seating, ability to re-install the entry doors, air conditioning, new GFI FastFare fare boxes, and AIM system and video camera system. In addition, BYD has committed to providing training and engineering support.

Chair Davis advised members of the public that Mr. Estrada will be providing a presentation to the City Council on September 20th.

Council Member, Cathy Murillo attended the Board of Directors meeting and shared that she was very grateful for all the accommodations MTD has made for the City of Santa Barbara and is happy to help with the Master Agreement in any way she can.

Director McQuary moved to authorize the General Manager to enter into an agreement with BYD Motors to lease six thirty-foot battery-electric "shuttle configuration" buses. Director Tabor seconded the motion. The motion passed unanimously.

Chair Davis thanked staff for presenting the vehicle fleet-fuel propulsion tied to the Electric Vehicle purchase recommendation, as it was very helpful in making a decision.

Mr. Estrada also acknowledged Mr. Brad Davis for all of the extensive work put towards purchasing the new electric BYD buses.

10. GENERAL MANAGER'S REPORT UPDATE – (INFORMATIONAL)

Mr. Estrada shared that the Annual CHP Audit is in progress and is looking forward to some new insight to share with the Board at a latter time.

The August Service Changes were implemented August 22, 2016 and so far, there has been a lot of positive feedback from members of the public and MTD drivers.

Mr. Estrada also acknowledged and gave a special thanks to all the staff especially planning and drivers for working together to make the service changes a smooth transition.

Item number 11 on the agenda is the Linden Ave/Casitas Pass Projects update correspondence received from SBCAG. Mr. Estrada mentioned he will be responding in the positive to Mr. Kemp and looks forward to working closely with SBCAG.

A highly requested new bus shelter at De La Guerra & Laguna was installed and MTD will be holding a ribbon cutting that will take place on Thursday August 25th.

11. COMMUNICATIONS

SBCAG Correspondence regarding the Linden Ave/Casitas Pass Project Traffic Management Program Funds was provided to the Board for review.

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

Mr. Estrada recommended cancelling the regular scheduled September 6, 2016 meeting. Director Rodriguez moved to approve the cancellation. Director McQuary seconded the motion. The Motion passed unanimously.

RELATED TO EACH CLOSED SESSION; PUBLIC COMMENT WILL BE ALLOWED RELATED TO THE CLOSED SESSION ITEM(S) BEFORE THE RECESS

13. RECESS TO CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE §54957.6) - (ACTION MAY BE TAKEN)

Agency designated representative: Mr. Jerry Estrada, General Manager.

Employee organization: International Brotherhood of Teamsters Union, Local 186.

The MTD and the International Brotherhood of Teamsters Union, Local 186, representing MTD drivers and mechanics, have successfully completed their negotiations on a new collective bargaining agreement concerning working conditions at the District. The agreement has been approved by MTD's Board of Directors and the Union. The new agreement has a term of 3 years, among the agreed terms: Wage increases for each of the three years at 2%, 2%, and 2¼%.

The MTD Board wishes to thank its General Manager, Mr. Estrada and representatives of the union for their considerable efforts and good faith to achieve this agreement, which will ensure the continuation of uninterrupted transit service to our community.

14. ADJOURNMENT

Director McQuary moved to adjourn the meeting at 10:16 a.m. Director Tabor seconded the motion. The motion passed unanimously.

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Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of September 6, 2016
For the Period 8/16/2016 through 8/29/2016

MONEY MARKET

Beginning Balance 8/16/2016 **\$10,664,107.88**

Passenger Fares	141,646.27
Accounts Receivable	97,537.92
Advertising/Prepaid Deposi	39,430.13
UCSB Fares	34,790.12
Miscellaneous/Asset Sales	762.68
Total Deposits	314,167.12

ACH Garn/Escrow	(1,135.83)
ACH Pensions Transfer	(29,760.08)
ACH Tax Deposit	(146,428.39)
Operations Transfer	(306,798.68)
Payroll Transfer	(319,382.00)
Total Disbursements	(803,504.98)

Ending Balance **\$10,174,770.02**

CASH INVESTMENTS

LAIF Account	\$3,354,562.39
Money Market Account	10,174,770.02

Total Cash Balance **\$13,529,332.41**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$3,947,944.76)
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Working Capital **\$9,581,387.65**

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

Date	Company	Description	Amount
8/18/2016	Fritz Creative Marketing	Advertising on Buses	2,700.00
8/18/2016	Godzilla Graphics	Advertising on Buses	9,190.80
8/18/2016	Idea Engineering, Inc.	Advertising on Buses	2,637.00
8/18/2016	Santa Barbara Airport	Advertising on Buses	1,760.00
8/22/2016	Santa Barbara Airport	Advertising on Buses	1,760.00
8/23/2016	SB School District	Passes/Token Sales	41,250.00
8/24/2016	UCSB - Contract Fares	Contract Fares July '16	34,790.12
8/24/2016	UCSB Bookstore	Passes/Passport Sales	3,450.00
Total Accounts Receivable Paid During Period			\$97,537.92

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
113275	8/19/2016	MARY DEAILÉ	PAYROLL RELATED	106.15	
113276	8/19/2016	EMPLOYMENT DEVELOPMENT DE	PR GARNISHMENTS	416.83	
113277	8/19/2016	ELECTRONIC DATA MAGNETICS, I	BUS PASSES	4,181.22	
113278	8/19/2016	STATE OF CALIFORNIA/FTB	PAYROLL RELATED	336.65	
113279	8/19/2016	FRONTIER CALIFORNIA INC.	TELEPHONES	1,980.39	
113280	8/19/2016	ANN HARBOUR	PAYROLL RELATED	275.00	
113281	8/19/2016	NATIONAL DRIVE	PAYROLL DEDUCTION	72.00	
113282	8/19/2016	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
113283	8/19/2016	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	960.00	
113284	8/19/2016	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	490.58	
113285	8/19/2016	SO. CAL. EDISON CO.	UTILITIES	5,161.32	
113286	8/19/2016	THE GAS COMPANY DBA	UTILITIES	84.37	
113287	8/19/2016	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	9,757.81	
113288	8/19/2016	UNITED WAY OF SB	PAYROLL DEDUCTION	68.00	
113289	8/19/2016	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	98.00	
113290	8/25/2016	ABC BUS COMPANIES INC	BUS PARTS	1,079.98	
113291	8/25/2016	ACTION TREE CARE DBA	B&G REPAIRS & SUPPLIES	325.00	
113292	8/25/2016	ALLIED ELECTRONICS, INC	BUS PARTS	55.56	
113293	8/25/2016	AQUA-FLO	BUS WASH SUPPLIES	228.23	
113294	8/25/2016	B2B PRINTING SERVICES INC.	OFFICE SUPPLIES	375.88	
113295	8/25/2016	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	122.10	
113296	8/25/2016	BIG GREEN CLEANING CO. DBA	JANITORIAL SERV./SUPPLIES	5,240.00	
113297	8/25/2016	BOONE PRINTING AND GRAPHICS,	PRINTING SERVICES	882.22	
113298	8/25/2016	BUENA TOOL, INC.	SHOP/B&G SUPPLIES	251.19	
113299	8/25/2016	BUYNAK, FAUVER, ARCHBALD&S	LEGAL COUNSEL	20,545.88	
113300	8/25/2016	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	200.09	
113301	8/25/2016	CAPITOL HARDWARE & BUILDING	B&G SUPPLIES	214.81	
113302	8/25/2016	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	272.33	
113303	8/25/2016	COMPRESSED AIR OF CALIFORNIA	BUS PARTS	52.80	
113304	8/25/2016	CHK AMERICA INC.	SCHEDULE INFO & SYSTEM MAP	2,565.00	
113305	8/25/2016	CINTAS CORPORATION	FIRST AID SUPPLIES	86.77	
113306	8/25/2016	CIO SOLUTIONS, LP	IT SERVICES	600.00	
113307	8/25/2016	COAST TRUCK PARTS	BUS PARTS	262.14	
113308	8/25/2016	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	107.80	
113309	8/25/2016	CUMMINS PACIFIC, LLC	BUS PARTS	9,894.80	
113310	8/25/2016	DEPARTMENT OF MOTOR VEHICL	VEHICLE REGISTRATION	107.00	
113311	8/25/2016	DELUXE SMALL BUSINESS SALES,	HOLIDAY CARDS	174.75	
113312	8/25/2016	DOCUPRODUCTS CORPORATION	COPIER MAINTENANCE/SUPPLIES	416.87	

Check #	Date	Company	Description	Amount	Voids
113313	8/25/2016	EASY LIFT TRANSPORTATION, INC	ADA SUBSIDY	70,925.00	
113314	8/25/2016	EBUS, INC.	BUS PARTS	197.40	
113315	8/25/2016	ELECTRO-MECHANICAL REPAIR, I	BUS PARTS & REPAIRS	163.65	
113316	8/25/2016	ERGOMETRICS, INC.	DRIVER TEST SCORING	50.00	
113317	8/25/2016	FEDEX dba	FREIGHT CHARGES	367.95	
113318	8/25/2016	FRANK SCHIPPER CONSTRUCTION	SHOP ROOF REPAIRS	21,210.92	
113319	8/25/2016	GENFARE, A DIVISION OF SPX COR	FAREBOX REPAIRS & PARTS	567.07	
113320	8/25/2016	GIBBS INTERNATIONAL INC	BUS PARTS	2,261.08	
113321	8/25/2016	GILLIG LLC	BUS PARTS	4,260.78	
113322	8/25/2016	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	11,044.97	
113323	8/25/2016	GRAYPHICS DIGITAL IMAGING DB	PRINTING SERVICES	670.53	
113324	8/25/2016	GRAINGER, INC.	SHOP/B&G SUPPLIES	31.24	
113325	8/25/2016	H.G. MAKELIM CO., INC.	BUS PARTS	11,312.34	V
113326	8/25/2016	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	210.54	
113327	8/25/2016	JERRY'S PLUMBING & HEATING, I	PLUMBING REPAIRS	75.00	
113328	8/25/2016	KIRKS AUTOMOTIVE, INC	BUS/AUTO PARTS	393.93	
113329	8/25/2016	LAWSON PRODUCTS INC	SHOP SUPPLIES	240.47	
113330	8/25/2016	LMA ARCHITECTS, CORP.	ARCHITECTURAL SERVICES	4,292.98	
113331	8/25/2016	LNI CUSTOM MANUFACTURING	BUS SHELTER & INSTALL	15,142.34	
113332	8/25/2016	MANSFIELD OIL CO.- GAINESVILL	BUS FUEL	31,370.97	
113333	8/25/2016	MC CORMIX CORP. (OIL)	LUBRICANTS	3,613.04	
113334	8/25/2016	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,716.66	
113335	8/25/2016	MCGOWAN GUNTERMANN	ANNUAL AUDIT	9,349.00	
113336	8/25/2016	MURPHY ELECTRIC MAINTENANC	ELECTRICAL REPAIRS/INSTALLATION	122.58	
113337	8/25/2016	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	63.94	
113338	8/25/2016	NEWEGG, INC	IT EQUIPMENT & SUPPLIES	533.89	
113339	8/25/2016	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	107.73	
113340	8/25/2016	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	437.19	
113341	8/25/2016	OFFICETEAM	TEMPORARY STAFF	1,441.04	
113342	8/25/2016	O'REILLY AUTO PARTS DBA	BUS PARTS	26.99	
113343	8/25/2016	PERRY LINCOLN MERCURY MAZD	SERVICE VEHICLE PARTS / REPAIRS	1,775.41	
113344	8/25/2016	PETTY CASH - ALEXANDER, NANC	MISC. PURCHASES	206.82	
113345	8/25/2016	PETTY CASH - GOMEZ, LILLY	MISC. PURCHASES	199.55	
113346	8/25/2016	PRAXAIR DISTRIBUTION, INC.	SHOP SUPPLIES	33.21	
113347	8/25/2016	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	158.58	
113348	8/25/2016	RON WILLIAMS MACHINE SHOP, I	BUS REPAIRS	853.00	
113349	8/25/2016	SCR TTC	MEMBERSHIP - ONLINE BUS MAINTEN	2,000.00	
113350	8/25/2016	SANTA BARBARA NEWSPRESS D	BUS SCHEDULE BOOKLETS	19,437.55	
113351	8/25/2016	SANTA BARBARA NEWS PRESS	PUBLIC NOTICES/EMPLOYMENT ADS	215.17	
113352	8/25/2016	SILVAS OIL CO., INC.	LUBRICANTS	2,430.56	
113353	8/25/2016	SANTA BARBARA TROPHY	DRIVER NAME PLATES	31.10	

Check #	Date	Company	Description	Amount	VOIDS
113354	8/25/2016	SBPRINTER.COM	BOOSTER BOOK PRINTING	1,265.76	
113355	8/25/2016	SM TIRE, CORP.	BUS TIRE MOUNTING	140.50	
113356	8/25/2016	SMARDAN-HATCHER CO., INC	B&G REPAIRS & SUPPLIES	258.99	
113357	8/25/2016	SMART & FINAL	OFFICE/MEETING SUPPLIES	333.22	
113358	8/25/2016	STAPLES CREDIT PLAN	OFFICE & COMPUTER SUPPLIES	336.34	
113359	8/25/2016	TDS SERVICE CORP. DBA TRANSI	BUS PARTS REPAIRS	1,269.00	
113360	8/25/2016	TELCOM, INC.	RADIO/PA REPAIRS	1,500.00	
113361	8/25/2016	THE LIGHTHOUSE	SHOP SUPPLIES	58.40	
113362	8/25/2016	TILFORD WELDING DBA	VENDOR BUS REPAIRS	45.00	
113363	8/25/2016	TK SERVICE, INC.	BUS PARTS & REPAIRS	2,096.49	
113364	8/25/2016	TANK TEAM INC.	TANK TESTS	1,906.32	
113365	8/25/2016	TOYOTA OF SANTA BARBARA, CO	SERVICE VEHICLE PARTS	412.26	
113366	8/25/2016	UNITED PARCEL SERVICE, INC.	FREIGHT CHARGES	542.19	
113367	8/25/2016	J.C. M. AND ASSOCIATES INC.	UNIFORMS	811.79	
113368	8/25/2016	U.S. BANK CORP. PAYMENT SYSTE	MISC. CC PURCHASES	5,288.19	
113369	8/25/2016	VALLEY POWER SYSTEMS, INC.	BUS PARTS	30.04	
113370	8/25/2016	VALLEY POWER SYSTEMS, INC.	BUS PARTS	1,163.98	
113371	8/25/2016	VENTURA COUNTY STAR DBA	PUBLIC NOTICE ADS	174.76	
113372	8/25/2016	VERIZON WIRELESS	WIRELESS PHONES	527.63	
113373	8/25/2016	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	1,718.70	
113374	8/25/2016	WAYTEK INC.	BUS PARTS & SHOP SUPPLIES	22.43	
113375	8/26/2016	H.G. MAKELIM CO., INC.	BUS PARTS	10,340.34	
				318,111.02	
Current Cash Report Voided Checks:				11,312.34	
Prior Cash Report Voided Checks:				0.00	
Grand Total:				\$306,798.68	

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Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of September 20, 2016
For the Period 8/30/2016 through 9/12/2016

MONEY MARKET

Beginning Balance 8/30/2016 **\$10,174,770.02**

Accounts Receivable	1,021,311.92
Passenger Fares	171,755.32
LCTOP Transfers	15,833.33
Miscellaneous/Asset Sales	509.19
Interest Income	104.39
Measure "A"	<u>(186,969.05)</u>
Total Deposits	1,022,545.10

ACH Garn/Escrow	(1,211.52)
Bank/CC Fees	(1,373.80)
ACH Pensions Transfer	(30,302.25)
WC Transfer	(46,690.35)
ACH Tax Deposit	(152,597.76)
Payroll Transfer	(330,100.05)
Operations Transfer	<u>(445,595.71)</u>
Total Disbursements	(1,007,871.44)

Ending Balance **\$10,189,443.68**

CASH INVESTMENTS

LAIF Account	\$3,354,562.39
Money Market Account	10,189,443.68

Total Cash Balance **\$13,544,006.07**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$3,835,076.00)
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Working Capital **\$9,708,930.07**

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

Date	Company	Description	Amount
8/30/2016	City of SB - Downtown Parking	City of SB My Ride - Aug '16	15,000.00
8/31/2016	Bristol Farms/Lazy Acres	Advertising on Buses	597.00
9/1/2016	Local Transportation Fund	SB 325 - Aug '16	698,249.69
9/1/2016	Measure A, Section 3 LSTI	Measure "A" Funds FY16	2,436.23
9/1/2016	Measure A, Section 3 LSTI	Measure "A" Funds Aug '16	184,532.82
9/7/2016	ASTI Holding Company, LLC	Overpass Property Lease - Sept '16	15,389.18
9/7/2016	City of SB - (Downtown Shuttle)	Downtown Shuttle - July '16	92,183.50
9/7/2016	Department of Rehabilitation	Passes/Passports Sales	784.00
9/7/2016	KCSB - FM	Advertising on Buses	498.00
9/7/2016	UCSB Graduate Student Association	Passes/Passports Sales	6,522.50
9/9/2016	S.B.C.A.G.	Passes/Passports Sales	575.00
9/12/2016	Montecito Bank & Trust	Advertising on Buses	4,544.00
Total Accounts Receivable Paid During Period			\$1,021,311.92

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
113376	9/2/2016	JOSE BAUTISTA	AD MOUNTING/DISMOUNTING	704.00	
113377	9/2/2016	MARY DEAILE	PAYROLL RELATED	106.15	
113378	9/2/2016	EMPLOYMENT DEVELOPMENT DE	PR GARNISHMENTS	215.79	
113379	9/2/2016	STATE OF CALIFORNIA/FTB	PAYROLL RELATED	335.22	
113380	9/2/2016	GIBBS INTERNATIONAL INC	BUS PARTS	764.71	
113381	9/2/2016	ANN HARBOUR	PAYROLL RELATED	275.00	
113382	9/2/2016	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
113383	9/2/2016	PACIFIC MATERIALS LABORATOR	WELDING INSPECTIONS	420.00	
113384	9/2/2016	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	960.00	
113385	9/2/2016	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	479.90	
113386	9/2/2016	SO. CAL. EDISON CO.	UTILITIES	11,991.93	
113387	9/2/2016	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	198.98	
113388	9/2/2016	SB CITY OF-REFUSE/WATER	UTILITIES	2,224.78	
113389	9/2/2016	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	412.73	
113390	9/8/2016	ABC BUS COMPANIES INC	BUS PARTS	256.40	
113391	9/8/2016	ROGER ACEVES	DIRECTOR FEES	60.00	
113392	9/8/2016	HENRY ANDREWS	RETIREE HEALTH REIMBURSEMENT	258.86	
113393	9/8/2016	ASBURY ENVIRONMENTAL	WASTE OIL RECYCLER	120.00	
113394	9/8/2016	BICKMORE INC	WC ACTUARIAL REVIEW	1,950.00	
113395	9/8/2016	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	458.05	
113396	9/8/2016	BIG GREEN CLEANING CO. DBA	JANITORIAL SERV./SUPPLIES	225.00	
113397	9/8/2016	BNS ELECTRONICS, INC.	SANTA YNEZ SITE RENTAL	271.76	
113398	9/8/2016	ROBERT BURNHAM	RETIREE HEALTH REIMBURSEMENT	285.00	
113399	9/8/2016	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	535.99	
113400	9/8/2016	GILBERT CALLES	RETIREE HEALTH REIMBURSEMENT	98.00	
113401	9/8/2016	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	12.97	
113402	9/8/2016	CERTIFIED ENVIRONMENTAL	PROFESSIONAL SERVICES	3,531.70	
113403	9/8/2016	CENTRAL COAST CIRCULATION, L	BUS BOOK DISTRIBUTION	575.00	
113404	9/8/2016	COMPRESSED AIR OF CALIFORNIA	BUS PARTS	819.70	
113405	9/8/2016	COMMUNITY RADIO, INC.	GIB. SITE RENTAL	244.25	
113406	9/8/2016	CINTAS CORPORATION	FIRST AID SUPPLIES	1,038.92	
113407	9/8/2016	COAST TRUCK PARTS	BUS PARTS	1,219.70	
113408	9/8/2016	CUMMINS PACIFIC, LLC	BUS PARTS	0.00	V
113409	9/8/2016	CUMMINS PACIFIC, LLC	BUS PARTS	14,723.50	
113410	9/8/2016	CRAIGLIST CORP.	EMPLOYMENT ADS - ONLINE	350.00	
113411	9/8/2016	DAVID DAVIS JR.	DIRECTOR FEES	120.00	
113412	9/8/2016	DENMUN OFFICE SOLUTIONS DB	IT CONTRACT SERVICE	2,295.00	
113413	9/8/2016	MELVIN FOUNTAIN	RETIREE HEALTH REIMBURSEMENT	98.00	

Check #	Date	Company	Description	Amount	VOIDS
113414	9/8/2016	FORBESS CONSULTING GROUP, IN	HAZARDOUS MATERIALS TESTING	360.00	
113415	9/8/2016	FRONTIER CALIFORNIA INC.	TELEPHONES	94.99	
113416	9/8/2016	G.L. HYDRAULICS INC.	VENDOR BUS REPAIRS	281.00	
113417	9/8/2016	GIBBS INTERNATIONAL INC	BUS PARTS	1,441.37	
113418	9/8/2016	GILLIG LLC	BUS PARTS	9,690.73	
113419	9/8/2016	GARY GLEASON	RETIREE HEALTH REIMBURSEMENT	247.95	
113420	9/8/2016	GUARDIAN-APPLETON (DENTAL I	DENTAL INSURANCE	4,498.62	
113421	9/8/2016	GUARDIAN-APPLETON (LIFE INS)	LIFE INSURANCE	622.13	
113422	9/8/2016	ALI HABIBI	RETIREE HEALTH REIMBURSEMENT	240.68	
113423	9/8/2016	HAYNES SALES DBA	B&G REPAIRS & SUPPLIES	58.21	
113424	9/8/2016	HIGH IMPACT INC.	FORKLIFT SAFETY TRAINING	165.00	
113425	9/8/2016	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	192.51	
113426	9/8/2016	JAY DANIEL ROBERTSON	RETIREE HEALTH REIMBURSEMENT	232.76	
113427	9/8/2016	JENSEN AUDIOVISUAL CORP.	AUDIO SYSTEM FOR MTG. RM.	110.00	
113428	9/8/2016	LINDA LEE LACKEY	RETIREE HEALTH REIMBURSEMENT	795.48	
113429	9/8/2016	LARA'S AUTO REPAIR DBA	BUS REPAIRS	90.00	
113430	9/8/2016	LOUIS MANDEVILLE	RETIREE HEALTH REIMBURSEMENT	465.52	
113431	9/8/2016	MANSFIELD OIL CO.- GAINESVILL	BUS FUEL	77,581.44	
113432	9/8/2016	MC CORMIX CORP. (OIL)	LUBRICANTS	3,023.69	
113433	9/8/2016	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,626.95	
113434	9/8/2016	MCMaster-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	159.18	
113435	9/8/2016	MEDICAL EYE SERVICES, INC.	VISION INSURANCE	356.24	
113436	9/8/2016	CHUCK MCQUARY	DIRECTOR FEES	120.00	
113437	9/8/2016	MIKE CUEVAS GARDENING SERVI	LANDSCAPE MAINTENANCE SERVICE	695.00	
113438	9/8/2016	KENNETH B. MILLS	PROCUREMENT SERVICES	2,211.00	
113439	9/8/2016	MISSION LINEN SUPPLY, INC	UNIFORM & LINEN SERVICE	5,382.51	
113440	9/8/2016	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	251.38	
113441	9/8/2016	MCI SERVICE PARTS, INC.	BUS PARTS	160.55	
113442	9/8/2016	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	1,256.75	
113443	9/8/2016	NATIONAL INTERSTATE INS INC.	LIABILITY INSURANCE	27,423.00	
113444	9/8/2016	NEWEGG, INC	IT EQUIPMENT & SUPPLIES	1,031.38	
113445	9/8/2016	NEW FLYER INDUSTRIES CANADA	BUS PARTS	164.61	
113446	9/8/2016	NEW PIG CORP.	B/G SUPPLIES (OF)	740.73	
113447	9/8/2016	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	446.85	
113448	9/8/2016	NORTHWEST PUMP & EQUIPMENT	FUEL ISLAND SUPPLIES	150.82	
113449	9/8/2016	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	764.68	
113450	9/8/2016	OFFICETEAM	TEMPORARY STAFF	996.40	
113451	9/8/2016	PERRY LINCOLN MERCURY MAZD	SERVICE VEHICLE PARTS / REPAIRS	143.12	
113452	9/8/2016	PORT SUPPLY DBA	BUS PARTS	26.44	
113453	9/8/2016	POWERSTRIDE BATTERY CO.	EV BATTERIES	1,778.31	
113454	9/8/2016	PRAXAIR DISTRIBUTION, INC.	SHOP SUPPLIES	155.16	

Check #	Date	Company	Description	Amount	VOIDS
113455	9/8/2016	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	158.58	
113456	9/8/2016	ROGERS, SHEFFIELD & CAMPBELL	LEGAL COUNSEL	12,085.17	
113457	9/8/2016	OLIVIA RODRIGUEZ	DIRECTOR FEES	120.00	
113458	9/8/2016	AL ROMERO SR.	RETIREE HEALTH REIMBURSEMENT	98.00	
113459	9/8/2016	SPECIAL DISTRICT RISK MGMT	MEDICAL HEALTH INSURANCE	51,399.84	
113460	9/8/2016	SMITTY'S TOWING SERVICE D	TOWING SERVICES	252.50	
113461	9/8/2016	SANTA BARBARA TROPHY	DRIVER NAME PLATES	41.48	
113462	9/8/2016	SANTA BARBARA ELECTRONICS S	BUS PARTS, IT & SHOP SUPPLIES	187.60	
113463	9/8/2016	WILLIAM JOHN SHELOR	DIRECTOR FEES	120.00	
113464	9/8/2016	SM TIRE, CORP.	BUS TIRE MOUNTING	631.15	
113465	9/8/2016	SO. CAL. EDISON CO.	UTILITIES	1,346.49	
113466	9/8/2016	BRADLEY LAWRENCE SOUSA	REIMBURSEMENT	10.00	
113467	9/8/2016	SPECIALTY TOOL & BOLT, LTD	SHOP SUPPLIES	529.88	
113468	9/8/2016	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	520.06	
113469	9/8/2016	STAPLES CREDIT PLAN	OFFICE & COMPUTER SUPPLIES	52.90	
113470	9/8/2016	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	1,025.60	
113471	9/8/2016	SB CITY OF-REFUSE/WATER	UTILITIES	1,350.07	
113472	9/8/2016	THE MEDCENTER	MEDICAL EXAMS	3,392.00	
113473	9/8/2016	DAVID T. TABOR	DIRECTOR FEES	60.00	
113474	9/8/2016	TANK TEAM INC.	TANK TESTS	123.00	
113475	9/8/2016	TEAMSTERS MISC SECURITY TRU	UNION MEDICAL INSURANCE	170,345.00	
113476	9/8/2016	J.C. M. AND ASSOCIATES INC.	UNIFORMS	985.83	
113477	9/8/2016	VALLEY POWER SYSTEMS, INC.	BUS PARTS	2,956.87	
113478	9/8/2016	JOHN J. VASQUEZ	RETIREE HEALTH REIMBURSEMENT	430.20	
113479	9/8/2016	VOICES TRANSLATION AND INTER	TRANSLATION	63.90	
113480	9/8/2016	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	1,665.70	
113481	9/8/2016	RICHARD WEINBERG	DIRECTOR FEES	120.00	
113482	9/8/2016	YELLOW (YRC) TRANSPORTATION	FREIGHT CHARGES	157.90	
113483	9/8/2016	ALEXANDER YOUNG	RETIREE HEALTH REIMBURSEMENT	218.86	
				445,595.71	
				Current Cash Report Voided Checks:	0.00
				Prior Cash Report Voided Checks:	0.00
				Grand Total:	\$445,595.71

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BOARD OF DIRECTORS REPORT

MEETING DATE: SEPTEMBER 20, 2016 **AGENDA ITEM #:** 7

TYPE: INFORMATIONAL

PREPARED BY: BRAD DAVIS

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: ANNUAL FINANCIAL UPDATE FOR THE FISCAL YEAR ENDED JUNE 30, 2016

DISCUSSION:

Staff will report on the preliminary financial results for the fiscal year ended last June 30.

Attachments: *MTD Annual Financial Report for Fiscal Year Ended June 30, 2016*

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ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2016

September 20, 2016

Santa Barbara Metropolitan Transit District

550 Olive Street ♦ Santa Barbara, CA 93101

Office: (805) 963-3364 ♦ Information: (805) 963-3366

Website: www.sbmtd.gov

Executive Summary

With operating revenue of \$24.4 million and operating expenditures of \$23.8 million, the net result of operating public transit service for MTD in the 2015-2016 fiscal year is a \$591,000 surplus. While an approximate \$200,000 deficit was anticipated, increases in property tax and advertising income, continued lack of full employment, reduction in fuel costs, and a delay in expanded marketing activities allowed for the budget surplus. Offsetting this fiscal result is the significant 9% reduction in fare revenue as a result of the similar drop in ridership coupled with the termination of the Coastal Express Limited (CEL) service. As ridership continues to fall into FY 16-17, staff is monitoring the situation closely and developing potential responses should the trend continue.

Operating Budget					
(\$ thousands)					
	FY 2015-16	FY 2015-16	Var	FY 2014-15	Var
	Actual	Budget	%	Actual	%
Revenue					
Fare Revenue	\$7,562	\$7,696	-2%	\$8,275	-9%
LTF Sale Tax Revenue	7,375	7,322	1%	7,270	1%
FTA Operating Assistance	4,985	4,944	1%	4,914	1%
Measure A Sale Tax Revenue	2,007	2,021	-1%	1,972	2%
State & Local Operating	476	446	7%	116	309%
Property Tax Revenue	1,095	975	12%	1,028	6%
Non-Transportation Income	854	788	8%	782	9%
	<u>\$24,354</u>	<u>\$24,192</u>	1%	<u>\$24,357</u>	0%
Expenses					
Route Operations	\$14,238	\$14,435	-1%	\$13,511	5%
Vehicle Maintenance	4,959	5,285	-6%	5,493	-10%
Passenger Accommodations	1,522	1,704	-11%	1,502	1%
General Overhead	3,044	2,977	2%	2,747	11%
	<u>\$23,763</u>	<u>\$24,401</u>	-3%	<u>\$23,253</u>	2%
Net Surplus/(Deficit)	<u>\$591</u>	<u>(\$210)</u>		<u>\$1,104</u>	

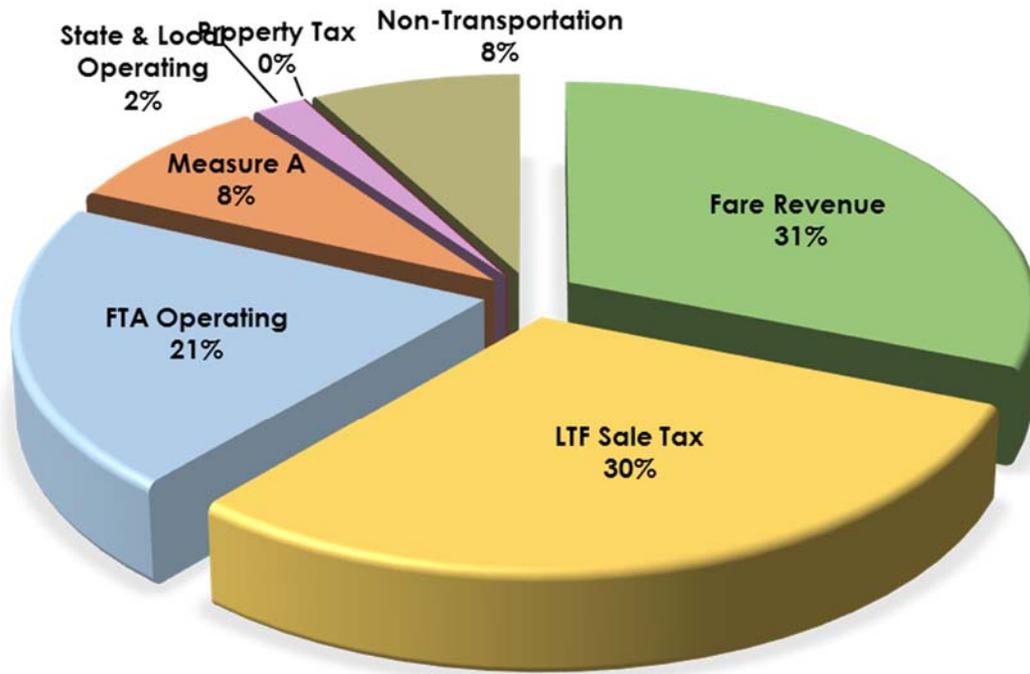
Capital expenditures of \$5.4 million were mainly comprised of the acquisition of five 40' Gillig buses and continuance of the AIM project implementation. A large portion of the \$13.7 million capital budget for the year, including shuttle replacements, the TC renovation, and the smart card project, have been carried over into the 2016-17 fiscal year.

Operating Budget

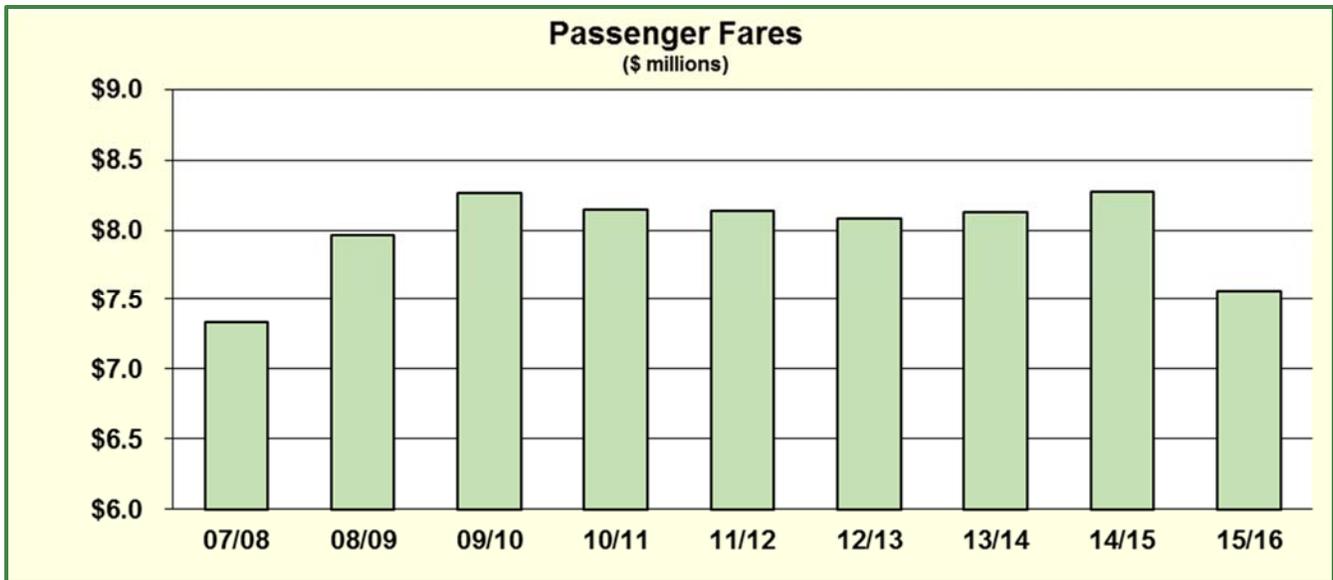
Operating Revenue

Total operating revenue at \$24.4 million was slightly more than budgeted. Increased subsidies and non-operating revenue not only surpassed budget expectations, but was more than sufficient to absorb the shortfall in passenger fares. Total revenue relative to the prior fiscal year was essentially unchanged with the fare revenue reduction similarly offset by increases by other revenue sources.

**OPERATING REVENUE
FY 2015-16**



Fare Revenue – Total fare revenue, while only 2% under budget due to the mid-year revision, was \$715,000 or 9% less than that received the prior year. Cash fares fell 10% and pass sales were down 17% whereas aggregate contract fares from the City of Santa Barbara, UCSB, and SBCC, were on budget and similar to FY 14-15. Adult and youth pass sales in particular saw heavy reductions. Termination of the Coastal Express Limited service and corresponding refunds in FY 15-16 affected revenue negatively by \$140,000. Excluding the CEL, aggregate fare revenue was still down 7%.



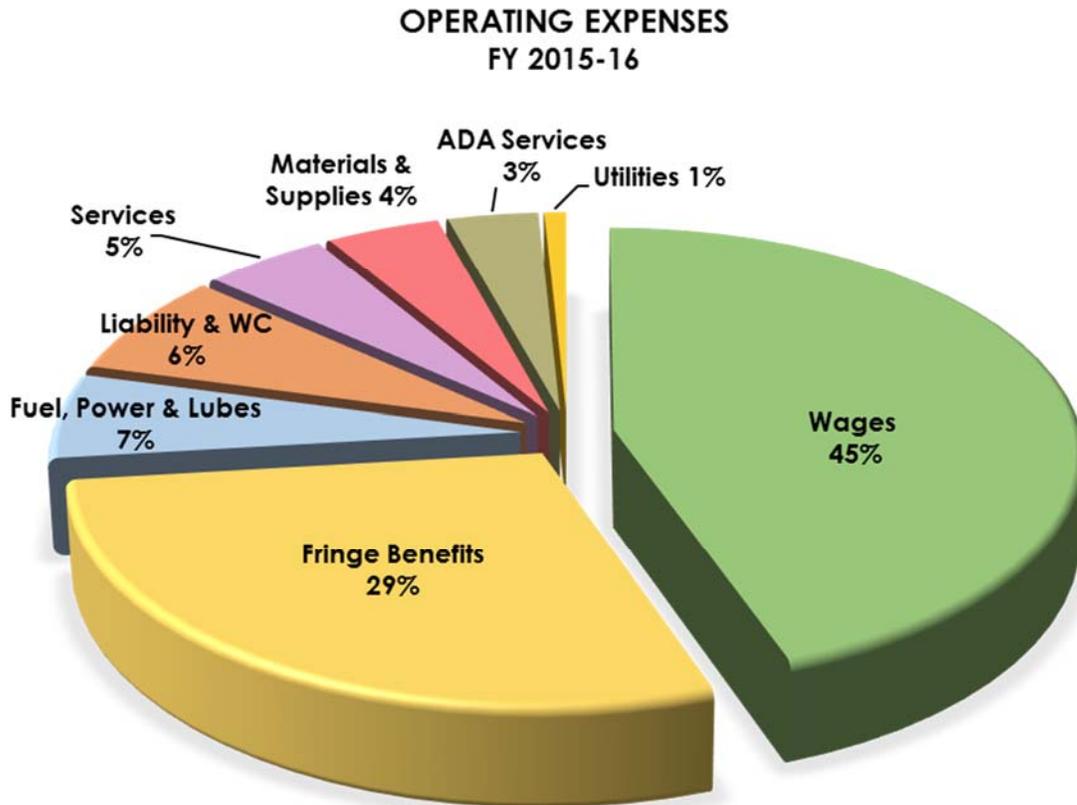
Grants & Subsidies – TDA Local Transportation Fund sales tax revenue totaled \$7.4 million for the fiscal year. Taking into account the year-end residual payment for FY 14-15 received in FY 15-16, LTF showed no growth in FY 15-16. However, LTF revenue does appear to now be on the rise with increases of 5%, 6%, and 7% in the latest three months, respectively. Section 5307 FTA formula

operating assistance, at just under \$5 million, was as expected and represented a 1.4% increase over the prior year. Measure A operating income came to \$2 million and, similar to FTA assistance, was on budget with a small increase over the prior year. State and local operating assistance increased by nearly \$360,000 due to the enhanced lines 12x and 24x service subsidized by UCSB and the LCTOP support of the increased AM peak service on the lines 1 and 2.

Non-Transportation Income – Non-operating revenue sources contributed 8% of MTD’s overall operating income. Of note, property tax revenue was 12%, or \$120,000, more than anticipated as a result of continued real estate price appreciation. Due to both an advertising rate increase and increased capacity usage, advertising revenue also experienced robust growth of 12% over budget and 10% over the prior year.

Operating Expenses

Total operating expenses of \$23.8 million were 3% under the \$24.4 million budget, which largely accounts for the year-end surplus. The most significant areas in which expenses were under budget included wages, benefits, fuel, and marketing. These budget deviations are not expected to continue into the new fiscal year as MTD is near full employment in all but driver positions, the engagement of a marketing firm, and budgeting for a full year of the lower fuel prices.



Wages & Benefits – The wage and fringe benefit figures for FY 15-16 do indicate the vacancy of several positions during or throughout the year including drivers, a mechanic, a service worker, customer service representatives, and four staff positions. With wage and fringe benefits representing over 70% of MTD’s annual costs, such vacancies contribute significantly to reducing outlays relative to the budget. The cost of wages and benefits did grow by 3% relative to the prior year as a result of the increase in the service level and nominal increases in wage rates and health insurance.

Wages & Fringe Benefits					
(\$ thousands)					
	<u>FY 15-16</u> <u>Actual</u>	<u>FY 15-16</u> <u>Budget</u>	<u>FY 14-15</u> <u>Actual</u>	<u>FY 13-14</u> <u>Actual</u>	<u>FY 12-13</u> <u>Actual</u>
Wages	\$10,589	\$10,623	\$10,269	\$10,153	\$9,661
Fringe Benefits *	6,606	6,871	6,426	5,987	5,537
	<u>\$17,195</u>	<u>\$17,495</u>	<u>\$16,695</u>	<u>\$16,140</u>	<u>\$15,198</u>
% of Total Budget	72%	72%	72%	71%	70%

* Excludes OPEB expense accrual for future retiree health benefits

Risk-Related Costs – Overall, risk-related costs of \$1.4 million were generally in line with projections. Such costs include administrative and legal fees, claim payouts and settlements, and estimated reserves for future expenses for workers’ compensation and liability claims. A positive trend was workers’ comp costs in FY 15-16 being down 9% from the previous year, which may indicate that recent changes in risk management oversight have had the desired effect. Liability costs are up 4% as a result of increased professional services in the latter half of the fiscal year due to new claims.

Risk-Related Costs					
(\$ thousands)					
	<u>FY 15-16</u> <u>Actual</u>	<u>FY 15-16</u> <u>Budget</u>	<u>FY 14-15</u> <u>Actual</u>	<u>FY 13-14</u> <u>Actual</u>	<u>FY 12-13</u> <u>Actual</u>
WC Payouts & Reserves	\$470	\$603	\$195	\$753	\$780
Insurance Premiums	339	350	324	325	298
Professional Services	412	303	429	269	321
Liability Payouts & Reserves	191	215	295	76	15
	<u>\$1,412</u>	<u>\$1,471</u>	<u>\$1,242</u>	<u>\$1,424</u>	<u>\$1,413</u>

Fuel & Other – Expenditures of \$1.5 million for diesel fuel were down 23% compared to FY 14-15. This was anticipated given the large drop in crude oil prices and the fixed price contracts that MTD uses. The most recent contract was entered into in mid-2015 when markets prices were falling. The key benefit of fixed priced arrangements is the ability to budget more predictably. Outlays for promotion and passenger information of \$81,000, while similar to last year’s costs, represented about half of the budget. Essentially, such costs have been delayed until FY 16-17 with the engagement of a marketing firm, addition of marketing manager, and the upcoming public introduction of AIM.

OPEB – Other post-retirement benefits or OPEB refers to MTD’s obligation for future health benefits for retired employees. During the current fiscal, such obligations increased by \$190,000 and now total \$3.1 million. To date, MTD has not funded this obligation which results in its appearance as a liability on our Statement of Net Position.

Capital Budget

Capital Projects

Revenue Vehicles – Bus acquisitions during FY 15-16 included the five 40’ Gillig buses that MTD took delivery of in January 2016. This continues the replacement of the 1998 Nova fleet bringing our oldest fleet size down to 17 buses. The budget also included three additional Gilligs buses that are now on

order. Additionally, \$2.1 million for replacement electric vehicles was budgeted as well. This has been carried over to FY 16-17 and now part of the recent order for eight BYD 30' electric buses.

Capital Budget			
(\$ thousands)			
	FY 15-16	FY 15-16	FY 14-15
<i>REVENUE</i>	Actual	Budget	Actual
Proposition 1B Program	\$3,289	\$6,107	\$436
Measure A Transit Capital	1,634	1,788	1,281
Federal Capital Grants	499	1,815	26
State Transit Assistance	0	3,945	1,665
Other Capital	\$3	\$0	\$20
Total Capital Revenue	\$5,426	\$13,655	\$3,428
<i>EXPENDITURES</i>	FY 15-16	FY 15-16	FY 14-15
	Budget	Budget	Actual
Revenue Vehicle Purchases	\$2,128	\$5,525	\$2,227
Revenue Vehicle Improvements	321	690	551
Operating Facilities	343	895	58
Passenger Facilities	124	2,000	48
Intelligent Transportation Systems	2,429	4,280	436
Information Systems	0	90	0
Other Equipment	81	175	108
Total Capital Expenditures	\$5,426	\$13,655	\$3,428

Passenger & Operating Facilities – The Olive Terminal bus canopy improvements project got underway with completion of the raised bay to accommodate raising the “artic” buses. The balance of the project was on hold pending the engineering of the unanticipated roof metal deck replacement. The majority of other facility capital costs making up the overall \$467,000 in outlays included continued A&E work on the Transit Center renovation project and shop roof and bus stop improvements.

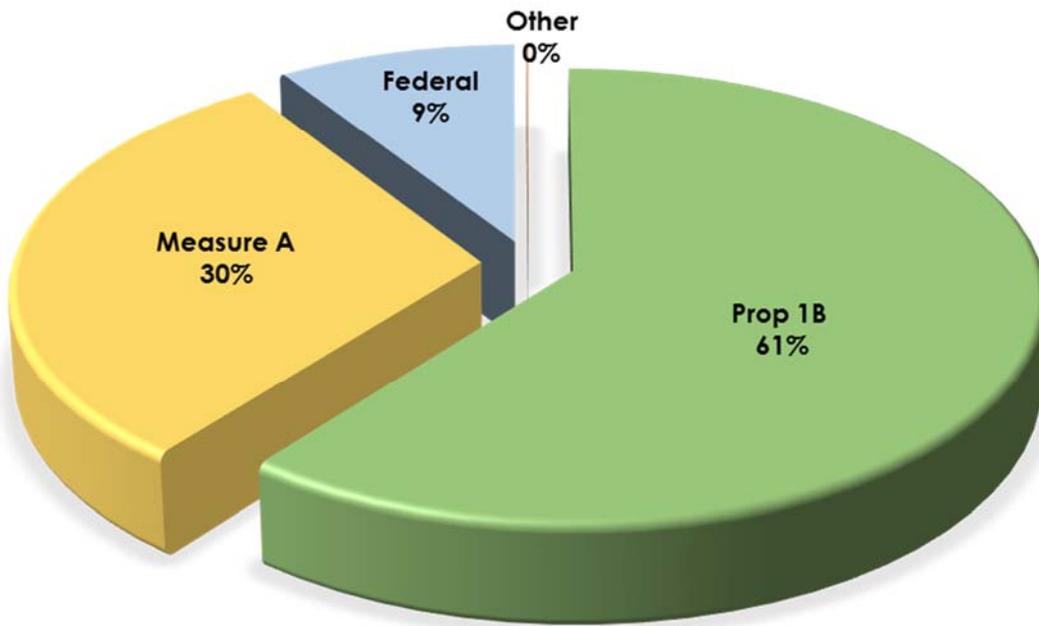
Intelligent Transportation Systems – Full fleet installation of Clever Devices on-board AVL equipment for the AIM system project began just prior to the end of fiscal year. The \$2.4 million in capital expenditures for the project also included system design, mini-fleet testing, network hardware setup, and integration with Trapeze scheduling software. The smart card project began and included completion of the initial assessment report. The goal for phase 1 of the project is the use of smart cards as a contactless proximity device for boarding validation for UCSB and SBCC students. The assessment also concluded that with the quickly emerging mobile fare payment technology, the most cost effective path for the project would be to replace MTD’s existing fareboxes acquired in 1999. Staff will be bringing a proposal to the Board along these line in the near future.

Capital Revenue

For the funding of capital projects in FY 15-16, MTD made use of three sources: State of California Proposition 1B bond funds; local Measure A capital funds; and the federal FTA Section 5339 program. Use of the Measure A capital program allowed MTD to retain STA funds for other planned projects

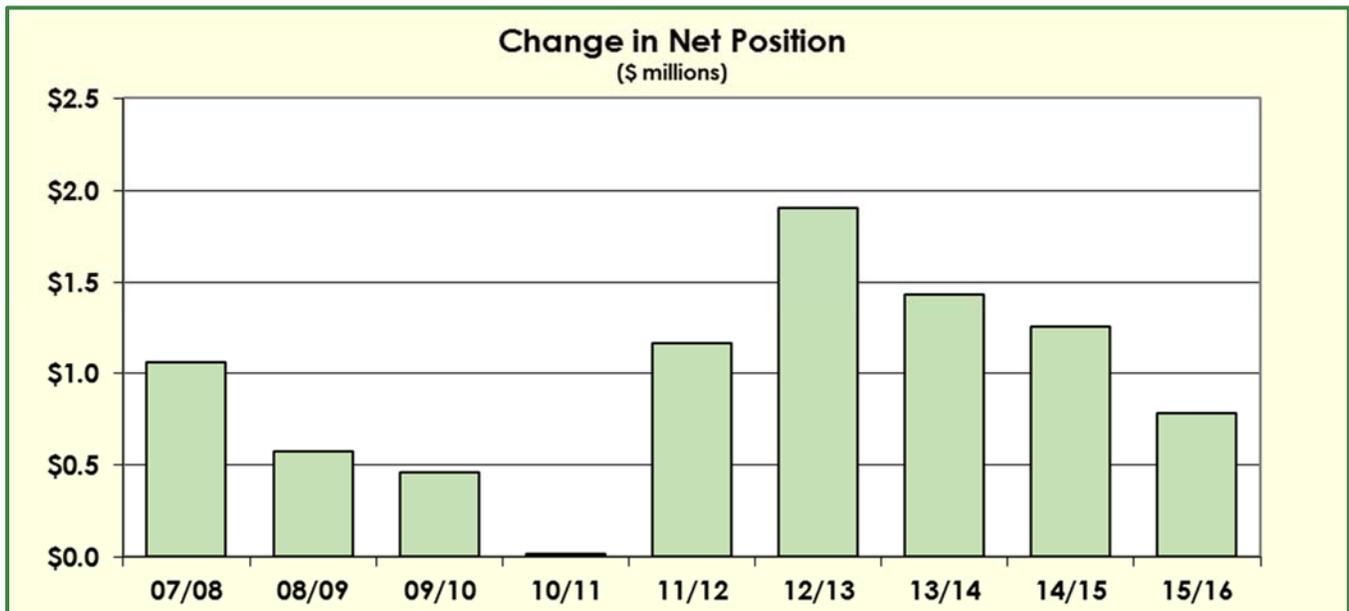
including the matching funds for the planned bus replacements and fare revenue equipment required for the implementation of the smart card program.

**CAPITAL REVENUE
FY 2015-16**



Net Position & Reserves

MTD’s unrestricted net position has increased by \$591,000 over the prior year as a result of the surplus bringing the level to \$10.9 million. MTD’s unrestricted net assets are unencumbered and allocated towards four reserve funds: cashflow, appropriated, emergency, and capital. As of year-end, MTD is able to fully meet the reserve requirements. MTD’s restricted net position as of last June 30 was \$3.3 million. This figure represents the amount of capital funds received in advance for specific capital projects under the Prop 1B and LCTOP programs. These will partially fund the Gillig buses on order, the AIM system, the smart card project, and the TC renovation.



Detailed Statements & Tables

STATEMENT OF NET POSITION			
June 30, 2016			
ASSETS			
<i>CURRENT ASSETS</i>			
Cash & Cash Items	\$	21,432,539	
Receivables		1,893,969	
Materials & Supplies Inventory		1,273,875	
Prepayments		<u>279,784</u>	
			\$ 24,880,167
<i>NON-CURRENT ASSETS</i>			
Work in Process	\$	3,775,344	
Land		5,596,297	
Fixed Facilities		12,987,492	
Revenue Fleet		42,707,117	
Non-Revenue Vehicles		762,621	
Shop Equipment		610,754	
Office & IT Equipment		2,190,659	
Bus Stop Facilities		1,090,026	
Accumulated Depreciation		<u>(39,144,520)</u>	
			<u>30,575,790</u>
TOTAL ASSETS			\$ 55,455,957
LIABILITIES			
<i>CURRENT LIABILITIES</i>			
Accounts Payables	\$	546,366	
Payroll Liabilities		2,076,010	
Other Current Liabilities		<u>1,147,305</u>	
			\$ 3,769,681
<i>NON-CURRENT LIABILITIES</i>			
Accrued Benefits & Payouts	\$	<u>6,955,165</u>	
			<u>6,955,165</u>
TOTAL LIABILITIES			\$ 10,724,846
CAPITAL			
<i>FEDERAL CAPITAL</i>			
Federal Grants	\$	<u>29,189,962</u>	
			\$ 29,189,962
<i>TDA & OTHER CAPITAL</i>			
TDA & Other Capital	\$	<u>1,385,827</u>	
			<u>1,385,827</u>
TOTAL CAPITAL			\$ 30,575,790
Restricted Net Position		\$ 3,271,038	
Unrestricted Net Position		<u>10,884,283</u>	
TOTAL NET POSITION			14,155,321
TOTAL LIABILITIES & CAPITAL			\$ 55,455,957

Operating Revenue Detail
Fiscal Year 2015-16

	FY2015-16 Actual	FY2015-16 Budget	Change	FY2014-15 Actual
<i>FAREBOX REVENUE</i>				
Cash Fares	\$2,290,756	\$2,409,959	(\$119,203)	\$2,545,328
Full Fares - Tokens	51,104	60,527	(9,423)	62,387
Downtown-Waterfront Shuttle	1,055,152	1,050,345	4,807	1,049,572
City My Ride Program	35,987	55,000	(19,013)	40,390
UCSB Contract Fares	991,118	985,040	6,078	977,289
SBCC Contract Fares	931,386	931,386	0	966,051
Special Event Fares	110,051	77,294	32,757	93,336
Day Pass	5,166	5,280	(114)	4,920
Adult 10-Ride Pass	657,970	675,916	(17,946)	746,104
Youth 10-Ride Pass	375,483	383,182	(7,699)	407,426
Senior 10-Ride Pass	77,738	80,444	(2,706)	79,103
Mobility 10-Ride Pass	30,293	30,348	(55)	29,842
Coastal Express - 10-Ride Pass	(7,361)	(7,361)	0	85,598
Adult 30-Day Pass	595,673	593,092	2,581	703,798
Youth 30-Day Pass	157,731	162,978	(5,247)	232,070
Senior 30-Day Pass	98,889	94,689	4,200	95,355
Mobility 30-Day Pass	123,177	125,519	(2,342)	126,290
Ventura CE - 30-Day Pass	(18,004)	(18,004)	0	30,291
<i>Subtotal</i>	<u>\$7,562,309</u>	<u>\$7,695,634</u>	<u>(\$133,325)</u>	<u>\$8,276,762</u>
<i>NON-TRANSPORTATION INCOME</i>				
Property Tax Revenue	\$1,094,851	\$975,000	\$119,851	\$1,028,132
Advertising on Buses	588,265	525,000	63,265	532,773
Interest on Investments	32,569	42,580	(10,011)	39,876
Property & Other Income	232,675	220,130	12,545	208,991
<i>Subtotal</i>	<u>\$1,948,360</u>	<u>\$1,762,710</u>	<u>\$185,650</u>	<u>\$1,809,772</u>
<i>GRANTS & SUBSIDIES</i>				
TDA Sales Tax Revenue	\$7,375,456	\$7,321,681	\$53,775	\$7,269,606
FTA Formula Assistance	4,984,944	4,943,999	40,945	4,914,363
Measure A	2,007,455	2,021,193	(13,738)	1,972,107
State & Local Operating Assistance	475,586	446,317	29,269	116,288
<i>Subtotal</i>	<u>\$14,843,441</u>	<u>\$14,733,190</u>	<u>\$110,251</u>	<u>\$14,272,364</u>
<i>Total Operating Revenue</i>	<u>\$24,354,110</u>	<u>\$24,191,534</u>	<u>\$162,576</u>	<u>\$24,358,898</u>

Operating Expense Summary
Fiscal Year 2015-16

	FY 2015-16 Actual	FY 2015-16 Budget	Change	FY 2014-15 Actual
<i>ROUTE OPERATIONS</i>				
Drivers	\$10,500,979	\$10,680,754	(\$179,775)	\$10,310,777
Dispatch & Supervision	601,938	610,806	(8,868)	543,450
Hiring & Training	274,341	284,527	(10,186)	352,858
Risk & Safety	2,035,664	2,033,709	1,955	1,674,609
Transportation Subsidies	825,511	825,511	0	629,064
<i>Subtotal</i>	<u>\$14,238,433</u>	<u>\$14,435,307</u>	<u>(\$196,874)</u>	<u>\$13,510,758</u>
<i>VEHICLE MAINTENANCE</i>				
Mechanics	\$1,035,277	\$1,151,755	(\$116,478)	\$1,029,838
Cleaners & Fuelers	792,001	787,242	4,759	773,664
Supervision	497,031	451,766	45,265	586,525
Vehicle Consumables	1,895,002	2,023,546	(128,544)	2,365,290
Bus Parts & Supplies	665,807	709,661	(43,854)	607,513
Vendor Services	50,259	82,500	(32,241)	51,024
Risk & Safety	24,083	78,241	(54,158)	79,024
<i>Subtotal</i>	<u>\$4,959,460</u>	<u>\$5,284,711</u>	<u>(\$325,251)</u>	<u>\$5,492,878</u>
<i>PASSENGER ACCOMMODATIONS</i>				
Passenger Facilities	\$638,692	\$650,588	(\$11,896)	\$658,001
Transit Development	354,304	369,959	(15,655)	340,330
Promotion & Information	233,543	338,231	(104,688)	214,782
Fare Revenue Collection	295,349	344,991	(49,642)	289,386
<i>Subtotal</i>	<u>\$1,521,888</u>	<u>\$1,703,769</u>	<u>(\$181,881)</u>	<u>\$1,502,499</u>
<i>GENERAL OVERHEAD</i>				
Finance	\$455,690	\$452,384	\$3,306	\$427,958
Personnel	159,651	156,090	3,561	56,580
Utilities & Communication	200,338	239,200	(38,862)	216,966
Operating Facilities	327,327	315,410	11,917	314,255
District Administration	1,900,657	1,814,279	86,378	1,731,435
<i>Subtotal</i>	<u>\$3,043,663</u>	<u>\$2,977,363</u>	<u>\$66,300</u>	<u>\$2,747,194</u>
<i>Total Operating Cost</i>	<u>\$23,763,444</u>	<u>\$24,401,150</u>	<u>(\$637,706)</u>	<u>\$23,253,329</u>

Capital Project Detail			
	FY 15/16 Actual	FY 15-16 Budget	FY 14-15 Actual
<i>REVENUE VEHICLE PURCHASES</i>			
40' Diesel Buses (5)	\$2,128,064	\$2,100,000	\$0
40' Diesel Buses (3)	0	1,425,000	0
Electric Buses	0	2,000,000	0
Articulated Buses (3)	0	0	2,226,961
Subtotal	<u>\$2,128,064</u>	<u>\$5,525,000</u>	<u>\$2,226,961</u>
<i>REVENUE VEHICLE IMPROVEMENTS</i>			
Bus and Electric Shuttle Refurbishing	\$41,004	\$0	\$73,418
Diesel Fleet Drivetrains	184,798	360,000	163,450
Lithium-Ion Battery Upgrades	93,788	280,000	314,581
EV Drivetrains & Chargers	1,341	50,000	0
Subtotal	<u>\$320,931</u>	<u>\$690,000</u>	<u>\$551,449</u>
<i>OPERATING FACILITIES</i>			
Canopy Improvements	\$254,732	\$745,000	\$170
Shop Structural & Roof Upgrades	10,709	0	0
Charging Infrastructure Upgrades	0	100,000	0
Operating Facilities Allowance	78,036	50,000	\$57,547
Calle Real Development	0	0	0
Subtotal	<u>\$343,477</u>	<u>\$895,000</u>	<u>\$57,717</u>
<i>PASSENGER FACILITIES</i>			
TC Renovation Project	\$97,267	\$1,500,000	\$17,548
Bus Stop Upgrades	22,996	250,000	16,478
Superstops	3,308	250,000	14,007
Subtotal	<u>\$123,571</u>	<u>\$2,000,000</u>	<u>\$48,033</u>
<i>INTELLIGENT TRANSPORTATION SYSTEMS</i>			
AVL Project (AIM)	\$2,428,764	\$3,280,000	\$435,943
Smartcard Project	0	1,000,000	0
Subtotal	<u>\$2,428,764</u>	<u>\$4,280,000</u>	<u>\$435,943</u>
<i>INFORMATION SYSTEMS</i>			
Fuel & Mileage Monitoring System	\$0	\$0	\$0
Software Systems Allowance	0	\$50,000	\$0
IT Infrastructure Allowance	0	40,000	0
Subtotal	<u>\$0</u>	<u>\$90,000</u>	<u>\$0</u>
<i>OTHER EQUIPMENT</i>			
Shop Equipment Allowance	\$7,200	\$75,000	\$51,310
Fare Collection & Radio Allowance	70,634	75,000	44,903
Office Furniture Allowance	3,073	25,000	12,060
Subtotal	<u>\$80,907</u>	<u>\$175,000</u>	<u>\$108,273</u>
Total Capital Projects	<u>\$5,425,714</u>	<u>\$13,655,000</u>	<u>\$3,428,376</u>



BOARD OF DIRECTORS REPORT

MEETING DATE: SEPTEMBER 20, 2016 **AGENDA ITEM #:** 8

TYPE: INFORMATIONAL

PREPARED BY: CYNTHIA BOCHE

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: ANNUAL RIDERSHIP AND PERFORMANCE REPORT

RECOMMENDATION:

Receive report and presentation about MTD Ridership in Fiscal Year 2015-16.

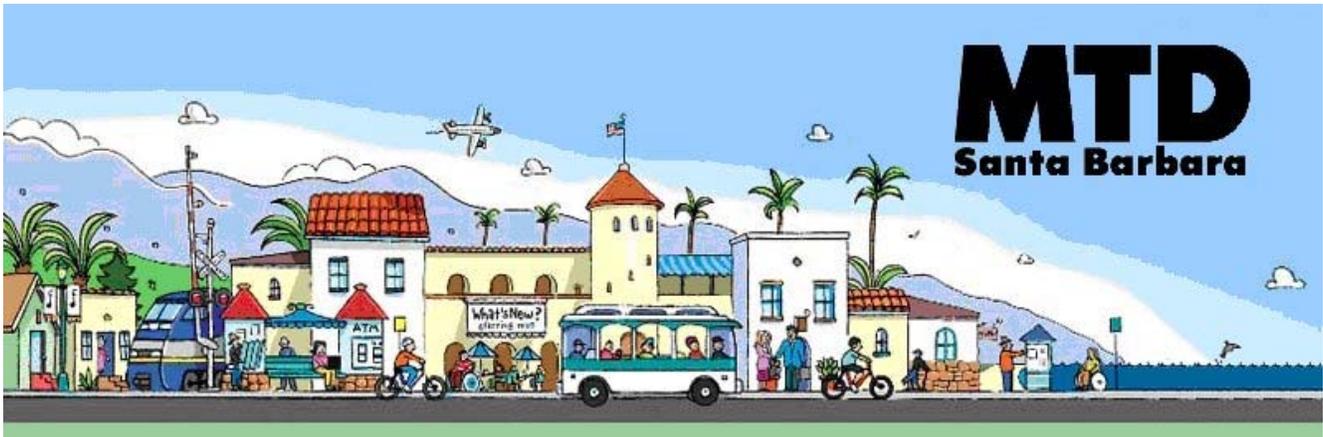
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MTD
Santa Barbara
FY 2015-16

QUARTERLY REPORTS

For the Fiscal Year Ending June 30, 2016



RIDERSHIP & PERFORMANCE REPORT

For the Fiscal Year July 2015 – June 2016

EXECUTIVE SUMMARY

This annual report provides information about system performance and ridership for the most recent fiscal year with similar information from prior fiscal years for comparison.

While MTD has experienced several years of ridership decline (and the most recent fiscal year was no exception), MTD still out-performs almost every other transit agency in the State of California.

Year over year, ridership in FY 2015-16 was down 8.1% from FY 2014-15, while revenue hours grew 2.1%, resulting in a 10.0% reduction in passengers per hour for the year. Longer term, ridership in FY 2015-16 was down 13.4% from FY 2011-12 while revenue hours operated increased 3.9%, resulting in a 16.7% decrease in passengers per hour over the past five fiscal years.

BACKGROUND

The effects of the economic downturn that began in 2008 continued through 2012; fuel prices were high, sales tax revenues were low, and Redevelopment Agency (RDA) funding was eliminated, all of which necessitated that MTD make a series of service cuts in fiscal years 2011-12 and 2012-13. At the same time, more people were turning to transit – perhaps as a way to save money – and ridership was trending upward. Since 2012, the economy has

improved and MTD has been able to restore service to previous levels (revenue hours), but despite the additional service, ridership has declined for the past four fiscal years.

Lower fuel prices may have induced some people to return to driving. Rising housing prices and the extremely tight rental market may also be prompting some lower- and middle-income people to move out of the District. Other contributing factors could be increasing traffic congestion, which can create schedule adherence issues and a perception of unreliability, declining enrollment at SBCC and at the international language schools, and the January 2015 implementation of AB-60, a new California law which requires the DMV to "issue a driver license to an applicant who is unable to submit satisfactory proof of legal presence in the United States."

Summarized below are the service changes that were implemented in fiscal years 2012 through 2015:

- 2011-12: 3.5% service reduction. Hours were reduced on Lines 1, 2, 3, 9, 27, 37, & booster routes. Valley Express inter-regional service was eliminated and Coastal Express Limited service was initiated.
- 2012-13: 2.0% service reduction. Hours were reduced on Lines 3, 9, 36, & 37. Lines 6, 11, 23, & 25 were restructured. The Commuter Lot Shuttle was eliminated. Shuttle fares were increased.
- 2013-14: 1.0% service increase. Hours were added on Lines 6 & 11, 12x, 15x, 24x and DWE. Hours on Lines 23 & 25 were reduced.
- 2014-15: 2.1% service increase. Hours were added on Lines 1, 2, 15x, 16, and 37. Schedules were adjusted on Lines 23, 25, and 36. Line 22 and the Coastal Express Limited were discontinued, and Line 3 was extended to serve Sansum Clinic on weekdays.

FY 2015-16 SERVICE CHANGES

In Fiscal Year 2015-16, MTD made service changes that were intended to address schedule adherence, reliability and capacity issues:

- Grant funding enabled the December restoration of 10-minute headways on Lines 1 & 2 weekday mornings between 6:30am and 8:30am.
- The Line 15x schedule was adjusted to give each trip more time and improve schedule adherence.
- UCSB funded additional evening and weekend service on Lines 12x and 24x to help accommodate increasing student transit demand.

- Schedules on Lines 23 and 25 were adjusted to give these routes more time for each trip and improve schedule adherence.

The service changes (and the extra 2016 Leap Day) resulted in a net 2.1% increase in revenue hours.

Outcomes of these changes have been generally positive. Lines 1 & 2 are no longer routinely missing trips, and ridership during the morning peak has been virtually flat, even while the remainder of the system experienced significant ridership decreases. Line 15x now runs on time, and Lines 12x and 24x together saw a 1.1% ridership increase over last year.

The charts and tables on the following pages provide detailed information about MTD's performance and ridership for the most recent five-year period.

As always, staff will continue to monitor the data, review MTD routes and schedules, and suggest service modifications as appropriate. Staff looks forward to the implementation of the new AIM system and the availability of additional data that will enable more detailed analyses.

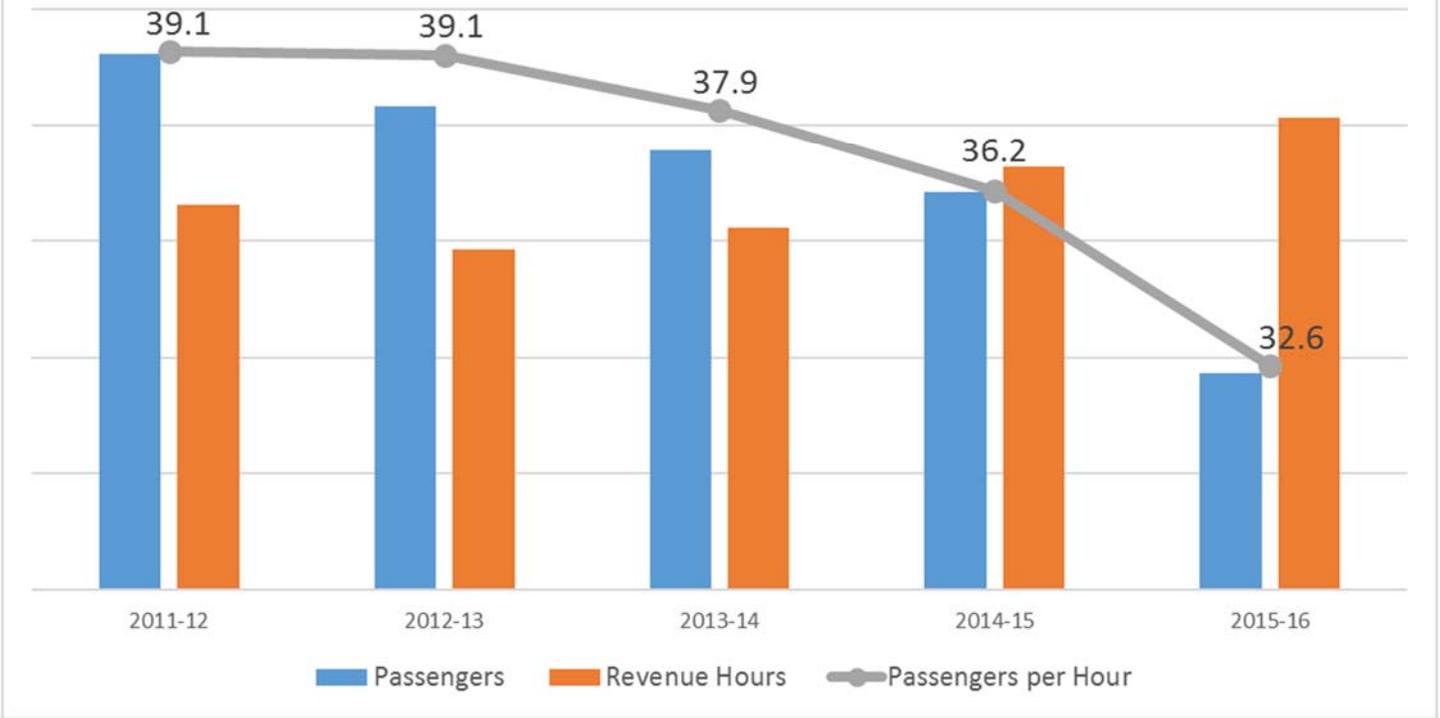
Table 1: Systemwide Ridership & Performance

PERFORMANCE INDICATORS	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Five-year Change FY 2012 - FY 2016	
Total Passengers	7,948,114	7,774,289	7,623,859	7,487,113	6,884,198	(1,063,916)	-13.4%
Weekday Passengers	6,571,512	6,424,113	6,308,856	6,210,081	5,719,668	(851,844)	-13.0%
Saturday Passengers	775,220	762,325	744,555	724,318	670,130	(105,090)	-13.6%
Sunday Passengers	601,382	587,851	570,448	552,714	494,400	(106,982)	-17.8%
Total Revenue Hours	203,079	199,030	201,083	206,607	211,046	7,967	3.9%
Weekday Hours	164,271	158,254	159,785	165,379	168,238	3,967	2.4%
Saturday Hours	20,840	21,627	21,960	22,002	22,838	1,998	9.6%
Sunday Hours	17,967	19,149	19,338	19,226	19,970	2,003	11.1%
Total Revenue Miles	2,583,400	2,513,127	2,556,497	2,577,324	2,554,466	(28,934)	-1.1%
Weekday Miles	2,118,634	2,042,489	2,078,187	2,110,002	2,056,771	(61,863)	-2.9%
Saturday Miles	256,116	256,022	260,811	256,714	269,043	12,927	5.0%
Sunday Miles	208,650	214,616	217,498	210,609	228,651	20,001	9.6%
Passengers per Revenue Hour	39.1	39.1	37.9	36.2	32.6	(6.5)	-16.7%
Weekday Passengers per Hour	40.0	40.6	39.5	37.6	34.0	(6.0)	-15.0%
Saturday Passengers per Hour	37.2	35.2	33.9	32.9	29.3	(7.9)	-21.1%
Sunday Passengers per Hour	33.5	30.7	29.5	28.7	24.8	(8.7)	-26.0%
Passengers per Revenue Mile	3.1	3.1	3.0	2.9	2.7	(0.4)	-12.4%
Weekday Passengers per Mile	3.1	3.1	3.0	2.9	2.8	(0.3)	-10.3%
Saturday Passengers per Mile	3.0	3.0	2.9	2.8	2.5	(0.5)	-17.7%
Sunday Passengers per Mile	2.9	2.7	2.6	2.6	2.2	(0.7)	-25.0%
Total Fare Revenue*	\$ 8,136,841	\$ 8,082,232	\$ 8,140,153	\$ 8,275,150	\$ 7,630,437	(506,404)	-6.2%
Operating Cost (not including depreciation)*	\$ 22,248,845	\$ 22,597,766	\$ 22,825,241	\$ 23,253,330	\$ 23,838,319	1,589,474	7.1%
Operating Cost per Revenue Hour*	\$ 109.56	\$ 113.54	\$ 113.51	\$ 112.55	\$ 112.95	\$ 3.40	3.1%
Farebox Ratio*	36.6%	35.8%	35.7%	35.6%	32.0%	-4.6%	-12.5%

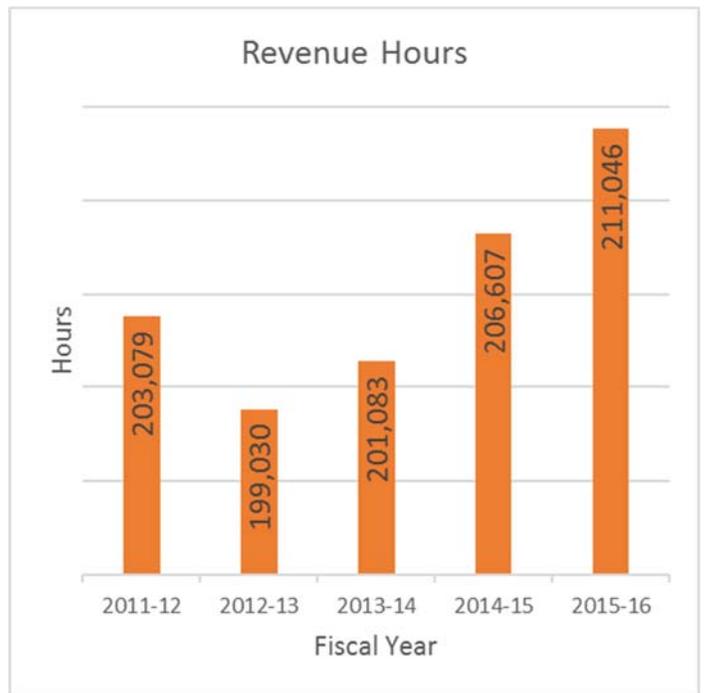
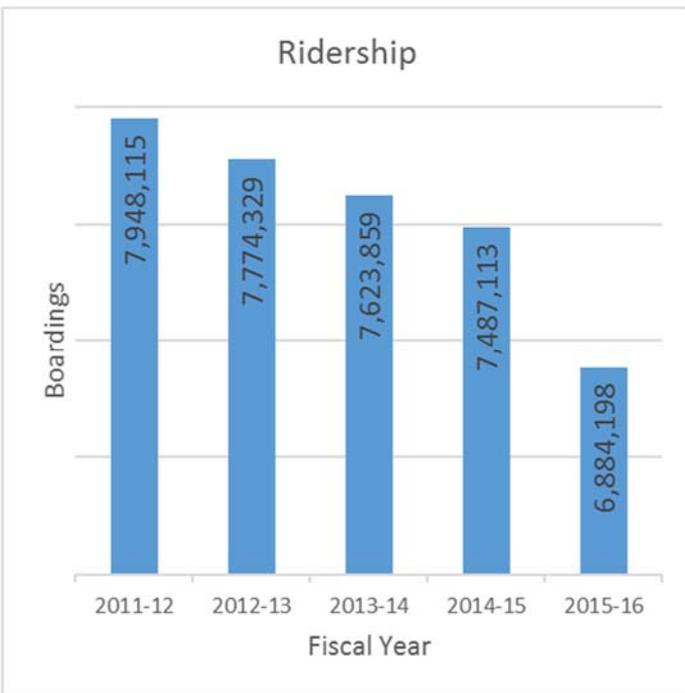
* FY 2016 figures are estimates

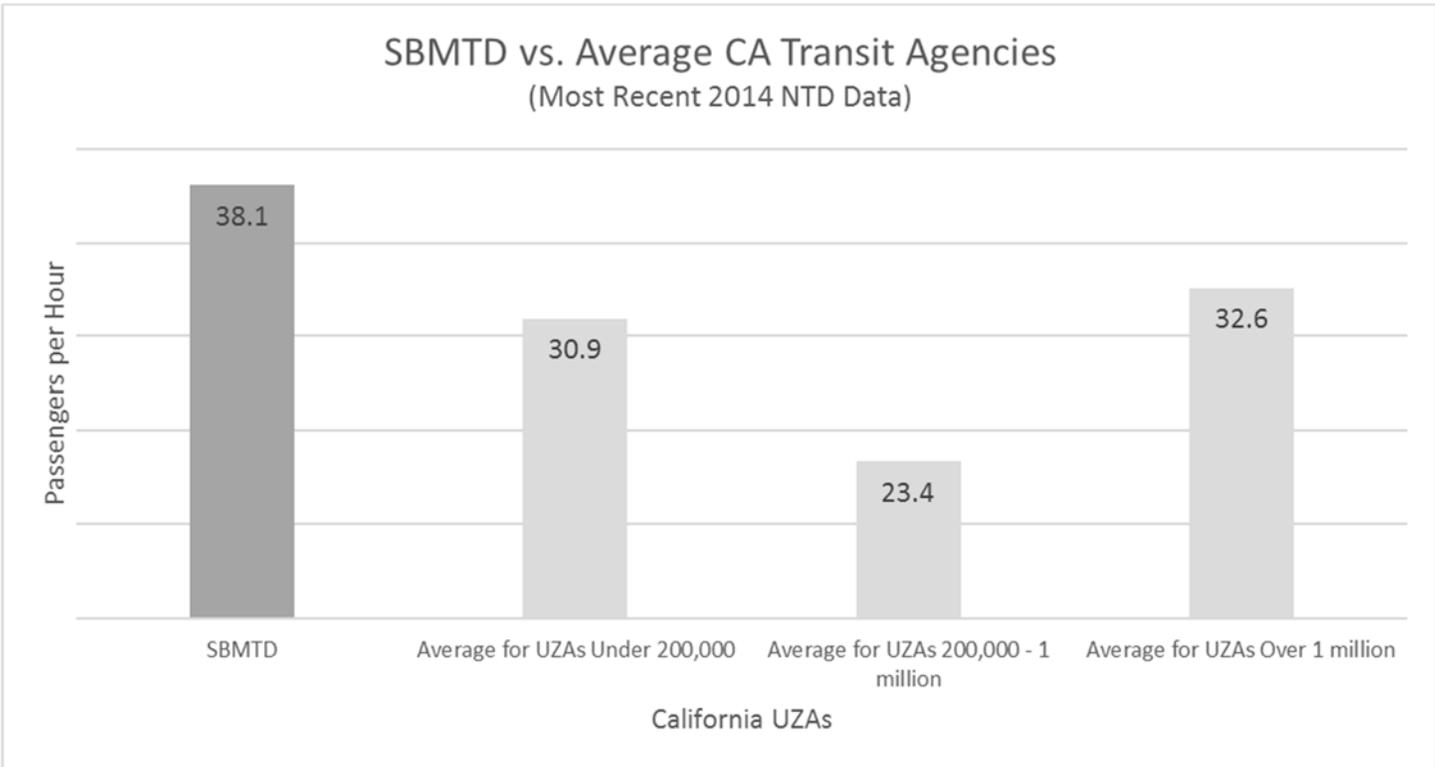
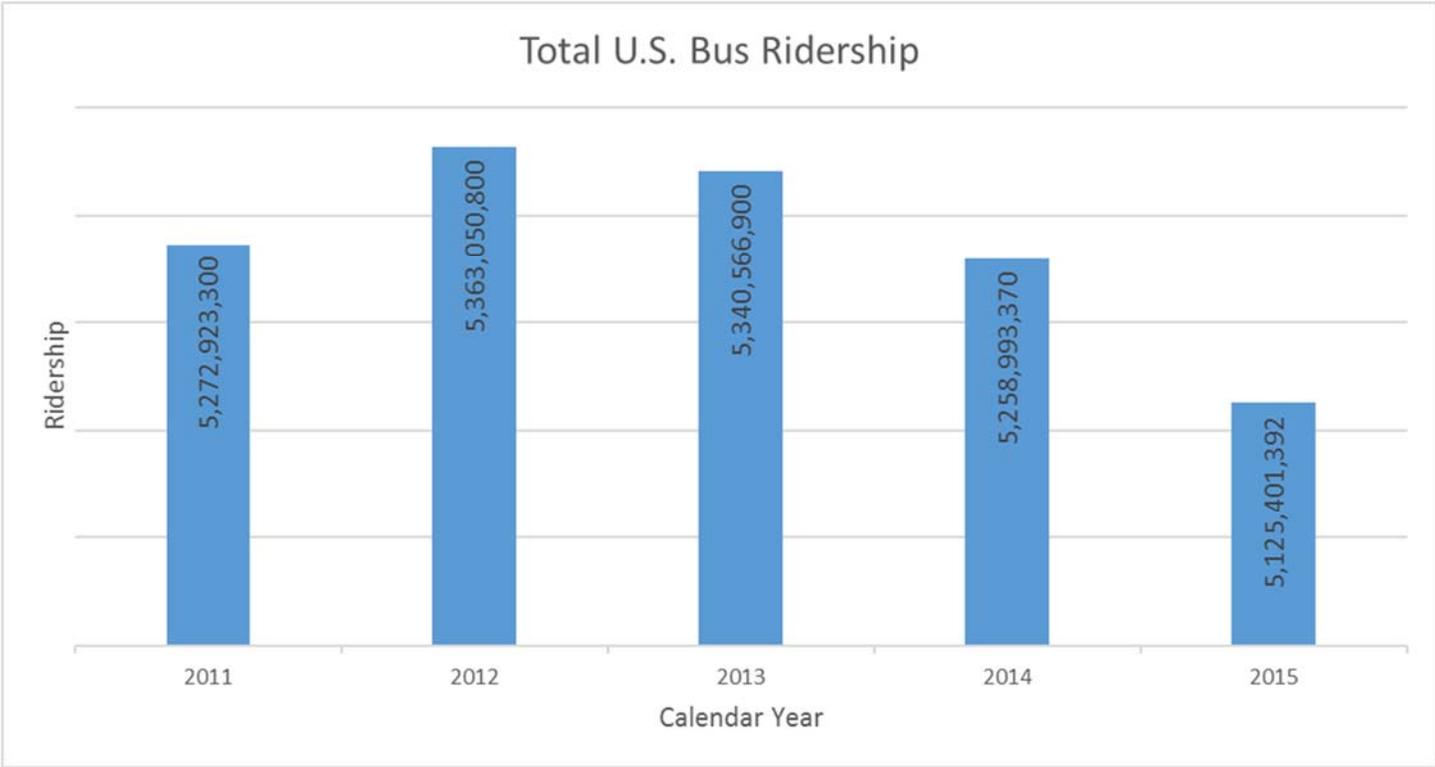
Table 1 shows that compared to FY 2012, FY 2016 ridership decreased 13.4%, revenue hours increased 3.9%, and passengers per hour decreased 16.7%. Compared to FY 2015, system-wide ridership decreased 8.1%, revenue hours operated increased 2.1%, and passengers per revenue hour decreased 10.0% in FY 2016.

Ridership, Revenue Hours, and Passengers per Hour (Passengers and hours as compared to baseline year of FY 2010-11)

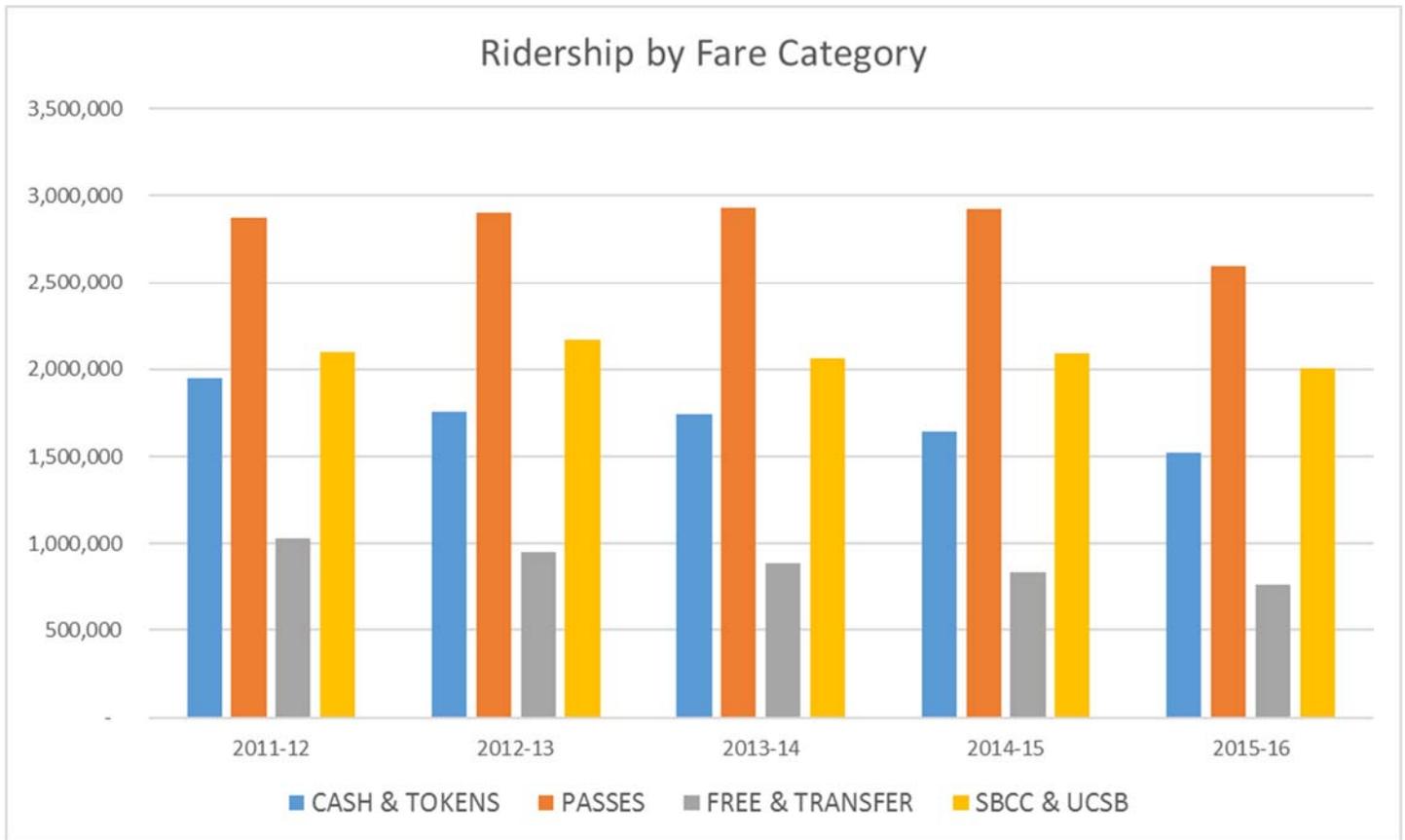


The chart above depicts system-wide Ridership, Revenue Hours, and Passengers per Revenue Hour for the past five years. Ridership and Revenue Hours are shown as percentages relative to a baseline of FY 2011 numbers. Actual Ridership and Hours figures are shown in the charts below.





The downward trends in Ridership and Passengers per Hour are nation-wide phenomena, but MTD's performance metrics are still higher than most other transit agencies.



The chart above shows ridership by Fare Category. Ridership has decreased across all fare categories except UCSB students. Table 2 on the next page provides details for the past five years.

Some possible reasons for fare category ridership declines:

- Enrollment at the international language schools in the area tracks with the economy and the strength of the U.S. Dollar. A relatively strong dollar for the past year has caused enrollment declines of about 20% at the schools. International students typically buy passes (either adult or youth) and the vast majority of them ride the bus at least twice each day of their visit, so enrollment levels can have a significant effect on MTD ridership.
- The increase in Shuttle fares in FY 2012-13 caused shuttle ridership to decline. With that fare adjustment, new half-price Senior and Disabled shuttle fares were created. Most of the increase in Senior cash ridership is on the Downtown-Waterfront Shuttle, partly because many of the visiting cruise ship passengers pay a Senior fare.
- Free rides are down 42% from FY 2011-12 with the greatest numeric declines on Lines 1, 2, 3, 6, & 11 and declines of more than 50% on Lines 3, 4, 5, 12x, 16, 17, 23, & 27. Nineteen percent fewer Transfers were used in FY 2015-16 than in FY 2011-12. The largest numeric decreases were on Lines 1, 2, 6, & 11, while Lines 4, 5, 10, 14, 17, & 27 each saw decreases of more than 25%.
- The decrease in Disabled cash fares may be related to MTD's recently revised qualification process, which requires passengers to be re-certified as eligible for the discount every five years.

TABLE 2: Ridership by Fare Category

Fare Category	Abbreviation	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fare	FULL	1,252,200	1,214,174	1,198,775	1,144,189	1,015,300
Tokens	TOKE	33,839	38,716	33,188	27,903	25,157
Full Fare Prepaid (1)	FFPP	1,456,553	1,400,614	1,381,951	1,375,455	1,150,169
Student Prepaid (2)	STPP	611,455	676,799	736,683	736,607	644,783
Senior	SRCA	100,139	150,551	183,022	169,485	185,334
Mobility	DICA	44,298	59,514	47,780	43,453	38,266
Senior & Mobility Prepaid (3)	SDPP	694,110	688,383	691,095	693,320	691,896
Transfers	TRAN	746,081	713,416	676,363	649,000	604,649
Free	FREE	286,138	239,979	210,383	180,917	157,537
Shuttle (DWE & Seaside)	SHUT	517,450	290,474	277,348	258,429	257,538
My Ride & Brooks	SUPR	109,440	135,577	122,609	118,283	107,820
UC Santa Barbara	UCSB	885,593	980,545	956,408	1,030,302	1,106,561
Santa Barbara City College	SBCC	1,210,819	1,185,587	1,108,255	1,059,770	899,188
TOTAL		7,948,115	7,774,329	7,623,859	7,487,113	6,884,198

(1) Includes adult 10-Ride and Unlimited 30-Day Passport use.

(2) Includes student 10-Ride and Unlimited 30-Day Passport use.

(3) Includes seniors' and persons with disabilities' 10-Ride and Unlimited 30-Day Passport use.

SBCC & UCSB Student Ridership and Average Enrollment

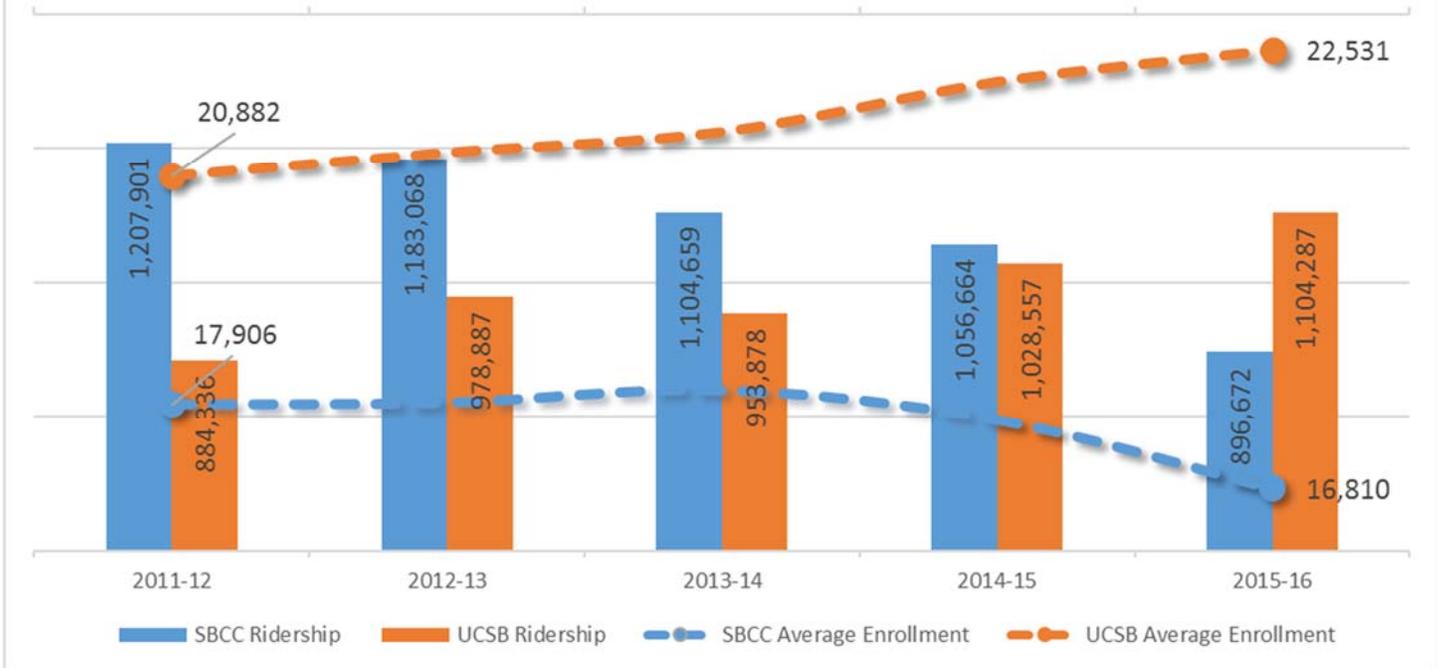
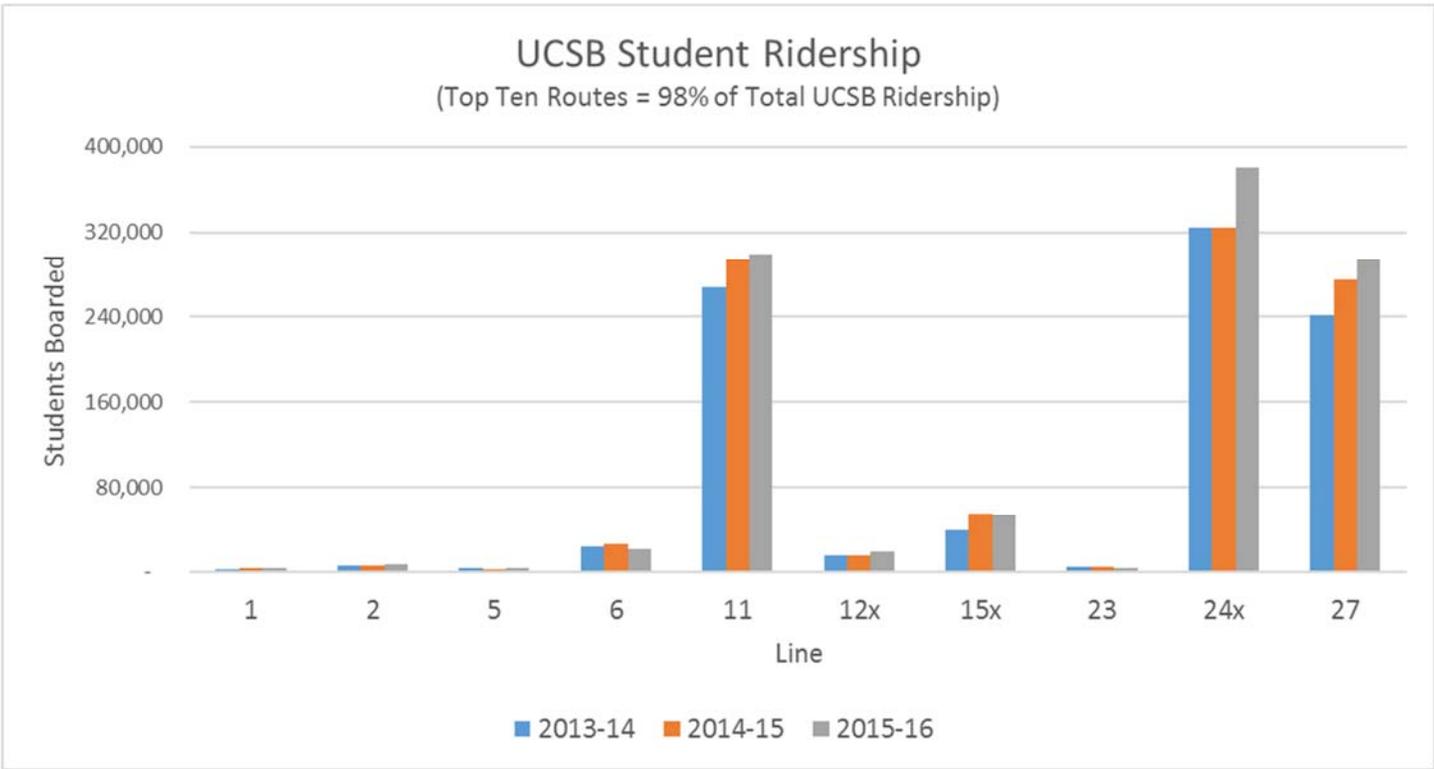
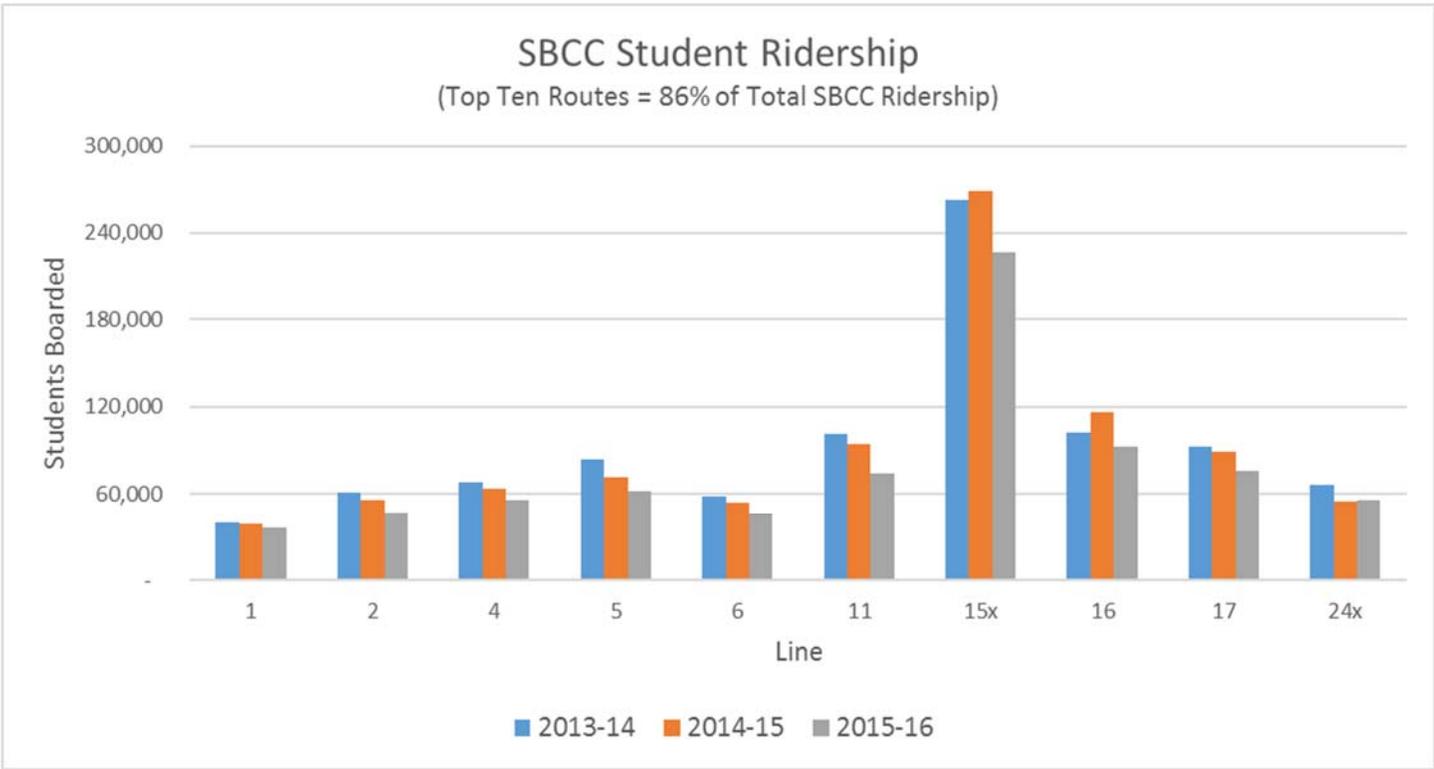
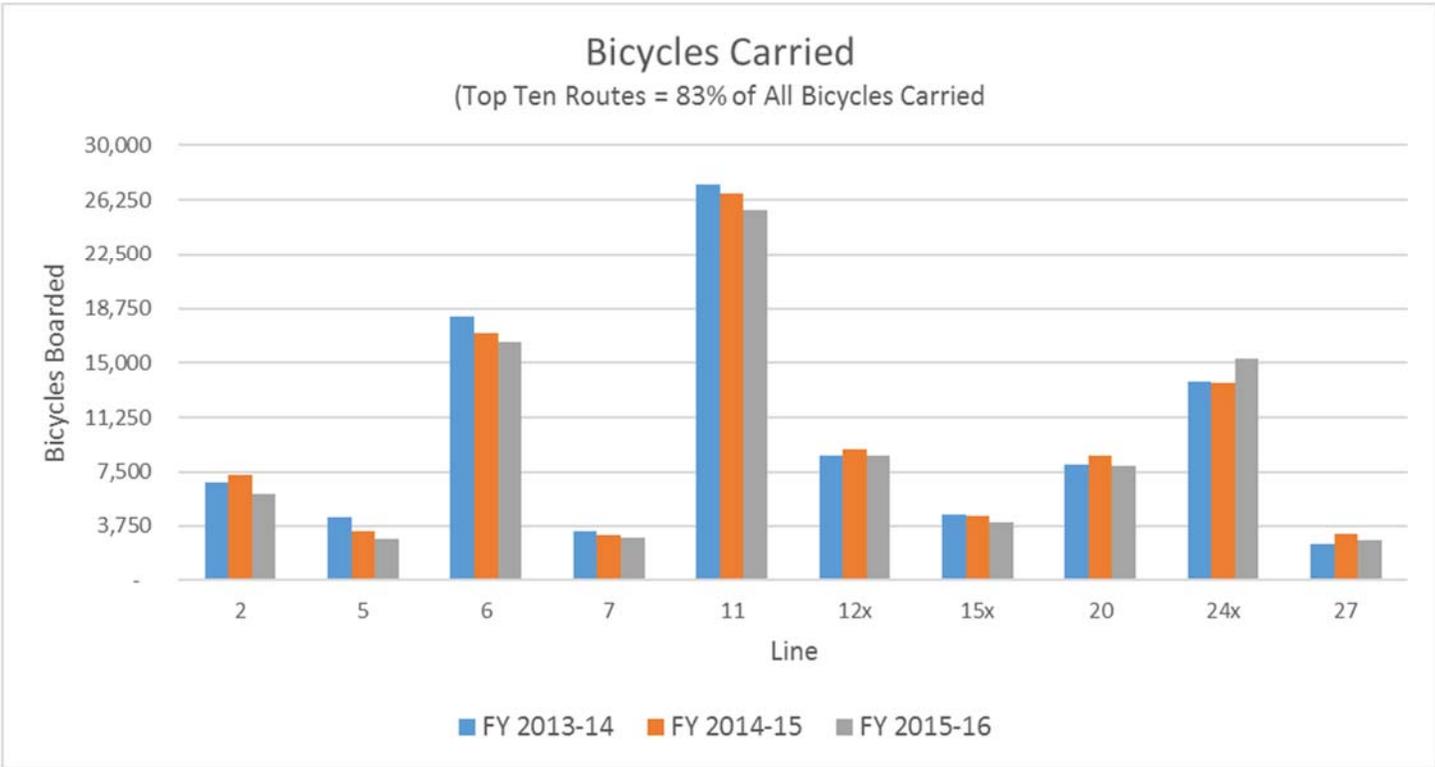
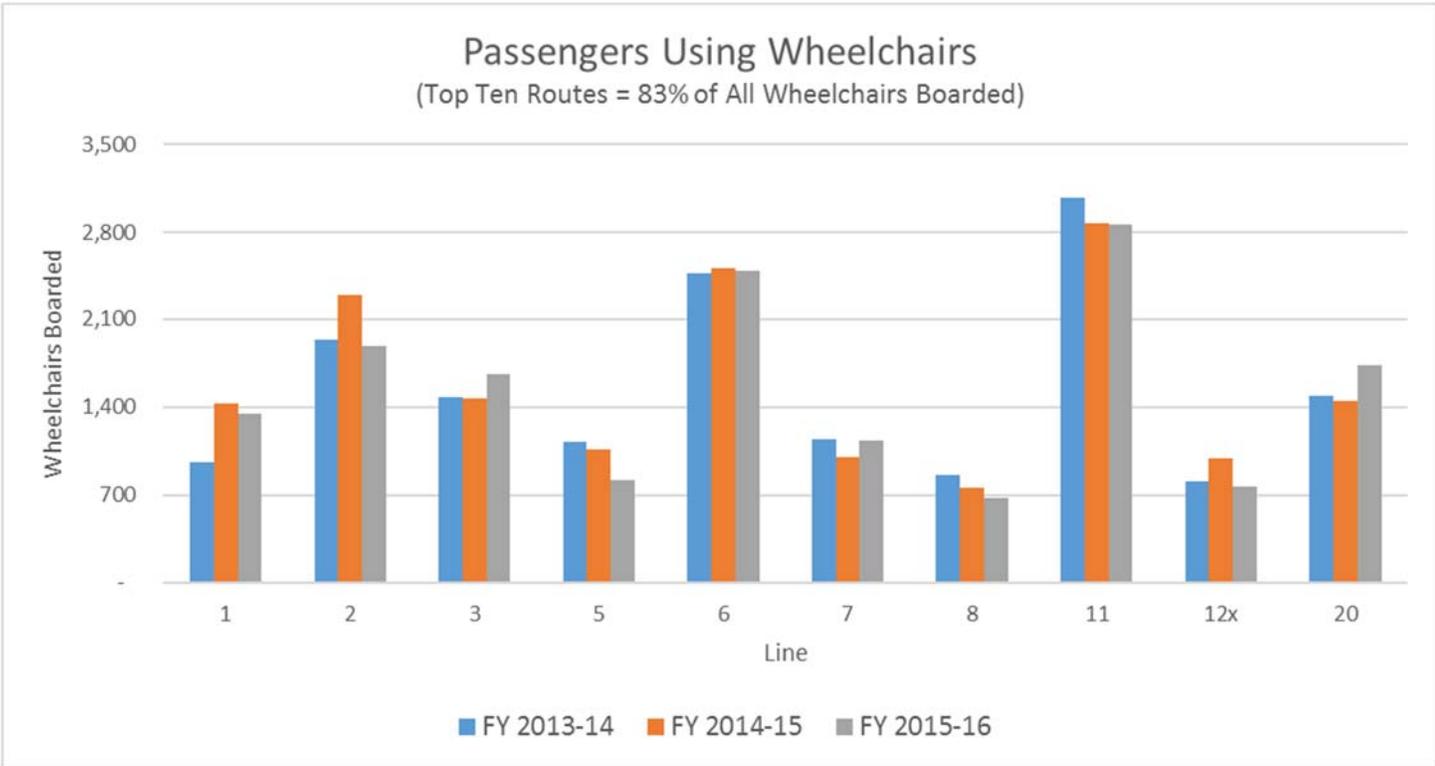


TABLE 3: SBCC & UCSB Ridership by Line

LINE	SBCC					UCSB				
	2011-12	2012-13	2013-14	2014-15	2015-16	2011-12	2012-13	2013-14	2014-15	2015-16
1	43,229	44,226	40,108	38,625	36,171	4,818	4,768	2,873	3,747	3,635
2	75,610	70,788	60,531	55,751	46,686	9,563	7,828	5,710	5,855	6,646
3	26,051	25,136	22,647	24,493	17,245	3,411	3,132	2,463	1,979	2,576
4	71,973	67,941	67,804	63,580	55,292	3,386	3,103	2,569	1,753	1,824
5	89,401	80,293	83,939	71,608	61,560	3,539	7,761	3,713	2,761	3,012
6	72,094	64,851	58,553	53,941	46,077	18,113	25,311	23,724	26,017	22,064
7	13,912	14,182	12,162	11,487	10,287	1,403	1,773	1,080	963	1,243
8	11,257	10,671	9,721	9,362	6,338	887	919	686	526	611
9	3,636	3,012	2,385	2,277	2,401	2,382	2,080	2,210	1,423	1,057
10	3,350	2,713	2,492	2,236	2,678	630	914	1,080	1,031	1,357
11	100,791	112,380	101,239	94,622	74,124	95,217	255,441	267,938	294,182	299,130
12x	34,450	34,413	28,887	23,607	21,905	14,398	17,005	15,882	15,780	18,858
14	12,320	8,379	8,439	8,926	5,199	1,147	1,226	765	837	687
15x	246,394	267,282	262,804	268,794	227,098	31,116	36,312	39,732	54,854	53,648
16	128,679	112,739	102,264	116,129	92,828	1,193	2,687	1,096	2,479	1,193
17	101,387	99,290	92,521	89,041	75,451	6,671	3,479	2,119	1,768	1,215
20	34,250	36,190	33,984	26,771	21,537	4,667	3,018	3,262	2,744	2,632
21x	13,278	13,125	12,671	9,536	9,811	1,328	1,477	1,240	955	848
22	3,102	2,522	2,730	123		845	795	642	39	
23	19,143	6,961	5,645	5,358	6,770	97,707	11,041	4,248	4,572	3,713
24x	64,151	77,740	66,385	54,792	55,444	316,602	339,077	324,895	324,240	379,991
25	11,077	5,230	5,687	5,589	4,829	50,563	8,300	3,700	3,465	2,822
27	13,811	16,015	15,769	12,929	11,637	213,699	240,602	241,564	275,675	294,644
36	206	535	714	506	406	9	40	40	28	43
37	14,349	6,454	4,578	6,581	4,898	1,042	798	647	884	838
Total	1,207,901	1,183,068	1,104,659	1,056,664	896,672	884,336	978,887	953,878	1,028,557	1,104,287



SBCC & UCSB students comprise 29% of total MTD ridership. The charts above depict the ten routes carrying the largest number of SBCC and UCSB students, respectively. SBCC student ridership is dispersed more widely through the system than UCSB student ridership, which is concentrated on a few routes that serve the UCSB campus. UCSB ridership on Line 24x, in particular, has grown significantly since the University funded increased evening and weekend service on the route last year. Detailed student ridership numbers for all routes over the past 5 years are listed in Table 3 on page 9.



The charts above depict the ten routes carrying the largest numbers of wheelchairs and bicycles, respectively. Line 7 has the highest proportion of wheelchair-using passengers, but they still make up less than 1% of total ridership on that route, and even Line 7 averages less than one wheelchair per trip. While Line 11 carries the greatest number of bicycles, Line 12x has the highest percentage of bike-bringing passengers. Detailed numbers for all routes over the past 5 years are presented in Table 4 on the next page.

TABLE 4: Wheelchair & Bicycle Boardings by Line

LINE	Wheelchairs					Bicycles				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	1,334	1,221	965	1,428	1,344	2,407	2,588	2,752	2,531	2,415
2	2,202	2,138	1,932	2,296	1,890	7,532	7,373	6,798	7,262	6,018
3	1,279	1,392	1,477	1,473	1,663	3,119	2,401	2,035	2,294	2,418
4	189	118	93	366	158	3,042	2,349	2,395	2,438	2,205
5	858	588	1,122	1,058	820	3,252	3,613	4,277	3,383	2,863
6	3,539	2,962	2,465	2,503	2,483	17,039	17,671	18,156	17,005	16,422
7	661	706	1,141	1,000	1,137	2,629	2,910	3,328	3,051	2,927
8	582	561	859	760	678	1,906	2,000	2,507	2,308	2,127
9	299	337	162	202	266	394	453	483	465	416
10	177	71	11	19	14	634	616	838	796	514
11	3,145	3,327	3,074	2,867	2,864	23,187	24,322	27,343	26,657	25,596
12x	1,230	1,063	808	992	770	8,178	8,872	8,614	9,080	8,626
14	264	219	383	345	240	2,295	1,694	2,032	1,863	1,830
15x	205	68	35	33	136	3,782	3,407	4,507	4,451	3,966
16	227	217	276	345	234	920	902	1,456	1,593	1,042
17	260	161	232	278	192	1,750	1,567	1,548	1,763	1,319
20	1,462	1,576	1,487	1,449	1,729	8,164	7,589	8,037	8,616	7,938
21x	414	350	417	344	358	2,932	3,274	2,869	3,091	2,687
22	12	24	17	-	-	523	674	750	103	-
23	218	133	198	149	65	3,502	1,340	1,364	1,196	1,090
24x	395	366	269	333	416	12,176	13,176	13,694	13,633	15,252
25	278	200	312	204	45	1,725	1,341	1,359	1,053	666
27	64	103	108	92	67	2,986	3,057	2,469	3,152	2,776
30	580	776	838	578	635	-	-	-	-	-
31	261	214	133	86	165	-	-	-	-	-
32	49	153	63	54	54	-	-	-	-	-
36	92	42	28	74	142	-	-	-	-	-
37	149	190	87	92	73	-	-	-	-	-
Total	20,425	19,276	18,992	19,420	18,638	114,074	113,189	119,611	117,784	111,113

* Note that the electric shuttles cannot carry bicycles.

Looking ahead, if traffic congestion continues to worsen on the South Coast, more revenue hours will be needed to maintain current service levels. Without an increase in ridership, MTD's Passengers per Hour and other performance metrics will decline.

TABLE 5: Passengers, Hours, & Passengers per Hour* by Line

LINE	FY 2011-12			FY 2012-13			FY 2013-14			FY 2014-15			FY 2015-16		
	Passengers	Hours	PPH												
1	463,895	9,295	49.9	441,169	10,550	41.8	414,313	10,833	38.2	410,243	11,137	36.8	393,673	11,449	34.4
2	678,550	15,638	43.4	677,847	14,365	47.2	670,075	14,242	47.0	651,025	16,635	39.1	597,256	17,984	33.2
3	267,287	8,263	32.3	252,980	7,894	32.0	237,118	7,910	30.0	235,575	9,260	25.4	203,117	10,437	19.5
4	181,120	4,651	38.9	168,382	4,608	36.5	167,041	4,636	36.0	158,856	4,640	34.2	140,892	4,655	30.3
5	216,672	7,053	30.7	208,131	6,990	29.8	209,168	6,999	29.9	187,866	7,003	26.8	157,503	7,027	22.4
6	767,398	19,824	38.7	732,843	19,443	37.7	724,629	19,343	37.5	712,574	19,338	36.8	649,886	19,477	33.4
7	146,373	5,060	28.9	155,258	4,999	31.1	157,977	5,040	31.3	151,033	5,149	29.3	130,824	5,269	24.8
8	128,623	3,756	34.2	126,630	3,718	34.1	128,317	3,726	34.4	118,720	3,726	31.9	101,263	3,740	27.1
9	43,841	2,749	15.9	38,917	2,488	15.6	36,820	2,542	14.5	37,041	2,552	14.5	35,679	2,559	13.9
10	31,228	1,568	19.9	27,202	1,542	17.6	29,438	1,548	19.0	32,486	1,549	21.0	26,714	1,555	17.2
11	1,015,741	23,545	43.1	1,226,705	29,762	41.2	1,249,297	30,951	40.4	1,246,593	30,955	40.3	1,114,748	31,047	35.9
12x	299,369	6,278	47.7	301,674	6,141	49.1	288,114	6,346	45.4	275,849	6,401	43.1	245,398	7,027	34.9
14	122,035	5,071	24.1	111,226	5,018	22.2	109,441	5,032	21.7	104,444	5,032	20.8	94,206	5,051	18.7
15x	320,667	6,376	50.3	350,198	6,289	55.7	345,185	7,014	49.2	369,880	7,749	47.7	322,469	7,284	44.3
16	165,563	1,662	99.6	151,825	1,645	92.3	138,017	1,672	82.6	160,576	2,471	65.0	128,832	2,464	52.3
17	235,988	3,246	72.7	228,182	3,213	71.0	212,937	3,239	65.8	200,337	3,242	61.8	168,752	3,253	51.9
20	364,980	13,553	26.9	368,123	13,466	27.3	363,650	13,479	27.0	346,569	13,524	25.6	314,261	13,668	23.0
21x	115,981	4,370	26.5	118,545	4,311	27.5	109,432	4,328	25.3	103,844	4,321	24.0	94,952	4,327	21.9
23	247,898	6,934	35.8	101,103	3,882	26.0	81,765	3,342	24.5	74,923	3,333	22.5	61,067	3,308	18.5
24x	647,700	9,999	64.8	704,733	9,907	71.1	684,985	10,432	65.7	666,243	9,985	66.7	707,010	12,245	57.7
25	135,667	4,255	31.9	64,935	1,975	32.9	57,372	1,528	37.5	57,818	1,546	37.4	47,065	1,529	30.8
27	275,595	6,802	40.5	305,186	6,774	45.1	302,277	6,775	44.6	333,135	6,779	49.1	346,277	6,792	51.0
30	435,617	11,280	38.6	341,891	11,535	29.6	336,183	11,555	29.1	298,411	11,443	26.1	298,452	11,832	25.2
31	75,291	2,644	28.5	57,623	2,606	22.1	55,442	2,566	21.6	46,429	2,536	18.3	43,914	2,563	17.1
32	30,522	1,242	24.6	24,413	1,231	19.8	29,629	1,312	22.6	28,682	1,280	22.4	28,816	1,321	21.8
36	99,606	4,470	22.3	70,652	4,234	16.7	70,662	4,234	16.7	75,479	4,235	17.8	82,474	4,248	19.4
37	138,527	5,984	23.1	93,089	4,072	22.9	85,295	4,088	20.9	103,831	5,807	17.9	95,474	6,145	15.5
boost	242,311	2,603	93.1	261,607	2,806	93.2	259,738	2,760	94.1	255,235	2,812	90.8	253,224	2,788	90.8
disc	37,074	2,992	12.4	23,230	1,668	13.9	23,821	1,611	14.8	3,172	244	13.0	-	-	0.0
reg	16,995	1,914	8.9	39,990	1,897	21.1	45,721	2,001	22.8	40,244	1,924	20.9	-	-	0.0
Total	7,948,114	203,078	39.1	7,774,289	199,030	39.1	7,623,859	201,083	37.9	7,487,113	206,607	36.2	6,884,198	211,046	32.6

* Passengers per Hour = PPH boost = school boosters disc = discontinued routes (22, 33, & 50) reg = regional routes (Valley Express & Coastal Express Limited)



BOARD OF DIRECTORS REPORT

MEETING DATE: SEPTEMBER 20, 2016 **AGENDA ITEM #:** 9

TYPE: ACTION

PREPARED BY: JERRY ESTRADA

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: UPDATE OF CONFLICT OF INTEREST POLICY

RECOMMENDATION:

That the Board of Directors approve the following changes to MTD's Conflict of Interest Policy:

Sec. 5.2.4 In the case of a **gift**, the name, address and business activity of the donor and any intermediary through which the **gift** was made; a description of the **gift**; the amount or value of the **gift**; the travel destination for purposes of a gift that is a travel payment, advance, or reimbursement and the date on which the **gift** was received.

Sec. 6.1.5 Any donor of, or any intermediary or agent for a donor of, a **gift** or **gifts** aggregating ~~Three Hundred Sixty Dollars (\$360)~~ Four Hundred Twenty Dollars (\$420.00) or more provided to, received by, or promised to the **designated employee** within twelve months prior to the time when the decision is made.

DISCUSSION:

The Political Reform Act requires every local government agency to review its conflict of interest code biennially. A conflict of interest code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Statement of Economic Interests (Form 700). MTD's attorney has proposed the recommended changes to the Conflict of Interest policy for the Board's consideration.

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2016 Santa Barbara Metropolitan Transit District **Conflict of Interest Code**

Sec. 1 Purpose and Applicability.

As a governmental institution, the Santa Barbara Metropolitan Transit **District** (“**District**”) must be vigilant in its protection of the public trust. **Public officials** are bound to observe the highest standards of performance and to discharge faithfully the duties of their office, regardless of personal considerations. The members of the Board of Directors hold office for the benefit of the public and their offices must not be used for the purpose of private gain. This Conflict of Interest Code (“Code”) is intended to prescribe standards of conduct designed to ensure the honesty and integrity of those **persons** governing the operation of the **District**.

The Political Reform Act, Government Code section 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, California Code of Regulations, title 2, section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of California Code of Regulations, title 2, section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the Santa Barbara Metropolitan Transit District. Nothing set forth herein is intended to be inconsistent with the regulations adopted by the Fair Political Practices Commission.

Sec. 2 Definitions.

Unless expressly defined herein or in Appendix A, the definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18100, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this Code. Terms defined in Appendix A hereto are printed in **bold** type in this Code.

Sec. 3 Public Official.

As used herein “**public official**” means members and alternates of the Board of Directors, **designated employees** of **District**, and **consultants** to and contractors of **District** required to file disclosure statements pursuant to this Code.

Sec. 4 Statements of Economic Interests.

- Sec. 4.1 **Designated Employees.** The **persons** holding positions of General Manager, Assistant General Manager, and Procurement Officer are **designated employees**. All such employees have senior management positions. It has been determined that these individuals make or participate in decisions which may foreseeably have a material effect on **financial interests**.
- Sec. 4.2 Place of Filing. All members of the Board of Directors and all **designated employees** shall file statements of economic interests with the Secretary of the Board of Directors. The Secretary shall review all statements and, after consultation with **District** General Counsel, report to the Board of Directors any potential conflicts noted in the statements.
- Sec. 4.3 Time of Filing. Statements shall be filed according to the following schedule:
- Sec. 4.3.1 Initial Statements. All members of the Board of Directors and all **designated employees** employed by **District** on the effective date of this Code shall file statements within 30 days of that effective date. Thereafter, each person already in a position subsequently designated by an amendment to this Code shall file an initial statement within 30 days after the effective date of the amendment.
- Sec. 4.3.2 Assuming Office Statements. All **persons** assuming **designated employee** positions after the effective date of this Code shall file statements within 30 days after assuming the designated position.
- Sec. 4.3.3 Annual Statements. All **designated employees** shall file statements no later than April 1st of each calendar year.
- Sec. 4.3.4 Leaving Office Statements. All **persons** who leave **designated employee** positions shall file statements within 30 days after leaving office.
- Sec 4.4 Statements for Persons Who Resign Prior to Assuming Office
- Sec. 4.4.1 Any **person** who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming officer statement, is not deemed to have assumed office of left office, provided he or she did not make or participate in the making of, or use his or her position to influence

and decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such **persons** shall not file either an assuming or leaving office statement.

Sec. 4.4.2 Any **person** who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision, or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

Sec. 4.5 Contents of Statements.

Sec. 4.5.1 Contents of Initial Statements. Initial statements shall disclose any reportable **investments, interest in real property, income** and business positions held on the effective date of the Code and **income** received during the 12 months prior to the effective date of the Code.

Sec. 4.5.2 Contents of Assuming Office Statements. Assuming office statements shall disclose any reportable **investments, interest in real property, income** and business positions held on the date of assuming office, and **income** received during the 12 months prior to the date of assuming office.

Sec. 4.5.3 Contents of Annual Statements. Annual Statements shall disclose any reportable **investments, interest in real property, income** and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the Code or the date of assuming office, whichever is later.

Sec. 4.5.4 Contents of Leaving Office Statements. Leaving office statements shall disclose reportable **investments, interest in real property, income** and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

Sec. 5 Manner of Reporting.

Statements of economic interests shall be made on Form 700, attached hereto as Appendix B, and shall contain the following information:

Sec. 5.1 **Investment** and Real Property Disclosure. When an **investment** or an interest in real property is required to be reported, the statement shall contain the following:

Sec. 5.1.1 A statement of the nature of the **investment** or interest.

Sec. 5.1.2 The name of the business entity in which each **investment** is held, and a general description of the business activity in which the business entity is engaged.

Sec. 5.1.3 The address or other precise location of the real property.

Sec. 5.1.4 A statement whether the fair market value of the **investment** or **interest in real property** equals or exceeds Two Thousand Dollars (\$2,000.00), exceeds Ten Thousand Dollars (\$10,000.00), exceeds One Hundred Thousand Dollars (\$100,000.00), or exceeds One Million Dollars (\$1,000,000.00).

Sec. 5.2 Personal **Income** Disclosure. When personal **income** is required to be reported, the statement shall contain:

Sec. 5.2.1 The name and address of each **source of income** aggregating Five Hundred Dollars (\$500.00) or more in value, or Fifty Dollars (\$50.00) or more in value if the **income** was a **gift**, and a general description of the business activity, if any, of each source.

Sec. 5.2.2 A statement whether the aggregate value of **income** from each source, or in the case of a loan, the highest amount owed to each source, was One Thousand Dollars (\$1,000.00) or less, greater than One Thousand Dollars (\$1,000.00), greater than Ten Thousand Dollars (\$10,000.00), or greater than One Hundred Thousand Dollars (\$100,000.00).

Sec. 5.2.3 A description of the consideration, if any, for which the **income** was received.

Sec. 5.2.4 In the case of a **gift**, the name, address and business activity of the donor and any intermediary through which the **gift** was made; a description of the **gift**; the amount or value of the **gift**; the travel

destination for purposes of a gift that is a travel payment, advance, or reimbursement and the date on which the **gift** was received.

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Sec. 5.2.5 In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

Sec. 5.3 Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain:

(1) The name, address and a general description of the business activity of the business entity; and

(2) The name of every **person** from whom the business entity received payments if the filer's pro rata share of the gross receipts from such **person** was equal to or greater than ten thousand dollars (\$10,000.00).

Sec. 5.4 Business Position Disclosure. When business positions are required to be reported, a **designated employee** shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the **designated employee's** position with the business entity.

Sec. 5.5 Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an **investment** of an **interest in real property** was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

Sec. 6 Standards Of Conduct for **Public Officials**.

There are numerous laws and regulations which govern the conduct of **public officials** and which are applicable to **District**. When in doubt as to the applicability of any law or regulation or provision of this Code to any particular situation, the potentially affected **person** should request an advisory opinion from counsel to **District**. All **persons** subject to this Code shall be familiar with its provisions, including the following provisions which govern the conduct of all **public officials**:

Sec. 6.1 **Public officials** shall disqualify themselves from making, or participating in the making of, or in any way attempting to use their official position to influence, a **governmental decision** which they know or have reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a

member of his or her immediate family or on:

- Sec. 6.1.1 Any business entity in which the **public official** has a direct or indirect **investment** worth Two Thousand Dollars (\$2,000.00) or more.
- Sec. 6.1.2 Any **interest in real property** in which the **public official** has a direct or indirect interest worth Two Thousand Dollars (\$2,000.00) or more.
- Sec. 6.1.3 Any **source of income**, other than **gifts** and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating Five Hundred Dollars (\$500.00) or more in value provided to, received by or promised to the **public official** within 12 months prior to the time the decision is made.
- Sec. 6.1.4 Any business entity in which the **designated employee** is a director, officer, partner, trustee, employee, or holds any position of management.
- Sec. 6.1.5 Any donor of, or any intermediary or agent for a donor of, a **gift** or **gifts** aggregating ~~Four Hundred Twenty Dollars (\$420.00)~~ or more provided to, received by, or promised to the **designated employee** within twelve months prior to the time when the decision is made.
- Sec. 6.2 **Public officials** shall not be financially interested in any contract made by them in their official capacity. They shall not be purchasers at any sale or vendors at any purchase made by them in their official capacity. A contract made in violation of provision within Section 6 of this Code may be voided by the Board of Directors.
- Sec. 6.3 **Public officials** shall not engage in any employment or activity for compensation which is inconsistent or incompatible or in conflict with his or her duties as a Board member or employee (that is, which would interfere with the official's ability to carry out official duties or exercise independent judgment on behalf of the public interest). **Public officials** shall not engage in outside employment or provide services for compensation where any part of those efforts will be subject to approval by the Board of Directors, or any other board, officer or employee acting on behalf of **District**.
- Sec. 6.4 No **public official** shall participate in a **governmental decision** in which he or she has a close personal interest which would tend to impair the

Deleted: Three Hundred Sixty Dollars (\$360.00)

exercise of independent judgment in the public interest.

- Sec. 6.5 No **public official** shall hold another public office where the two offices are incompatible.
- Sec. 6.6 No **public official** of the **District** may solicit or accept, either directly or indirectly, any **gift**, gratuity, loan, or other item or service of value if either the discharge of his or her official duties would be influenced or he or she has been, is presently, or may in the near future be involved in any official act or action directly affecting the donor or lender.
- Sec. 6.7 Invitations, received from bidders or other parties involved in a pending procurement, for business lunches, parties, or similar functions shall be declined. This is intended to avoid any situation which may give an appearance of improper influence in **District** procurement activities.
- Sec. 6.8 No **public official** shall accept any honorarium from any source, if the **public official** would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.
- Sec. 6.8.1 No **public official** shall accept **gifts** with a total value of more than ~~\$360~~ \$420 in a calendar year from any single source, if the **public official** would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.
- Sec. 6.9 Notwithstanding the above, this section shall not apply to the following:
- Sec. 6.9.1 An occasional non-pecuniary **gift** of nominal value accepted in the ordinary course of a business meeting.
- Sec. 6.9.2 Unsolicited advertising or promotional material of nominal intrinsic value.
- Sec. 6.9.3 A **gift**, gratuity, favor, loan, or other thing of value when circumstances make it clear that an obvious long-standing social or family relationship, rather than a business relationship, is the motivating factor.
- Sec. 6.10 No **public official** or **designated employee** shall disclose or otherwise use confidential information acquired by virtue of his or her position or employment with the **District** for his or her or another **person's** private

gain. No Board member shall reveal information received in a lawful closed session unless such information is required by law to be disclosed.

Sec. 7 **Legally Required Participation.**

No **public official** of **District** shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a **designated employee** who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

Sec. 8 **Prohibitions Against the Use of Public Office for Personal Gain.**

No **public official** of **District** shall use for personal gain or advantage, **District** facilities, equipment, supplies, personnel or other things of value or his or her position or office to secure, for personal benefit, **gifts**, special privileges or exemptions.

Sec. 9 **Conduct When There May Be a Financial Interest.**

Public officials shall conduct themselves as follows whenever the Board member, employee or **consultant** has, or may have, a **financial interest** in making or participating in the making of, any **governmental decision**:

Sec. 9.1 Board of Directors' member: Unless his or her participation is legally required, when the matter comes up on the agenda, the Director shall disclose his or her interest, refrain from participating in any way in the decision making process, and withdraw from the room if the subject is being discussed in a closed session.

Sec. 9.2 During any **contract formation**, a Director may not have any **financial interest** in any contract made by the **District**. Board of Directors are conclusively presumed to be involved in the making of all contracts under their Board's jurisdiction. Any contract made when a Director has a financial interest will be void. Disclosure of any **financial interest** and disqualification of the Director from contract formation will not prevent the creation of a void contract. Directors may engage in contract formation only when: (1) they have no financial interest; (2) they have a **remote interest**, (3) they have a **noninterest**; and/or (4) the contract involves a necessity.

Sec 9.3 If **designated employee** has a **remote interest**, that employee shall not be deemed to be to have a **financial interest** in a contract entered into by the **District** if the fact of that interest is disclosed to the body of the Board of Directors, and is noted in the official records, and thereafter the Board of

Directors authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the **designated employee** with the **remote interest**.

Sec. 9.4 **Employees:** The employee shall immediately report the nature of the matter and the existence of a conflict to his or her superior so that the work may be assigned to another employee.

Sec. 9.5 **Consultants:** The **consultant** shall immediately report the nature of the matter and the existence of the conflict to the General Manager, who shall determine the action to be taken.

Sec. 10 Contact with Vendors, Bidders, and Proposers.

Prior to the issuance of a procurement solicitation, informational and research contacts with prospective vendors may be made for the purpose of gathering needed data. However, in making such contacts, **District** employees, officers, and agents shall avoid any commitment, or implication thereof, of a possible future contract.

Accordingly, requests for substantial complimentary services or supplies which may imply an obligation on the part of **District** shall be avoided. Also to be avoided are requests for testing services, product samples or demonstrations, and free trips to examine vendor products. Whenever a procurement is in process, e.g., during the solicitation, evaluation, negotiation, and award phases, all contacts with potential contractors or vendors shall be made through the Procurement Officer.

Sec. 11 Incompatible Uncompensated Activities.

Sec. 11.1 **Public officials** may participate in outside activities for which they are not compensated, but are discouraged from participating in such non-compensated activities when any of the following subsections applies:

Sec. 11.1.1 The activity involves a substantial commitment of time that interferes with the **public official's** ability to timely discharge his or her official duties.

Sec. 11.1.2 The activity involves matters which come regularly before the Board and would create a substantial conflict between private interest and the exercise of Board authority in the public interest.

Sec. 11.2 A director may disqualify himself or herself in matters coming before the Board where the director concludes that participation would create the appearance of a conflict of interest.

Sec. 12 Penalties for Violation.

This Code has the force and effect of law. **Designated employees** violating any provision of this Code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91015. In addition, failure to adhere to the provisions of this Code shall constitute a violation of **District** policy and shall subject the violator to disciplinary action up to and including termination as deemed appropriate by the **District** General Manager and/or Board of Directors. Any decision affected by a violation of the disqualification provisions of this Code has occurred may be set aside as void.

Sec. 13 Transportation Passes and Discounts.

Other than indicated below, the **District** may not grant, and Directors and/or **designated employees** may not receive, free passes or discounts for transit. The acceptance of a pass or discount by a **public official**, other than a Public Utilities Commissioner, shall work a forfeiture of that office. The Board of Directors or other employees may receive passes or discounts if such passes or discounts are provided to assist or enable them to perform a part of their official duties.

Sec. 14 Post Employment Restrictions.

Sec. 14.1 Post Employment Restriction for Board Members. The **District** shall not employ or retain under contract for compensation any individual who has served as a Board member within the previous two years. No Board member who leaves his or her office and accepts a position of employment with, or as a contractor or **consultant** for, a current or future **District** contractor/**consultant** may participate in a project or provide any goods or services to the **District**, through the contractor or **consultant**, for a period of two years.

Sec. 14.2 Post Employment Restrictions for Employees. No employee who leaves his or her **District** position and accepts a position of employment with, or as a contractor or **consultant** for, a current or future **District** contractor (**consultant**, vendor, developer, etc.) may participate in a project or provide any goods or services to the **District** through the contractor, for a period of two years. The General Manager may, when it is in the overall best interests of the **District**, make exceptions in the case of employees who have retired.

Appendix A

DEFINITIONS

1. **CONTRACT FORMATION:** The following actions constitute involvement in contract formation: (1) Any involvement in preliminary discussions, reasoning, negotiations, planning, drawing or plans or specifications and solicitations of bids relating to a contract; or (2) participation in decisions to modify, extend or renegotiate an existing contract, including exercise of an option.

2. **CONSULTANT:** Consultant shall be defined pursuant to 2 Cal. Code Regs. § 18700(a)(2) for purposes of this code. A consultant is an individual who, pursuant to contract with a state or local agency:
 - (A) Makes a governmental decision whether to:
 - (i) Approve a rate, rule, or regulation;
 - (ii) Adopt or enforce a law;
 - (iii) Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;
 - (iv) Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract which requires agency approval;
 - (v) Grant agency approval to a contract which requires agency approval and in which the agency is a party or the specification for such a contract;
 - (vi) Grant approval to a plan, design, report, study or similar item;
 - (vii) Adopt, or grant agency approval or, policies, standards, or guidelines for the agency, or for any subdivision thereof;
 - or
 - (B) Serves in a staff capacity with the agency and in that capacity performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency's Conflict of Interest Code.

Consultants shall be included in the list of **designated employees** and shall disclose pursuant to the broadest disclosure category in the code subject to the following

limitation:

The Executive Director may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

3. **DESIGNATED EMPLOYEE:** Any official of the **District** whose position is designated in this Code.
4. **DISTRICT:** The Santa Barbara Metropolitan Transit **District**.
5. **FINANCIAL INTEREST:** For the purposes of Article IV of this Code, a **designated employee** has a **financial interest** in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, or on any significant segment thereof, within the **jurisdiction**, on:
 - (a) Any business entity in which the **designated employee** has a direct or indirect **investment** worth more than Two Thousand Dollars (\$2,000.00).
 - (b) Any real property in which the **designated employee** has a direct or indirect interest worth more than Two Thousand Dollars (\$2,000.00).
 - (c) Any **source of income**, other than loans by a commercial lending institution in the regular course of business, aggregating Five Hundred Dollars (\$500.00) or more in value received by or promised to the **designated employee** within twelve (12) months prior to the time when the decision is made; or
 - (d) Any business entity in which the **designated employee** is a director, officer, partner, trustee, employee or holds any position of management.
 - (e) Indirect **investment** or interest, as used to define **financial interest**, means any **investment** or interest owned by the spouse or dependent child of the **designated employee**, by any business entity controlled by the **designated employee** or by a trust in which the business entity is controlled by a **designated employee** if the **designated employee** has a substantial interest. A business entity is controlled by a **designated employee** if the **designated employee**, his or her agents, spouse and dependent children hold more than Fifty Percent (50%) of the ownership interest in the entity. A **designated employee** has a substantial interest in a trust when the **designated employee**, his or her spouse and dependent children have a present or future interest worth more than Two Thousand Dollars (\$2,000.00).

6. **GIFT:** Any payment to the extent that the consideration of equal or greater value is not received. Any **person**, other than a defendant in a criminal action, who claims that a payment is not a **gift** by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value. The term “**gift**” does not include informational material such as books, reports, pamphlets, calendars or periodicals. No payment for travel or reimbursements for any expenses shall be deemed “informational material.”

7. **INCOME:**

(a) **Income** means, except as provided in subsection (b), **income** of any nature from any source, including but not limited to any salary, wage, advance, payment, dividend, interest, rent, capital gain, return of capital, **gift**, including any **gift** of food or beverage, loan, forgiveness or payment of indebtedness, discount in the price of anything of value unless the discount is available to members of the public without regard to official status, rebate, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any **person** other than an employer, and including any community property interest in **income** of a spouse. **Income** of an individual also includes a pro rata share of any **income** of any business entity or trust in which the individual or spouse owns, directly, indirectly, or beneficially, a Ten Percent (10%) interest or greater.

(b) **Income** does not include:

- (1) **Income**, other than a **gift**, from any source outside the **jurisdiction** and not doing business within the **jurisdiction**, not planning to do business within the **jurisdiction**, or not having done business within the **jurisdiction** during the two years prior to the time any statement or other action is required under this Code.
- (2) Campaign contribution required to be reported under Chapter 4 of the Political Reform Act of 1974.
- (3) Salary and reimbursement for expenses or per diem received from a state or local government agency and reimbursement for travel expenses and per diem received from a bona fide educational, academic or charitable organization.
- (4) **Gifts** of informational material, such as books, pamphlets, reports, calendars or periodicals.
- (5) **Gifts** which are not used and which, within thirty (30) days after receipt, are returned to the donor or delivered to a charitable organization without

being claimed as a charitable contribution for **income** tax purposes.

- (6) **Gifts** from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle or first cousin or the spouse of any such **person**; provided that a **gift** from any such **person** shall be considered **income** if the donor is acting as an agent or intermediary for any **person** not covered by this paragraph.
- (7) Any devise or inheritance.
- (8) Interest, dividends or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, interest credited on employees' contributions to public retirement plans, payments received under any insurance policy, or any bond or other debt instrument issues by any government or government agency.
- (9) Dividends, interest or any other return on a security which is registered with the Securities & Exchange Commission of the United States Government.
- (10) The value of **gifts** of hospitality including food, beverages or lodging provided to any **person** filing a statement of economic interest if such hospitality has been reciprocated within the filing period. "Reciprocity" as used in this paragraph includes the providing by the filer to the host of any consideration, including entertainment or a household **gift** of a reasonably similar benefit or value.
- (11) **Income** from a source which is a former employer if all **income** from the employer was received by or accrued to the **designated employee** prior to the time he or she became a **designated employee**; the **income** was received in the normal course of the previous employment; and there was no expectation by the **designated employee** at the time he or she assumed a designated position or resumed employment with the former employer.

8. **INTEREST IN REAL PROPERTY** includes any leasehold, beneficial or ownership interest or option to acquire such an **interest in real property** within the **jurisdiction** if the fair market value of the interest is equal to or greater than Two Thousand Dollars (\$2,000.00). **Interests in real property** of an individual include a pro rata share of **interests in real property** of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a Ten Percent (10%) interest or greater. For the purposes of Articles II and III of this Code, "**Interest in Real Property**" does not include the principal residence of the filer.

9. **INVESTMENT:** Any **financial interest** in or security issued by a business entity,

debt including but not limited to common stock, preferred stock, rights, warrants, options, instruments and any partnership or other ownership interest, if the business entity or any parent, subsidiary or otherwise related business entity has an **interest in real property** within the **jurisdiction**, or does business or plans to do business within the **jurisdiction** of the **District**, or has done business within the **jurisdiction** at any time during the two years prior to the time any statement or other action is required under this Code. No asset shall be deemed an **investment** unless its fair market value exceeds Two Thousand Dollars (\$2,000.00). **Investment** does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, any employee's contribution to a public retirement plan or any bond or other debt instrument issued by any government or government agency. **Investments** of an individual include a pro rata share of **investments** of any business entity or trust in which the individual or spouse owns, directly or beneficially, a Ten Percent (10%) interest or greater.

10. **LEGALLY REQUIRED PARTICIPATION:**

- (a) A **designated employee** is not legally required to make or to participate in the making of a **governmental decision** within the meaning of paragraph 4.5 of this Code unless there exists no alternative source of decision consistent with the purposes and terms of the statute authorizing the decision.
- (b) Whenever a **designated employee** who has a **financial interest** in a decision is legally required to make or to participate in making such a decision, he or she shall:
 - (1) Disclose as a matter of official public record the existence of the **financial interest**.
 - (2) Describe with particularity the nature of the **financial interest** before he or she makes or participates in making the decision.
 - (3) Attempt in no way to use his or her official position to influence any other **public official** with respect to the matter.
 - (4) State the reason there is no alternative source of decision-making authority.
 - (5) Participate in making the decision only to the extent that such participation is legally required.
- (c) This regulation shall be construed narrowly, and shall not be construed to permit voting to break a tie.

11. **MAKING GOVERNMENTAL DECISIONS:** A **designated employee** makes

governmental decisions, except as provided in subsection (f)(1) herein, when he or she, acting within the authority of his or her duties:

- (a) Votes on a matter.
- (b) Appoints a **person**.
- (c) Obligates or commits the **District** to any course of action.
- (d) Enters into any contractual agreement on behalf of the **District**.
- (e) Determines not to act, within the meaning of subparagraphs (a) through (d) above, unless such determination is made because of his or her **financial interest**. When the determination not to act occurs because of his or her **financial interest**, the **designated employee's** determination not to act must be accompanied by disclosure of the **financial interest** in the manner prescribed in Section 4.3 of the Article IV of this Code.
- (f) The making of a **governmental decision** shall not include:
 - (1) Actions of **designated employees** which are solely ministerial, secretarial, manual or clerical.
 - (2) Appearances by a **designated employee** as a member of the general public before an agency in the course of its prescribed governmental function to represent himself on matters related solely to his or her personal interests.
 - (3) Actions by **designated employees** or their representatives relating to their compensation or the terms or conditions of their employment or contract.

12. **NONINTEREST:**

(a) An officer or employee of the District shall not be deemed to be interested in a contract if his other interest is any of the following:

- (1) The ownership of less than 3 percent of the shares of a corporation for profit, provided the total annual income to him or her from dividends, including the value of stock dividends, from the corporation does not exceed 5 percent of his or her total annual income, and any other payments made to him or her by the corporation do not exceed 5 percent of his or her total annual income.
- (2) That of an officer in being reimbursed for his or her actual and necessary expenses incurred in the performance of official duty.

- (3) That of a recipient of public services generally provided by the public body or board of which he or she is a member, on the same terms and conditions as if he or she were not a member of the board.
- (4) That of a landlord or tenant of the contracting party if such contracting party is the federal government or any federal department or agency, this state or an adjoining state, any department of agency of this state or an adjoining state, any county or city of this state or an adjoining state, or any public corporation or special, judicial, or other public district of this state or an adjoining state unless the subject matter of such contract is the property in which such officer or employee as such interest as landlord or tenant in which event his or her interest shall be deemed a **remote interest** within the meaning of, and subject to, the provisions of Section 1091.
- (5) That of a tenant in a public housing authority created pursuant to Part 2 (commencing with Section 34200) of Division 24 of the Health and Safety Code in which he or she serves as a member of the board of commissioners of the authority or of a community development commission created pursuant to Part 1.7 (commencing with Section 34100) of Division 24 of the Health and Safety Code.
- (6) That of a spouse or an officer or employee of a public agency in his or her spouse's employment or officeholding if his or her spouse's employment or officeholding has existed for at least one year prior to his or her election or appointment.
- (7) That of a nonsalaried member of a nonprofit corporation, provided that such interest is disclosed to the body or board at the time of the first consideration of the contract, and provided further that such interest is noted in its official records.
- (8) That of a noncompensated officer of a nonprofit, tax-exempt corporation, which, as one of its primary purposes, supports the functions of the body or board or to which the body or board has a legal obligation to give particular consideration, and provided further that such interest is noted in its official records. For purposes of this paragraph an officer is "noncompensated" even though he or she receives reimbursement from the nonprofit, tax-exempt corporation for necessary travel and other actual expenses incurred in performing duties for his or her office.
- (9) That of compensation for employment with a governmental agency, other than the governmental agency that employs the officer or employee, provided that the interest is disclosed to the body or board at the time of

consideration of the contract, and provided further that the interest is noted in its official record.

- (10) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm which renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not received remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of less than 10 percent in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.
- (11) Except as provided in subdivision (b), that of an officer or employee of or a **person** having less than a 10 percent ownership interest in a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower or depositor, debtor, or creditor.

- (b) An officer or employee shall not be deemed to be interested in a contract made pursuant to competitive bidding under a procedure established by law if his or her sole interest is that of an officer, director, or employee of a bank or savings and loan association with which a party to the contract has the relationship of borrower or depositor, debtor or creditor.

13. **PERSON:** An individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, associations, committee and any other organization or group of **persons** acting in concert.

14. **PUBLIC OFFICIAL:** As used herein, **public official** means members and alternates of the Board of Directors, **designated employees** of **District**, and **consultants** to and contracts of **District** required to file disclosure statements pursuant to this Code.

15. **REMOTE INTEREST:** As used in this article, **remote interest** means any of the following:

- (a) That of an officer or employee of a nonprofit corporation, except as provided in paragraph (8) of subdivision (a) of Government Code section 1091.5.
- (b) That of an employee or agent of the contracting party, if the contracting party has 10 or more other employees and if the officer was an employee or agent of that contracting party for at least three years prior to the officer initially accepting his or her office. For purposes of this paragraph, time of employment with the contracting party by the officer shall be counted in computing the three-year period specified in this paragraph even though the contracting party has been

converted from one form of business organization to a different form of business organization within three years of the initial taking of office by the officer. Time of employment in that case shall be counted only if, after the transfer or change in organization, the real or ultimate ownership of the contracting party is the same or substantially similar to that which existed before the transfer or change in organization. For purposes of this paragraph, stockholders, bondholders, partners, or other **persons** holding an interest in the contracting party are regarded as having the “real or ultimate ownership” of the contracting party.

- (c) That of an employee or agent of the contracting party, if all of the following conditions are met:
 - (1) The agency of which the **person** is an officer is a local public agency located in a county with a population of less than 4,000,000.
 - (2) The contract is competitively bid and is not for personal services.
 - (3) The employee or agent is not in a primary management capacity with the contracting party, is not an officer or director of the contracting party, and holds no ownership interest in the contracting party.
 - (4) The contracting party has 10 or more other employees.
 - (5) The employee or agent did not directly participate in formulating the bid of the contracting party.
 - (6) The contracting party is the lowest responsible bidder.
- (d) That of a parent in the earnings of his or her minor child for personal services.
- (e) That of a landlord or tenant of the contracting party.
- (f) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm which renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of 10 percent or more in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.
- (g) That of a member of a nonprofit corporation formed under the Food and Agricultural Code or a nonprofit corporation formed under the Corporations Code for the sole purpose of engaging in the merchandising of agricultural products or the supplying of water.

- (h) That of a supplier of goods or services when those goods or services have been supplied to the contracting party by the officer for at least five years prior to his or her election or appointment to office.
- (i) That of a **person** subject to the provisions of Section 1090 in any contract or agreement entered into pursuant to the provisions of the California Land Conservation Act of 1965.
- (j) Except as provided in subdivision (b) of Section 1091.5, that of a director of or a **person** having an ownership interest of 10 percent or more in a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower or depositor, debtor or creditor.
- (k) That of an engineer, geologist, or architect employed by a consulting engineering or architectural firm. This paragraph applies only to an employee of a consulting firm who does not serve in a primary management capacity, and does not apply to an officer or director of a consulting firm.
- (l) That of an elected officer otherwise subject to Section 1090, in any housing assistance payment contract entered into pursuant to Section 8 of the United States Housing Act of 1927 (42 U.S.C. Sec. 1437f) as amended, provided that the housing assistance payment contract was in existence before Section 1090 became applicable to the officer and will be renewed or extended only as to the existing tenant, or, in a **jurisdiction** in which the rental vacancy rate is less than 5 percent, as to new tenants in a unit previously under a Section 8 contract. This section applies to any **person** who became a **public official** on or after November 1, 1986.

16. **SOURCE OF INCOME:** **Source of income**, as used in subparagraph c of paragraph No. 3 of this Appendix "A" shall not include a former employer if all **income** from the employer was received by or accrued to the **designated employee** prior to the time he or she became a **designated employee**, the **income** was received in the normal course of the previous employment, and there was no expectation by the **designated employee** at the time he or she began employment or assumed office or renewed employment with the former employee.

Appendix B

See Form 700 attached hereto.

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To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: September 20, 2016
Subject: General Manager's Report

Operations & Maintenance

Congratulations on retirement to driver Louis Jones. Mr. Jones was MTD's most senior driver, "#1", who retired last month after 42 years of service, with an exemplary 41-year safety record.

The outlook for additional drivers is encouraging with the number of applicants attending the orientations, which increased to two a month starting about five months ago. Management appreciates the many drivers who continue to step up on their off days to assist with covering runs. Currently in training, we have Christina Medina who is progressing well and prepping for her DMV test October 6th. Just beginning his training on September 13 is Jefferson Hove. Following him in the next training class beginning October 5th, we have Geoffrey Cutler and Shawn Hall.

EV18 has been converted from 350ah batteries to a new set of 400ah batteries, and has been back in service for several weeks. The serviceable 350ah batteries removed from EV18 will be used to replace batteries in EV14.

The BYD project continues to move forward, with current focus on aesthetic details, ITS and camera systems engineering, and locally with spec'ing the needed infrastructure changes for the 480v chargers. A design preview for removable windows is pending notification from Ricon. Initial plans for the charger upgrades have been provided by the Electrical Contractor. Charger upgrades will take into consideration the transition from the EBus shuttles to the new BYDbuses, looking at parking needs and power requirements of each vehicle type.

A request has been made for BYD to provide information on their photovoltaic systems.

As it pertains to the ongoing Cummins engine-related issues, we have been in contact with Cummins Corporate OEM support, and have discussed the emissions-related engine performance problems that continue to plague the 2013 Gillig fleet. Cummins corporate has been working with Ventura Cummins, and have been able to get two of the buses back on the road. We have an MTD mechanic shadow the Cummins' tech whenever they are on property.

Dave Harbour and Mike Cardona attended HAZWOPER refresher training on September 15th. Refresher training will be given to the maintenance staff in the next month.

The canopy lift project is ongoing. The Structural Engineer is working with the roofing manufacturer to develop shop drawings to insure that the roofing will accommodate a Photovoltaic system. All under-canopy lighting will be upgraded to LED lighting.

The shop roof repair proposal is under review, awaiting final MTD approval. The design phase and City approval will follow. ETA to begin the project is early 2017.

Planning & Administration

Planning staff attended the City of Goleta utility coordination meeting on August 18th. These meetings are held periodically in order for local agencies and utility companies to all coordinate together on their respective projects within the City.

MTD and City of Santa Barbara Public Works staff coordinated in moving the Cliff/Dolores stop closer to the Cliff Drive/Meigs Road intersection in order for passengers to be closer to the shopping centers and signalized crosswalks at the intersection due to the recent stop closure at Cliff/Meigs. Public Works staff also installed a concrete passenger boarding pad in the parkway in order for the bus stop to now be ADA accessible. The Cliff/Meigs stop was closed due to the City of Santa Barbara receiving a complaint about accessibility. Funding the modifications for accessibility would be cost prohibitive given the multiple obstacles within the area, particularly relocating utility boxes.

MTD has been informed that 2016 SBCC Fall semester enrollment has decreased by 1,214 students or 7.1% compared to last Fall. As a result, staff is anticipating a decrease in SBCC ridership throughout the semester as was experienced the prior school year when there was a decrease of 685 students or 3.8% compared to Fall 2014.

MTD received notification that we have been awarded an FTA grant for \$5.68 million to purchase buses to replace 14 of MTD's 1998 40-ft. buses. MTD will contribute \$1.0 million, for a total of nearly \$6.7 million. The grant is from FTA's Section 5339(b) "Buses and Bus Facilities" nationwide competitive grant program. Nationwide, FTA awarded \$211 million through this program.

At the suggestion of the Montecito Community Foundation (MCF), staff submitted a revised application to the MCF for a project to improve one bus stop in Montecito. The project would install a green sleeve and sign holders on the pole at the bus stop, as well as a new green bench and trash can. Possible future projects could include additional new benches at a few of the busiest stops.

Staff attended a meeting of SBCAG's Technical Transportation Advisory Committee (TTAC) on Thursday, September 1. MTD is a voting member of the committee. TTAC recommended that the SBCAG Board approve an amendment to the current Federal Transportation Improvement Program (FTIP) to program FTA Section 5339(a) formula funds for MTD, Santa Maria, and Lompoc (federally-funded projects must be included in the FTIP before the FTA will award the funds). TTAC also recommended that the SBCAG Board approve the new 2017 FTIP. TTAC discussed SBCAG's current obligation to periodically prepare a Congestion Management Program (CMP) for the county. SBCAG staff has asked the various cities and the county to consider if they wish to pursue an exemption from state CMP requirements. If so, SBCAG would still fall under Federal CMP requirements.

There was a large applicant response for the Marketing and Community Relations Manager position and HR is now qualifying candidates to move forward for the interview process. The Santa Barbara Chamber of Commerce Job Fair is being held on Friday, September 23 at the Fess Parker. HR will have a booth at the event to recruit bus drivers and provide general information about MTD to job seekers.

The customer outreach department had two successful Senior Presentations. One was at the senior complex at St. Vincent's on Old Mill Rd. and Calle Real, and the other was at the Housing Authority senior complex, "Presidio Springs." Due to the amount of Spanish speakers attending, customer service representative Brian Ronces, translated. Each presentation had between 35 – 40 attendees. Additionally, we had a ribbon cutting for the new bus shelter on De la Guerra at Laguna that serves the Presidio Springs community.

Staff is considering a recent suggestion to name the auditorium after former chairperson John Britton in recognition of his service to the District. Staff would like to receive some guidance from the Board on this topic.