

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA  
DECEMBER 14, 2007 (Second Friday of Each Month)  
\*SCMTD ENCINAL CONFERENCE ROOM\*  
\*370 ENCINAL STREET, SUITE 100\*  
SANTA CRUZ, CALIFORNIA  
9:00 a.m. – 11:00 a.m.

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

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

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

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS
  - a. T. S. Anand Re: Winter Service Revisions
  - b. Seacliff Drive Residents Re: Routes 54 & 55 Vehicle Size
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

**CONSENT AGENDA**

- 5-1. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF NOVEMBER 2007
- 5-2. CONSIDERATION OF TORT CLAIMS: None
- 5-3. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR DECEMBER 19, 2007 AND MINUTES OF OCTOBER 17, 2007
- 5-4. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF SEPTEMBER 2007
- 5-5. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR AUGUST 2007
- 5-6. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR THE MONTH OF OCTOBER 2007
- 5-7. ACCEPT AND FILE NOTIFICATION OF ACTION TAKEN IN CLOSED SESSION REGARDING GEORGE V. BAY AREA RAPID TRANSIT DISTRICT; U.S. DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA, CASE NO. C 00-2206CW

- 5-8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE CURRENT LEASE FOR THE PROPERTY LOCATED AT 111 DUBOIS STREET, SANTA CRUZ TO EXTEND THE TERM FOR AN ADDITIONAL TEN-MONTH PERIOD
- 5-9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW LEASE FOR THE PROPERTY LOCATED AT 115 DUBOIS STREET TO BEGIN ON FEBRUARY 1, 2008 AND EXPIRE ON DECEMBER 31, 2010
- 5-10. CONSIDERATION OF OWNED AND LEASED PROPERTY INVENTORIES TO DETERMINE IF THERE IS ANY PROPERTY IN EXCESS OF SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S FORESEEABLE NEEDS
- 5-11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH CLASSIC GRAPHICS FOR VEHICLE BODY REPAIR AND PAINTING SERVICES
- 5-12. CONSIDERATION OF RECEIPT OF INFORMATION FROM THE GENERAL MANAGER REGARDING HIS ATTENDANCE AT THE FALL CONFERENCE OF THE CALIFORNIA TRANSIT ASSOCIATION NOVEMBER 12-14, 2007
- 5-13. ACCEPT AND FILE METROBASE PROJECT STATUS REPORT
- 5-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH FRICKE-PARKS PRESS FOR PRINTING OF *HEADWAYS*

#### **REGULAR AGENDA**

- 6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS  
Presented by: Chair Tavantzis  
**THIS PRESENTATION WILL TAKE PLACE AT THE DECEMBER 21, 2007 BOARD MEETING**
- 7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JULY, AUGUST, AND SEPTEMBER 2007  
Presented By: Angela Aitken, Finance Manager
- 8. CONSIDERATION OF RESOLUTION REVISING FY 08 OPERATING AND CAPITAL BUDGET  
Presented By: Angela Aitken, Finance Manager
- 9. ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDING JUNE 30, 2007  
Presented By: Angela Aitken, Finance Manager
- 10. CONSIDERATION OF APPROVAL OF 2008 STATE LEGISLATIVE PROGRAM  
Presented By: Leslie R. White, General Manager

11. CONSIDERATION OF APPROVAL OF 2008 FEDERAL LEGISLATIVE PROGRAM  
Presented By: Leslie R. White, General Manager
12. CONSIDERATION OF INFORMATION REGARDING THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION'S LEGISLATIVE COMMITTEE, AUTHORIZATION TASK FORCE, AND 2050 FRAMEWORK FOR THE FUTURE TASK FORCE, AND CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO CONTINUE TO PARTICIPATE IN THE ACTIVITIES OF THESE COMMITTEES  
Presented By: Leslie R. White, General Manager
13. CONSIDERATION OF RESOLUTION AUTHORIZING THE GENERAL MANAGER TO SUBMIT APPLICATIONS AND EXECUTE AGREEMENTS FOR PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) FUNDS  
Presented By: Mark Dorfman, Assistant General Manager
14. CONSIDERATION OF AUTHORIZING THE BOARD CHAIR TO TRANSMIT LETTERS OF APPRECIATION FOR METRO REPRESENTATIVES AND AFFILIATES FOR THEIR PARTICIPATION ON THE TRANSPORTATION FUNDING TASK FORCE  
Presented By: Leslie R. White, General Manager
15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR THE PURCHASE OF ONE ELECTRIC HYBRID UTILITY VEHICLE, ONE HYBRID SEDAN, TWO PICK UP TRUCKS, AND TWO UTILITY BODY TRUCKS  
Presented By: Tom Stickel, Maintenance Manager  
**ACTION REQUESTED AT THE DECEMBER 14, 2007 BOARD MEETING**
16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH GRANITE CONSTRUCTION COMPANY FOR CONSTRUCTION OF BUS TURNAROUND AT CHINA GRADE  
Presented By: Tom Stickel, Maintenance Manager  
**ACTION REQUESTED AT THE DECEMBER 14, 2007 BOARD MEETING**
17. ORAL ANNOUNCEMENT: CONSIDERATION OF WISHING THE GENERAL MANAGER A HAPPY 60<sup>th</sup> BIRTHDAY  
Presented By: Vice Chair Beautz  
**ACTION REQUESTED AT THE DECEMBER 14, 2007 BOARD MEETING**
18. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
19. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

## **SECTION II: CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Pursuant to Government Code Section 54956.9)
  - a. Name of Case: Richard Orozco vs. Santa Cruz Metropolitan Transit District  
(Before the Workers' Compensation Appeals Board)
  
2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
(Significant exposure to litigation exists pursuant to Government Code Section 54956.9 (b) (1))
  - a. Number of Cases: One
  
3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
(Pursuant to Government Code Section 54956.8)
  - a. Property: 425 Front Street, Santa Cruz, CA  
Negotiating parties: Ceil Cirillo, Tony Condotti, and Leslie R. White for SCMTD  
Mark Fallis for Greyhound/Transportation Realty Income Partners L.P., Owner of 425 Front Street  
Under Negotiation: Price and Terms

### **SECTION III: RECONVENE TO OPEN SESSION**

#### 20. REPORT OF CLOSED SESSION

### **ADJOURN**

### **NOTICE TO PUBLIC**

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

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

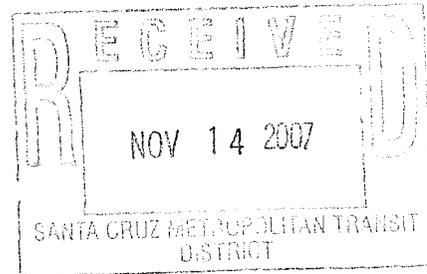
Members of the public may address the Board of Directors on a topic on the agenda by approaching the Board immediately after presentation of the staff report but before the Board of Directors' deliberation on the topic to be addressed. Presentations will be limited in time in accordance with District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

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

meeting. Hearing impaired individuals should call 711 for assistance in contacting METRO regarding special requirements to participate in the Board meeting.

November 10, 2007

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



I did not hear about the proposal to eliminate bus service to Paradise Park until after Oct. 26. Apparently, the Metro Transit District had a public hearing of the subject on Oct 26, and subsequently voted to eliminate the bus service to Paradise Park.

Please allow me to explain the problems of communication that exist here in Paradise Park that made it unrealistic to respond to the posted notices of the hearing in a timely manner...

First, the occupancy rate here is approximately 50%. Posting notices is not an effective way of letting all 391 members know about a hearing or important event. Only a small portion of the membership gets information from the PPMC bulletin boards.

Second, the Paradise Park Board of Directors meets only once a month. An item appearing on the agenda must be submitted 10 business days in advance of a scheduled Board Meeting. Only items that make it on the agenda are discussed. The Metro hearing and proposal for elimination of bus service was not an agenda item.

Third, the minutes of the Board meetings take up to three weeks to reach the membership through the official Board sponsored bulletin. If the issue of Metro bus service elimination became an agenda item, it would still take at least another month for the membership to read about it in the Bulletin.

Fourth, actions of the PPMC Board on behalf of the membership may take anywhere from four weeks to 5 months to 5 years to be handled effectively, depending on the nature of the business. Since, the Board did not discuss the hearing through an agenda item, they could not issue a response to Metro on behalf of the membership, nor could they solicit a response of the membership.

2-a.1

Therefore, notification to the membership; attention of the Board; and any response or action on behalf of the membership could not possibly have been successful in regards to the recent hearing of bus service revisions.

In the past I gratefully used the Metro Paradise Park service <sup>on</sup> many occasions. Although I realize that the bus is often empty, and that I might sometimes be the only passenger---the existence of the service was an enormous comfort and reassurance. Bus service was one advantage of the Paradise Park location. Without bus service, Paradise Park is completely dependent on privately owned vehicles.

As we all know, the one-mile stretch of Hwy 9 between Santa Cruz and Paradise Park is dangerous for bicycles, pedestrians and hitchhikers. Having bus service (limited as it was) from the Metro Center enabled some of our elderly, disabled, too young to drive, and vehicle-less, a sense of independence and connection to town.

I sincerely hope that some service could remain as a transportation lifeline between the Paradise Park Community and the City of Santa Cruz.

This letter is a request that the Board of Directors of Metro please revisit this issue of bus service to Paradise Park.

Would you please consider contacting our Board of Directors to formally ask for them to address this as an agenda item. That would give Paradise Park Members the proper amount of time to respond to the issue of bus service in a reasonable manner.

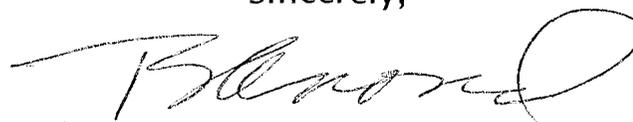
Your attention and consideration of this request is appreciated.

Please contact:

Board of Directors of PPMC

211 Paradise Park, Santa Cruz CA, 95060

Sincerely,

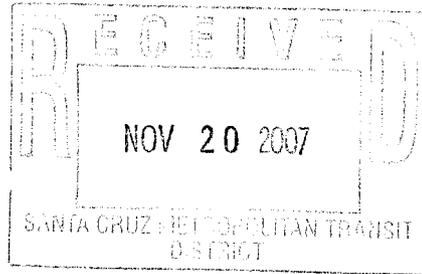


T. S. Anand

2-a.2

November 20, 2007

County of Santa Cruz-Department of Public Works  
Tom Bolich-Director of Public Works  
John Swenson-Senior Engineer  
701 Ocean Street Room 410  
Santa Cruz, CA 95060



Dear Mr. Bolich and Mr. Swenson,

This letter is pursuant to our November 3, 2007 letter to you requesting the Seacliff Drive historical road plans, including Stacy Patyk's and Geraldine Harris's conversation with John Swenson Friday, November 16 where Mr. Swenson stated no historical road plans exist for Seacliff Drive. We request you provide us the most recent road plans and specifications for Seacliff Drive which were drafted when it was last paved. Road plans had to have been created prior to the paving of Seacliff Drive in order for the work to be performed.

We need to determine what structural composition was built into this road (if any) to understand the allowable weight limit based upon compaction. As we have noted to you, the Board of Supervisors-Ellen Pirie, and the Metro Board of Directors, we have grave geologic concerns that Seacliff Drive, Aptos (from Center Avenue to Seacliff Drive to Spreckels) does not have enough foundational support to enable heavy machinery to drive on it without creating shock waves on the road, and in the hill, which our homes reside upon. This street was built as a residential street, not a commercial road, and therefore does not have the necessary structural integrity to enable heavy machinery to traverse it without causing shock waves. The shock waves have been causing iterative damage to our road and hill and have grown worse to the point the road has many cracks, sinking areas, and structural damage is obvious! In addition, these shock waves are damaging our homes. We are concerned the hill will collapse, and take our homes with it, if heavy machinery continues to traverse Seacliff Drive.

**We believe this road requires a 3.5-ton weight limit in order to severely limit the shock waves on the road and in the hill caused by heavy machinery driving upon the road. By instituting the weight limit, this will limit Seacliff Drive road and hill deterioration and limit further damage to our homes.**

Note there are alternative roads this heavy machinery should be driving upon: Soquel Drive to Spreckels Drive, or Rio Del Mar Blvd to Aptos Beach Drive in order to enter the Aptos beach flats. Some of the other heavy machinery, such as large metro buses and school buses, can utilize smaller, lighter-weight vehicles for transport.

Please advise us as to when we can procure the road plans and specifications for Seacliff Drive. We are copying the Santa Cruz Board of Supervisors-Ellen Pirie and the Metro Board of Directors on this letter.

Sincerely,

|   |  |   |   |  |
|---|--|---|---|--|
| Stacy Patyk<br>69 Seacliff Drive<br>Aptos, CA 95003 | Geraldine Harris<br>83 Seacliff Drive<br>Aptos, CA 95003 | Darryl Dill<br>65 Seacliff Drive<br>Aptos, CA 95003 | Bruce & Eva Rak<br>73 Seacliff Drive<br>Aptos, CA 95003 | Linda & Larry Archer<br>61 Seacliff Drive<br>Aptos, CA 95003 |
|---|--|---|---|--|

*cc: metro Board of Directors*

*2-b.1*

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                  | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 23617        | 11/02/07   | 247.00       | 020    | ADT SECURITY SERVICES INC.   |             | 15356         | SECURITY-1122 RIVER     | 247.00             |         |
| 23618        | 11/02/07   | 438.32       | 001088 | ADVANCED MECHANICAL SERVICES |             | 15306         | OUT RPR BLDGS & IMP     | 438.32             |         |
| 23619        | 11/02/07   | 771.08       | 934    | ADVANCED NETWORK SYSTEMS     |             | 14933         | 9/07-09/08 SUPPORT      | 771.08             |         |
| 23620        | 11/02/07   | 2,460.74     | 382    | AIRTEC SERVICE               |             | 15066         | SEPT 07 MNTC            | 1,670.00           |         |
|              |            |              |        |                              |             | 15308         | OUT RPR EQUIP           | 790.74             |         |
| 23621        | 11/02/07   | 9.77         | 294    | ANDY'S AUTO SUPPLY           |             | 14975         | PARTS & SUPPLIES        | 9.77               |         |
| 23622        | 11/02/07   | 3.02         | 002689 | B & B SMALL ENGINE           |             | 15021         | REPAIRS/MAINTENANCE     | 3.02               |         |
| 23623        | 11/02/07   | 100.00       | B003   | BEAUTZ, JAN                  | 7           | 15345         | OCT BOARD MTGS          | 100.00             |         |
| 23624        | 11/02/07   | 575.00       | 478    | BEE CLENE                    | 0           | 15142         | CARPET/VERNON           | 575.00             |         |
| 23625        | 11/02/07   | 100.00       | B018   | BUSTICHI, DENE               | 7           | 15346         | OCT BOARD MTGS          | 100.00             |         |
| 23626        | 11/02/07   | 1,196.00     | 002287 | CALIFORNIA SERVICE EMPLOYEES |             | 15265         | NOV MEDICAL             | 1,196.00           |         |
| 23627        | 11/02/07   | 46.48        | 002882 | CARR PARTS NAPA              |             | 15015         | SAFETY SUPPLIES         | 46.48              |         |
| 23628        | 11/02/07   | 100.00       | B014   | CITY OF WATSONVILLE          |             | 15354         | OCT BOARD MTGS          | 100.00             |         |
| 23629        | 11/02/07   | 2,990.20     | 909    | CLASSIC GRAPHICS             |             | 15027         | OUT RPR REV VEH         | 1,043.18           |         |
|              |            |              |        |                              |             | 15156         | OUT RPR REV VEH         | 1,947.02           |         |
| 23630        | 11/02/07   | 26.48        | 002063 | COSTCO                       |             | 15044         | LOCAL MEETING EXP       | 13.17              |         |
|              |            |              |        |                              |             | 15233         | PHOTO PROCESS/OPS       | 4.73               |         |
|              |            |              |        |                              |             | 15234         | PHOTO PROCESS/OPS       | 3.52               |         |
|              |            |              |        |                              |             | 15235         | PHOTO PROCESS/OPS       | 2.53               |         |
|              |            |              |        |                              |             | 15236         | PHOTO PROCESS/OPS       | 2.53               |         |
| 23631        | 11/02/07   | 368.21       | 002814 | CREATIVE BUS SALES, INC.     |             | 15281         | REV VEH PARTS           | 368.21             |         |
| 23632        | 11/02/07   | 38,495.31    | 800    | DELTA DENTAL PLAN            |             | 15355         | NOVEMBER DENTAL         | 38,495.31          |         |
| 23633        | 11/02/07   | 32.00        | 002567 | DEPARTMENT OF JUSTICE        |             | 15118         | SEPT FINGERPRINTS       | 32.00              |         |
| 23634        | 11/02/07   | 44,909.04    | 001316 | DEVCO OIL                    |             | 15232         | FLT FUEL 10/16-10/22    | 44,909.04          |         |
| 23635        | 11/02/07   | 2,187.94     | 480    | DIESEL MARINE ELECTRIC, INC. |             | 14981         | REV VEH PARTS           | 1,790.25           |         |
|              |            |              |        |                              |             | 15019         | REV VEH PARTS           | 397.69             |         |
| 23636        | 11/02/07   | 2,079.51     | 085    | DIXON & SON TIRE, INC.       |             | 15150         | TIRES & TUBES           | 829.73             |         |
|              |            |              |        |                              |             | 15151         | TIRES & TUBES           | 800.10             |         |
|              |            |              |        |                              |             | 15152         | TIRES & TUBES           | 449.68             |         |
| 23638        | 11/02/07   | 503.20       | 372    | FEDERAL EXPRESS              |             | 15228         | POSTAGE & MAIL/FLT      | 50.00              |         |
|              |            |              |        |                              |             | 15323         | SEPT MAIL/ADMIN         | 28.22              |         |
|              |            |              |        |                              |             | 15324         | SEPT MAIL/ADMIN         | 30.34              |         |
|              |            |              |        |                              |             | 15325         | SEPT MAIL/ADMIN         | 18.21              |         |
|              |            |              |        |                              |             | 15326         | SEPT MAIL/ ADMIN        | 21.07              |         |
|              |            |              |        |                              |             | 15327         | SEPT MAIL/ADMIN         | 30.34              |         |
|              |            |              |        |                              |             | 15328         | SEPT MAIL/ADMIN         | 38.76              |         |
|              |            |              |        |                              |             | 15329         | SEPT MAIL/ADMIN         | 21.07              |         |
|              |            |              |        |                              |             | 15330         | SEPT MAIL/ADMIN         | 26.11              |         |
|              |            |              |        |                              |             | 15331         | OCT MAIL/ADMIN          | 18.84              |         |
|              |            |              |        |                              |             | 15332         | OCT MAIL/ADMIN          | 25.71              |         |
|              |            |              |        |                              |             | 15333         | OCT MAIL/ADMIN          | 27.30              |         |
|              |            |              |        |                              |             | 15334         | OCT MAIL/ADMIN          | 24.80              |         |
|              |            |              |        |                              |             | 15335         | OCT MAIL/ADMIN          | 25.59              |         |
|              |            |              |        |                              |             | 15336         | OCT MAIL/ADMIN          | 28.61              |         |
|              |            |              |        |                              |             | 15337         | OCT MAIL/ADMIN          | 34.37              |         |
|              |            |              |        |                              |             | 15338         | OCT MAIL/ADMIN          | 27.30              |         |
|              |            |              |        |                              |             | 15339         | OCT MAIL/ADMIN          | 26.56              |         |
| 23639        | 11/02/07   | 100.00       | B021   | HAGEN, DONALD N.             |             | 15347         | OCT BOARD MTGS          | 100.00             |         |
| 23640        | 11/02/07   | 50.00        | B006   | HINKLE, MICHELLE             | 7           | 15348         | OCT BOARD MTGS          | 50.00              |         |
| 23641        | 11/02/07   | 11.11        | 166    | HOSE SHOP, THE               |             | 15316         | PARTS & SUPPLIES        | 11.11              |         |

5-1.1

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                  | TRANS. TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 23642        | 11/02/07   | 5,452.80     | 878    | KELLY SERVICES, INC.         |             | 15358         | TEMP/IT W/E 10/07       | 908.80             |         |
|              |            |              |        |                              |             | 15359         | TEMP/IT W/E 10/14       | 2,272.00           |         |
|              |            |              |        |                              |             | 15360         | TEMP/IT W/E 10/21       | 2,272.00           |         |
| 23643        | 11/02/07   | 117.13       | 074    | KENVILLE LOCKSMITHS          | 7           | 15020         | REPAIRS/MAINTENANCE     | 117.13             |         |
| 23644        | 11/02/07   | 57.29        | 039    | KINKO'S INC.                 |             | 15043         | PRINTING/ADM            | 57.29              |         |
| 23645        | 11/02/07   | 176.00       | 852    | LAW OFFICES OF MARIE F. SANG | 7           | 15165         | WORKERS COMP CLAIM      | 48.00              |         |
|              |            |              |        |                              |             | 15166         | WORKERS COMP CLAIM      | 48.00              |         |
|              |            |              |        |                              |             | 15344         | WORKERS COMP CLAIM      | 80.00              |         |
| 23646        | 11/02/07   | 737.33       | 041    | MISSION UNIFORM              |             | 14984         | UNIF/LAUNDRY/FAC        | 95.96              |         |
|              |            |              |        |                              |             | 15002         | UNIF/LAUNDRY/FLT        | 22.00              |         |
|              |            |              |        |                              |             | 15003         | UNIF/LAUNDRY/FLT        | 143.25             |         |
|              |            |              |        |                              |             | 15004         | UNIF/LAUNDRY/FLT        | 54.05              |         |
|              |            |              |        |                              |             | 15005         | UNIF/LAUNDRY/FLT        | 285.29             |         |
|              |            |              |        |                              |             | 15006         | UNIF/LAUNDRY/FLT        | 62.82              |         |
|              |            |              |        |                              |             | 15083         | UNIF/LAUNDRY/PT         | 47.47              |         |
|              |            |              |        |                              |             | 15116         | UNIF/LAUNDRY/FLT        | 26.49              |         |
| 23647        | 11/02/07   | 3,169.00     | 905    | MONTEREY SALINAS TRANSIT     |             |               |                         |                    | VOIDED  |
|              | 11/08/07   | -3,169.00    |        |                              |             | 15320         | AMBAG OWP WE #670       | 0.00               |         |
| 23648        | 11/02/07   | 2,530.57     | 001063 | NEW FLYER INDUSTRIES LIMITED |             | 15074         | REV VEH PARTS           | 333.00             |         |
|              |            |              |        |                              |             | 15079         | PARTS & SUPPLIES        | 19.00              |         |
|              |            |              |        |                              |             | 15173         | REV VEH PARTS           | 83.50              |         |
|              |            |              |        |                              |             | 15174         | REV VEH PARTS           | 379.44             |         |
|              |            |              |        |                              |             | 15175         | REV VEH PARTS           | 1,715.63           |         |
| 23649        | 11/02/07   | 100.00       | B020   | NICOL, KIRBY                 | 7           | 15349         | OCT BOARD MTGS          | 100.00             |         |
| 23650        | 11/02/07   | 338.92       | 004    | NORTH BAY FORD LINC-MERCURY  |             | 15157         | OUT RPR OTH VEH         | 100.00             |         |
|              |            |              |        |                              |             | 15177         | REV VEH PARTS           | 238.92             |         |
| 23651        | 11/02/07   | 1,105.28     | 043    | PALACE ART & OFFICE SUPPLY   |             | 15040         | OFFICE SUPPLIES/LGL     | 42.51              |         |
|              |            |              |        |                              |             | 15045         | OFFICE SUPPLIES/FIN     | 19.77              |         |
|              |            |              |        |                              |             | 15046         | OFFICE SUPPLIES/FIN     | 74.79              |         |
|              |            |              |        |                              |             | 15049         | OFFICE SUPPLIES/HRD     | 238.11             |         |
|              |            |              |        |                              |             | 15096         | OFFICE SUPPLIES/PT      | 88.72              |         |
|              |            |              |        |                              |             | 15140         | OFFICE SUPPLIES/FLT     | 47.21              |         |
|              |            |              |        |                              |             | 15190         | OFFICE SUPPLIES/MTC     | 270.17             |         |
|              |            |              |        |                              |             | 15191         | OFFICE SUPPLIES/MTC     | 13.43              |         |
|              |            |              |        |                              |             | 15192         | OFFICE SUPPLIES/MTC     | 103.39             |         |
|              |            |              |        |                              |             | 15193         | OFFICE SUPPLIES/MTC     | 14.27              |         |
|              |            |              |        |                              |             | 15241         | OFFICE SUPPLIES/OPS     | 180.46             |         |
|              |            |              |        |                              |             | 15242         | OFFICE SUPPLIES/OPS     | 12.45              |         |
| 23652        | 11/02/07   | 136.65       | 061    | REGISTER PAJARONIAN          |             | 15119         | PUB NOTICE ADM 10/11    | 136.65             |         |
| 23653        | 11/02/07   | 100.00       | B011   | REILLY, EMILY                | 7           | 15350         | OCT BOARD MTGS          | 100.00             |         |
| 23654        | 11/02/07   | 100.00       | B015   | ROTKIN, MIKE                 | 7           | 15351         | OCT BOARD MTGS          | 100.00             |         |
| 23655        | 11/02/07   | 261.78       | 002713 | SANTA CRUZ AUTO TECH, INC.   |             | 15097         | OUT RPR REV VEH         | 130.89             |         |
|              |            |              |        |                              |             | 15099         | OUT RPR REV VEH         | 130.89             |         |
| 23656        | 11/02/07   | 716.71       | 135    | SANTA CRUZ AUTO PARTS, INC.  |             | 15010         | OTH MOBILE SUPPLIES     | 10.57              |         |
|              |            |              |        |                              |             | 15011         | SMALL TOOLS             | 119.30             |         |
|              |            |              |        |                              |             | 15012         | OTH MOBILE SUPPLIES     | 22.56              |         |
|              |            |              |        |                              |             | 15013         | PARTS & SUPPLIES        | 26.02              |         |
|              |            |              |        |                              |             | 15014         | PARTS & SUPPLIES        | 7.92               |         |
|              |            |              |        |                              |             | 15022         | PARTS & SUPPLIES        | 3.96               |         |
|              |            |              |        |                              |             | 15023         | REV VEH PARTS           | 77.08              |         |

5-1.2

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                     | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|---------------------------------|-------------|---------------|-------------------------|--------------------|---------|
|              |            |              |        |                                 |             | 15091         | PARTS & SUPPLIES        | 100.80             |         |
|              |            |              |        |                                 |             | 15092         | PARTS & SUPPLIES        | 98.66              |         |
|              |            |              |        |                                 |             | 15093         | REV VEH PARTS           | 143.22             |         |
|              |            |              |        |                                 |             | 15261         | EMP TOOLS               | 106.62             |         |
| 23657        | 11/02/07   | 37.53        | 848    | SANTA CRUZ ELECTRONICS, INC.    |             | 14974         | PARTS & SUPPLIES        | 37.53              |         |
| 23658        | 11/02/07   | 20,335.59    | 977    | SANTA CRUZ TRANSPORTATION, LLC  |             | 15285         | SEPT PT SERVICES        | 20,335.59          |         |
| 23659        | 11/02/07   | 100.00       | B012   | SPENCE, PAT                     | 7           | 15352         | OCT BOARD MTGS          | 100.00             |         |
| 23660        | 11/02/07   | 53.71        | 104    | STATE STEEL COMPANY             |             | 15076         | REV VEH PARTS           | 53.71              |         |
| 23661        | 11/02/07   | 1,929.65     | 002607 | STAVELEY SERVICES FLUIDS        |             | 15197         | OUT RPR REV VEH         | 1,929.65           |         |
| 23662        | 11/02/07   | 100.00       | B017   | STONE, MARK                     | 7           | 15353         | OCT BOARD MTGS          | 100.00             |         |
| 23663        | 11/02/07   | 730.00       | 001857 | SWRCB FEES                      |             | 15322         | STORM WATER PERMIT      | 730.00             |         |
| 23664        | 11/02/07   | 1,330.19     | 002207 | T.Y. CUSTOM DESIGN              | 0           | 15237         | CUSTOM MADE PATCHES     | 1,330.19           |         |
| 23665        | 11/02/07   | 386.78       | 170    | TOWNSEND'S AUTO PARTS           |             | 15008         | REV VEH PARTS           | 244.45             |         |
|              |            |              |        |                                 |             | 15009         | REV VEH PARTS           | 125.64             |         |
| 23666        | 11/02/07   | 72.85        | 007    | UNITED PARCEL SERVICE           |             | 15114         | REV VEH PARTS           | 16.69              |         |
|              |            |              |        |                                 |             | 15200         | FRT OUT-FLT             | 31.78              |         |
|              |            |              |        |                                 |             | 15201         | FRT OUT - FLT           | 41.07              |         |
| 23667        | 11/02/07   | 1,200.00     | 001140 | UNIVERSITY INN &                |             | 15357         | SECURITY DEPOSIT        | 1,200.00           |         |
| 23668        | 11/02/07   | 2,256.78     | 002829 | VALLEY POWER SYSTEMS, INC.      |             | 15147         | REV VEH PARTS           | 25.02              |         |
|              |            |              |        |                                 |             | 15148         | REV VEH PARTS           | 2,231.76           |         |
| 23669        | 11/02/07   | 53.33        | 434B   | VERIZON CALIFORNIA              |             | 15227         | MT BIEWLASKI            | 53.33              |         |
| 23670        | 11/02/07   | 10,977.54    | 001043 | VISION SERVICE PLAN             |             | 15266         | NOV VISION INS          | 10,977.54          |         |
| 23671        | 11/02/07   | 6,358.22     | 001083 | WATSONVILLE TRANSPORTATION, INC |             | 15287         | 10/1-10/7 PT SVCS       | 6,358.22           |         |
| 23672        | 11/02/07   | 98.95        | 147    | ZEE MEDICAL SERVICE CO.         |             | 15016         | SAFETY SUPPLIES         | 35.91              |         |
|              |            |              |        |                                 |             | 15017         | SAFETY SUPPLIES         | 26.42              |         |
|              |            |              |        |                                 |             | 15246         | SAFETY SUPPLIES         | 36.62              |         |
| 23673        | 11/09/07   | 38.00        | 886    | ALL PURE WATER                  |             | 15454         | OFFICE SUPPLIES         | 38.00              |         |
| 23674        | 11/09/07   | 18.47        | 192    | ALWAYS UNDER PRESSURE           |             | 15262         | REPAIRS/MAINTENANCE     | 18.47              |         |
| 23675        | 11/09/07   | 3,169.00     | 563    | AMBAG                           |             | 15516         | AMBAG OWP WE #670       | 3,169.00           |         |
| 23676        | 11/09/07   | 169.04       | 002861 | AMERICAN MESSAGING SVCS, LLC    |             | 15457         | NOV PAGERS              | 169.04             |         |
| 23677        | 11/09/07   | 118.43       | 294    | ANDY'S AUTO SUPPLY              |             | 15080         | PARTS & SUPPLIES        | 33.64              |         |
|              |            |              |        |                                 |             | 15138         | PARTS & SUPPLIES        | 4.00               |         |
|              |            |              |        |                                 |             | 15144         | REV VEH PARTS           | 80.79              |         |
| 23678        | 11/09/07   | 17,214.22    | 941    | ASSURANT EMPLOYEE BENEFITS      |             | 15501         | NOV LTD INS             | 17,214.22          |         |
| 23679        | 11/09/07   | 4,051.07     | 001A   | AT&T/MCI                        |             | 15476         | SEPT PHONES/PT          | 52.38              |         |
|              |            |              |        |                                 |             | 15477         | SEPT PHONES/PT          | 493.26             |         |
|              |            |              |        |                                 |             | 15511         | OCT PHONES              | 2,025.98           |         |
|              |            |              |        |                                 |             | 15512         | OCT PHONES/IT           | 1,479.45           |         |
| 23680        | 11/09/07   | 1,440.50     | 876    | ATCHISON, BARLSONE, CONDOTTI &  |             | 15488         | LEGAL SVCS/FRONT ST     | 487.50             |         |
|              |            |              |        |                                 |             | 15489         | LEGAL SVCS/RIVER ST     | 953.00             |         |
| 23681        | 11/09/07   | 231.28       | 002191 | BACON, EDWARD R. COMPANY, INC.  |             | 15263         | REV VEH PARTS           | 231.28             |         |
| 23682        | 11/09/07   | 410.90       | R504   | BARNES, ANTHONY                 |             | 15494         | SETTLEMENT/RISK         | 410.90             |         |
| 23683        | 11/09/07   | 191.60       | 580    | BLOCK AND COMPANY, INC.         |             | 15483         | OFFICE SUPPLIES         | 191.60             |         |
| 23684        | 11/09/07   | 790.61       | 002189 | BUS & EQUIPMENT                 |             | 15280         | REV VEH PARTS           | 790.61             |         |
| 23685        | 11/09/07   | 140.00       | 014    | CABRILLO COLLEGE                |             | 15253         | FINGERPRINTING          | 140.00             |         |
| 23686        | 11/09/07   | 100.00       | R503   | CALLEJAS, LETICIA               |             | 15491         | SETTLEMENT/RISK         | 100.00             |         |
| 23687        | 11/09/07   | 7.56         | 002882 | CARR PARTS NAPA                 |             | 15136         | REV VEH PARTS           | 7.56               |         |
| 23688        | 11/09/07   | 830.77       | 983    | CENTRAL MAINTENANCE COMPANY     |             | 15478         | OCT JANITORIAL/PT       | 830.77             |         |
| 23689        | 11/09/07   | 672.00       | 002109 | CITY OF SANTA CRUZ/PARKING      |             | 15493         | PARKING PERMITS/MTC     | 672.00             |         |
| 23690        | 11/09/07   | 1,402.75     | 001113 | CLARKE, SUSAN                   |             | 15255         | EXT BUS ANNOUNC/AUD     | 1,402.75           |         |

5-1.3

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                    | VENDOR TRANS. TYPE NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--------------------------------|---------------------------|-------------------------|--------------------|---------|
| 23691        | 11/09/07   | 1,510.40     | 909    | CLASSIC GRAPHICS               | 15247                     | OUT RPR REV VEH         | 1,510.40           |         |
| 23692        | 11/09/07   | 295.99       | 002870 | COLE SUPPLY COMPANY, INC.      | 15178                     | CLEANING SUPPLIES       | 295.99             |         |
| 23693        | 11/09/07   | 62,404.71    | 002569 | COMERICA BANK                  | 15164                     | WORK COMP FUND          | 62,404.71          |         |
| 23694        | 11/09/07   | 54.46        | 669    | COMPUTER BOOK DIRECT           | 15487                     | EXCEL 07 DATA BOOKS     | 54.46              |         |
| 23695        | 11/09/07   | 20.27        | 002063 | COSTCO                         | 15194                     | LOCAL MEETING EXP       | 20.27              |         |
| 23696        | 11/09/07   | 223.79       | 002814 | CREATIVE BUS SALES, INC.       | 15485                     | REV VEH PARTS           | 223.79             |         |
| 23697        | 11/09/07   | 362.40       | 504    | CUMMINS WEST, INC.             | 15176                     | REV VEH PARTS           | 362.40             |         |
| 23698        | 11/09/07   | 488.18       | 001000 | DAIMLER CHRYSLER               | 15210                     | REV VEH PARTS           | 488.18             |         |
| 23699        | 11/09/07   | 103,733.50   | 001316 | DEVCO OIL                      | 15430                     | 10/23-10/31 FUEL-FLT    | 61,764.21          |         |
|              |            |              |        |                                | 15486                     | FUEL FLT/11/1-11/6      | 41,969.29          |         |
| 23700        | 11/09/07   | 1,153.87     | 085    | DIXON & SON TIRE, INC.         | 15204                     | TIRES & TUBES           | 174.08             |         |
|              |            |              |        |                                | 15289                     | TIRES & TUBES           | 387.61             |         |
|              |            |              |        |                                | 15407                     | TIRES & TUBES           | 66.00              |         |
|              |            |              |        |                                | 15408                     | TIRES & TUBES           | 33.00              |         |
|              |            |              |        |                                | 15409                     | TIRES & TUBES           | 396.93             |         |
|              |            |              |        |                                | 15414                     | TIRES & TUBES           | 96.25              |         |
| 23701        | 11/09/07   | 106.98       | 282    | GRAINGER                       | 15307                     | REPAIRS/MAINTENANCE     | 106.98             |         |
| 23702        | 11/09/07   | 66,425.18    | 001035 | HARRIS & ASSOCIATES            | 15500                     | MB SEPT 07 PROF SVCS    | 66,425.18          |         |
| 23703        | 11/09/07   | 264.56       | 166    | HOSE SHOP, THE                 | 15314                     | PARTS & SUPPLIES        | 148.82             |         |
|              |            |              |        |                                | 15315                     | PARTS & SUPPLIES        | 35.15              |         |
|              |            |              |        |                                | 15317                     | SMALL TOOLS/PARTS       | 80.59              |         |
| 23704        | 11/09/07   | 1,181.72     | 215    | IKON OFFICE SOLUTIONS          | 15382                     | 9/19-10/19 MAINT/ADM    | 169.86             |         |
|              |            |              |        |                                | 15396                     | COPIER MAINT/MTC        | 1,011.86           |         |
| 23705        | 11/09/07   | 195.00       | 001129 | INSTITUTE OF MNGMT ACCOUNTANTS | 14637                     | 08 MEMBERSHIP DUES      | 195.00             |         |
| 23706        | 11/09/07   | 605.10       | 001296 | LEXISNEXIS MATTHEW BENDER      | 15394                     | CA EMP LAW REL # 19     | 172.04             |         |
|              |            |              |        |                                | 15471                     | CA EMP LAW REL # 36     | 433.06             |         |
| 23707        | 11/09/07   | 268.63       | 107A   | LUMBERMENS                     | 15145                     | REPAIRS/MAINTENANCE     | 36.12              |         |
|              |            |              |        |                                | 15146                     | REPAIRS/MAINTENANCE     | 13.26              |         |
|              |            |              |        |                                | 15155                     | PARTS & SUPPLIES        | 210.29             |         |
|              |            |              |        |                                | 15171                     | REPAIRS/MAINTENANCE     | 8.96               |         |
| 23708        | 11/09/07   | 40.00        | 764    | MERCURY METALS                 | 15284                     | OUT RPR REV VEH         | 40.00              |         |
| 23709        | 11/09/07   | 118.64       | T150   | MILLER, MARY                   | 15469                     | OVERPAYMENT/HLTHCARE    | 118.64             |         |
| 23710        | 11/09/07   | 682.23       | 225    | MISSION PRINTERS               | 15395                     | PRINT BUS PASSES        | 682.23             |         |
| 23711        | 11/09/07   | 649.46       | 041    | MISSION UNIFORM                | 15130                     | UNIF/LAUNDRY/FLT        | 62.82              |         |
|              |            |              |        |                                | 15131                     | UNIF/LAUNDRY/FLT        | 295.95             |         |
|              |            |              |        |                                | 15132                     | UNIF/LAUNDRY/FLT        | 143.25             |         |
|              |            |              |        |                                | 15133                     | UNIF/LAUNDRY/FLT        | 44.78              |         |
|              |            |              |        |                                | 15134                     | UNIF/LAUNDRY/FLT        | 22.00              |         |
|              |            |              |        |                                | 15143                     | UNIF/LAUNDRY/FAC        | 80.66              |         |
| 23712        | 11/09/07   | 1,206.89     | 001063 | NEW FLYER INDUSTRIES LIMITED   | 15376                     | REV VEH PARTS           | 1,202.33           |         |
|              |            |              |        |                                | 15392                     | REV VEH PARTS           | 4.56               |         |
| 23713        | 11/09/07   | 81.38        | 004    | NORTH BAY FORD LINC-MERCURY    | 15517                     | REV VEH PARTS           | 81.38              |         |
| 23714        | 11/09/07   | 5.89         | 161    | OCEAN CHEVROLET                | 15137                     | PARTS & SUPPLIES        | 5.89               |         |
| 23715        | 11/09/07   | 11,349.99    | 009    | PACIFIC GAS & ELECTRIC         | 15361                     | 9/29-10/26 RIVER        | 1,691.87           |         |
|              |            |              |        |                                | 15362                     | 9/29-10/27 DUBOIS       | 8.39               |         |
|              |            |              |        |                                | 15363                     | 9/29-10/27 ENCINAL      | 3,004.68           |         |
|              |            |              |        |                                | 15364                     | 9/29-10/29 DUBOIS       | 207.83             |         |
|              |            |              |        |                                | 15365                     | 9/29-10/29 DUBOIS       | 13.08              |         |
|              |            |              |        |                                | 15415                     | 9/29-10/29 FLEET        | 6,240.50           |         |
|              |            |              |        |                                | 15431                     | 9/30-10/26 VERNON       | 183.64             |         |

5-1:4

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                    | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 23716        | 11/09/07   | 1,409.99     | 043    | PALACE ART & OFFICE SUPPLY     |             | 15188         | OFFICE SUPPLIES/ADM     | 120.23             |         |
|              |            |              |        |                                |             | 15195         | OFFICE SUPPLIES/ADM     | -184.10            |         |
|              |            |              |        |                                |             | 15196         | OFFICE SUPPLIES/FLT     | 39.02              |         |
|              |            |              |        |                                |             | 15238         | OFFICE SUPPLIES/OPS     | -12.45             |         |
|              |            |              |        |                                |             | 15239         | OFFICE SUPPLIES/OPS     | 45.01              |         |
|              |            |              |        |                                |             | 15240         | OFFICE SUPPLIES/OPS     | 8.57               |         |
|              |            |              |        |                                |             | 15254         | OFFICE SUPPLIES/ADM     | 250.71             |         |
|              |            |              |        |                                |             | 15257         | OFFICE SUPPLIES/FIN     | 287.92             |         |
|              |            |              |        |                                |             | 15290         | OFFICE SUPPLIES/PT      | 128.16             |         |
|              |            |              |        |                                |             | 15291         | OFFICE SUPPLIES/PT      | 749.93             |         |
|              |            |              |        |                                |             | 15379         | OFFICE SUPPLIES/ADM     | 92.05              |         |
|              |            |              |        |                                |             | 15380         | CREDIT MEMO             | -92.05             |         |
|              |            |              |        |                                |             | 15381         | CREDIT MEMO             | -23.01             |         |
| 23717        | 11/09/07   | 28.07        | 950    | PARADISE LANDSCAPE             |             | 15211         | OUT RPR BLDG & IMP      | 28.07              |         |
| 23718        | 11/09/07   | 146.48       | 882    | PRINT SHOP SANTA CRUZ          |             | 15198         | OFFICE SUPPLIES/FLT     | 146.48             |         |
| 23719        | 11/09/07   | 203.28       | 087    | RECOGNITION SERVICES           |             | 15252         | EMP INCENTIVE           | 203.28             |         |
| 23720        | 11/09/07   | 65,608.91    | 904    | RNL DESIGN                     |             | 15497         | PROF SVCS THRU 9/30     | 65,009.77          |         |
|              |            |              |        |                                |             | 15498         | PROF SVCS THRU 9/30     | 599.14             |         |
| 23721        | 11/09/07   | 324.06       | R505   | RYAN, WILLIAM                  |             | 15495         | SETTLEMENT/RISK         | 324.06             |         |
| 23722        | 11/09/07   | 1,491.40     | 018    | SALINAS VALLEY FORD SALES      |             | 15464         | REV VEH PARTS           | 510.74             |         |
|              |            |              |        |                                |             | 15473         | REV VEH PARTS           | 863.58             |         |
|              |            |              |        |                                |             | 15474         | REV VEH PARTS           | 117.08             |         |
| 23724        | 11/09/07   | 1,063.97     | 002713 | SANTA CRUZ AUTO TECH, INC.     |             | 15180         | OUT RPR REV VEH         | 130.89             |         |
|              |            |              |        |                                |             | 15181         | OUT RPR REV VEH         | 130.89             |         |
|              |            |              |        |                                |             | 15292         | OUT RPR REV VEH         | 130.89             |         |
|              |            |              |        |                                |             | 15293         | OUT RPR REV VEH         | 50.15              |         |
|              |            |              |        |                                |             | 15294         | OUT RPR REV VEH         | 50.15              |         |
|              |            |              |        |                                |             | 15295         | OUT RPR REV VEH         | 50.15              |         |
|              |            |              |        |                                |             | 15296         | OUT RPR REV VEH         | 50.15              |         |
|              |            |              |        |                                |             | 15297         | OUT RPR REV VEH         | 50.15              |         |
|              |            |              |        |                                |             | 15298         | OUT RPR REV VEH         | 50.15              |         |
|              |            |              |        |                                |             | 15299         | OUT RPR REV VEH         | 50.15              |         |
|              |            |              |        |                                |             | 15300         | OUT RPR REV VEH         | 50.15              |         |
|              |            |              |        |                                |             | 15301         | OUT RPR REV VEH         | 50.15              |         |
|              |            |              |        |                                |             | 15302         | OUT RPR REV VEH         | 50.15              |         |
|              |            |              |        |                                |             | 15303         | OUT RPR REV VEH         | 56.60              |         |
|              |            |              |        |                                |             | 15304         | OUT RPR REV VEH         | 56.60              |         |
|              |            |              |        |                                |             | 15305         | OUT RPR REV VEH         | 56.60              |         |
| 23725        | 11/09/07   | 549.85       | 135    | SANTA CRUZ AUTO PARTS, INC.    |             | 15065         | PARTS & SUPPLIES        | 3.85               |         |
|              |            |              |        |                                |             | 15069         | REV VEH PARTS           | 65.15              |         |
|              |            |              |        |                                |             | 15070         | REV VEH PARTS           | 104.51             |         |
|              |            |              |        |                                |             | 15071         | REV VEH PARTS           | 26.69              |         |
|              |            |              |        |                                |             | 15077         | SMALL TOOLS             | 162.70             |         |
|              |            |              |        |                                |             | 15115         | PARTS & SUPPLIES        | 31.70              |         |
|              |            |              |        |                                |             | 15135         | REV VEH PARTS           | 12.25              |         |
|              |            |              |        |                                |             | 15169         | PARTS & SUPPLIES        | 100.80             |         |
|              |            |              |        |                                |             | 15170         | PARTS & SUPPLIES        | 42.20              |         |
| 23726        | 11/09/07   | 2,363.08     | 002573 | SANTA CRUZ COUNTY TAX COLLECTR |             | 15502         | PROP TAX 07-08 VERN     | 2,363.08           |         |
| 23727        | 11/09/07   | 575.00       | 260    | SANTA CRUZ GLASS CO., INC.     |             | 15179         | GLASS/457 RODRIGUEZ     | 575.00             |         |
| 23729        | 11/09/07   | 1,122.00     | 001523 | SANTA CRUZ MEDICAL CLINIC      |             | 15267         | MEDICAL EXAM            | 66.00              |         |

5-1.5

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                     | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|---------------------------------|-------------|---------------|-------------------------|--------------------|---------|
|              |            |              |        |                                 |             | 15268         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15269         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15271         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15272         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15273         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15274         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15275         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15276         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15277         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15278         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15279         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15311         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15340         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15341         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15342         | MEDICAL EXAM            | 66.00              |         |
|              |            |              |        |                                 |             | 15343         | MEDICAL EXAM            | 66.00              |         |
| 23730        | 11/09/07   | 7,607.81     | 079    | SANTA CRUZ MUNICIPAL UTILITIES  |             | 15387         | 9/25-10/23 ENCINAL      | 817.64             |         |
|              |            |              |        |                                 |             | 15388         | 9/25-10/23 ENCINAL      | 129.39             |         |
|              |            |              |        |                                 |             | 15389         | 9/25-10/23 DUBOIS       | 366.83             |         |
|              |            |              |        |                                 |             | 15390         | 9/25-10/23 RIVER        | 117.25             |         |
|              |            |              |        |                                 |             | 15391         | 9/25-10/23 DUBOIS       | 98.33              |         |
|              |            |              |        |                                 |             | 15496         | 9/25-10/23 RIVER ST     | 2,053.52           |         |
|              |            |              |        |                                 |             | 15503         | 9/25-10/23 VERNON       | 382.59             |         |
|              |            |              |        |                                 |             | 15504         | 9/25-10/23 VERNON       | 60.53              |         |
|              |            |              |        |                                 |             | 15508         | 9/25-10/23 GOLF CLB     | 937.64             |         |
|              |            |              |        |                                 |             | 15509         | 9/26-10/24 PACIFIC      | 2,543.42           |         |
|              |            |              |        |                                 |             | 15510         | 9/26-10/24 PACIFIC      | 100.67             |         |
| 23731        | 11/09/07   | 697.24       | 115    | SNAP-ON INDUSTRIAL              |             | 15250         | SMALL TOOLS             | 697.24             |         |
| 23732        | 11/09/07   | 4,350.60     | 001036 | STANDARD INSURANCE COMPANY      |             | 15507         | NOV LIFE/AD&D INS       | 4,350.60           |         |
| 23733        | 11/09/07   | 2,678.80     | 002805 | TELEPATH CORPORATION            |             | 15202         | OUT RPR EQUIP           | 803.64             |         |
|              |            |              |        |                                 |             | 15203         | OUT RPR EQUIP           | 1,875.16           |         |
| 23734        | 11/09/07   | 113.95       | 001752 | THOMPSON PUBLISHING GROUP, INC. |             | 15492         | HARRASS. INVTG HNDBK    | 113.95             |         |
| 23735        | 11/09/07   | 1,519.01     | 002504 | TIFCO INDUSTRIES                |             | 15318         | PARTS & SUPPLIES        | 44.70              |         |
|              |            |              |        |                                 |             | 15319         | PARTS & SUPPLIES        | 182.48             |         |
|              |            |              |        |                                 |             | 15373         | PARTS & SUPPLIES        | 1,291.83           |         |
| 23736        | 11/09/07   | 128.23       | 170    | TOWNSEND'S AUTO PARTS           |             | 15153         | PARTS & SUPPLIES        | 16.69              |         |
|              |            |              |        |                                 |             | 15154         | PARTS & SUPPLIES        | 111.54             |         |
| 23737        | 11/09/07   | 6,404.65     | 001038 | TWINVISION NA INC.              |             | 15377         | REV VEH PARTS           | 6,404.65           |         |
| 23738        | 11/09/07   | 23.94        | 007    | UNITED PARCEL SERVICE           |             | 15429         | FRT OUT-FLT             | 23.94              |         |
| 23739        | 11/09/07   | 10.83        | 946    | UNITED SITE SERVICES            |             | 15321         | 10/17-11/13 RENTAL      | 10.83              |         |
| 23740        | 11/09/07   | 16,667.56    | 002829 | VALLEY POWER SYSTEMS, INC.      |             | 15264         | REV VEH PARTS           | 1,474.74           |         |
|              |            |              |        |                                 |             | 15309         | OUT RPR REV VEH         | 4,379.81           |         |
|              |            |              |        |                                 |             | 15310         | OUT RPR REV VEH         | 4,382.39           |         |
|              |            |              |        |                                 |             | 15401         | REV VEH PARTS           | 170.39             |         |
|              |            |              |        |                                 |             | 15402         | REV VEH PARTS           | 5,585.93           |         |
|              |            |              |        |                                 |             | 15403         | REV VEH PARTS           | 479.33             |         |
|              |            |              |        |                                 |             | 15405         | PARTS & SUPPLIES        | 149.12             |         |
|              |            |              |        |                                 |             | 15406         | PARTS & SUPPLIES        | 45.85              |         |
| 23741        | 11/09/07   | 6,870.14     | 001083 | WATSONVILLE TRANSPORTATION, INC |             | 15184         | 10/8-10/16 SVC PT       | 6,870.14           |         |
| 23742        | 11/09/07   | 212.67       | 436    | WEST PAYMENT CENTER             |             | 15230         | CA CIV PRAC UPDATE      | 212.67             |         |

5-1.6

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                              | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--|-------------|---------------|-------------------------|--------------------|---------|
| 23743        | 11/09/07   | 1,605.80     | 001506 | WESTERN STATES OIL CO., INC.             |             | 15312         | FUEL & LUBE/FLT         | 1,605.80           |         |
| 23744        | 11/09/07   | 25.88        | 754    | WINZER CORPORATION                       |             | 15313         | PARTS & SUPPLIES        | 25.88              |         |
| 23745        | 11/09/07   | 44.00        | E075   | WOODBIDGE, ELIZABETH                     |             | 15432         | DMV FEES                | 44.00              |         |
| 23746        | 11/09/07   | 146.34       | 871    | YARDER MANUFACTURING COMPANY             |             | 15251         | REV VEH PARTS           | 146.34             |         |
| 23747M       | 11/08/07   | 500.00       | R506   | AIPING ZHANG AND PO ZHAO SETTLEMENT/RISK |             | 15708         | SETTLEMENT/RISK         | 500.00             | MANUAL  |
| 23748        | 11/16/07   | 200.00       | 002069 | A TOOL SHED, INC.                        |             | 15459         | EQUIP RENTAL            | 274.90             |         |
| 23749        | 11/16/07   | 98.94        | 932    | A.L. LEASE COMPANY, INC.                 |             | 15603         | CREDIT MEMO             | -74.90             |         |
|              |            |              |        |  |             | 15590         | REPAIRS/MAINTENANCE     | 6.84               |         |
|              |            |              |        |  |             | 15634         | REPAIRS/MAINTENANCE     | 55.61              |         |
|              |            |              |        |  |             | 15635         | REPAIRS/MAINTENANCE     | 36.49              |         |
| 23750        | 11/16/07   | 516.05       | 382    | AIRTEC SERVICE                           |             | 15446         | OUT RPR BLDG & MAINT    | 516.05             |         |
| 23751        | 11/16/07   | 296.66       | 294    | ANDY'S AUTO SUPPLY                       |             | 15220         | REV VEH PARTS           | 84.58              |         |
|              |            |              |        |  |             | 15374         | REV VEH PARTS           | 84.58              |         |
|              |            |              |        |  |             | 15559         | REV VEH PARTS           | 127.50             |         |
| 23752        | 11/16/07   | 312.18       | 856    | ANGI INTERNATIONAL LLC                   |             | 15622         | REPAIRS/MAINTENANCE     | 312.18             |         |
| 23753        | 11/16/07   | 721.11       | 395    | APPLIED GRAPHICS, INC.                   |             | 15612         | OFFICE SUPPLIES         | 721.11             |         |
| 23754        | 11/16/07   | 119.42       | 001A   | AT&T/MCI                                 |             | 15573         | OCT PHONES/FAC          | 119.42             |         |
| 23755        | 11/16/07   | 6.22         | 002689 | B & B SMALL ENGINE                       |             | 15427         | REPAIRS/MAINTENANCE     | 6.22               |         |
| 23756        | 11/16/07   | 48.42        | M033   | BAILEY, NEIL                             | 7           | 9001375       | MED PYMT SUPP           | 48.42              |         |
| 23757        | 11/16/07   | 50.32        | M068   | BASS, BETTY                              | 7           | 9001388       | MED PYMT SUPP           | 50.32              |         |
| 23758        | 11/16/07   | 31.30        | E271   | BAUER, FRANK                             |             | 15687         | OFFICE SUPPLIES         | 31.30              |         |
| 23759        | 11/16/07   | 7,666.22     | 664    | BAY COUNTIES PITCOCK PETROLEUM           |             | 15694         | LUB & FUEL/FLT          | 7,666.22           |         |
| 23760        | 11/16/07   | 334.25       | 001047 | BOBBY'S PIT STOP                         |             | 15455         | OUT RPR OTH VEH         | 47.75              |         |
|              |            |              |        |  |             | 15462         | SMOG CHECK              | 47.75              |         |
|              |            |              |        |  |             | 15463         | SMOG CHECK              | 47.75              |         |
|              |            |              |        |  |             | 15532         | SMOG CHECK              | 47.75              |         |
|              |            |              |        |  |             | 15534         | SMOG CHECK              | 47.75              |         |
|              |            |              |        |  |             | 15570         | SMOG CHECK              | 47.75              |         |
|              |            |              |        |  |             | 15571         | SMOG CHECK              | 47.75              |         |
| 23761        | 11/16/07   | 355.07       | 144    | BOSS MANUFACTURING CO.                   |             | 15567         | SAFETY SUPPLIES         | 355.07             |         |
| 23762        | 11/16/07   | 895.00       | 002035 | BOWMAN & WILLIAMS                        |             | 15229         | CHINA GRADE ROAD        | 895.00             |         |
| 23763        | 11/16/07   | 78.87        | M077   | BRADFORD, THOMAS                         | 7           | 9001396       | MED PYMT SUPP           | 78.87              |         |
| 23764        | 11/16/07   | 177.12       | M072   | BRIDINGER, CHRIS                         | 7           | 9001391       | MED PYMT SUPP           | 177.12             |         |
| 23765        | 11/16/07   | 48.42        | M078   | BRIDINGER, DENISE                        | 7           | 9001397       | MED PYMT SUPP           | 48.42              |         |
| 23766        | 11/16/07   | 48.42        | M079   | BROGDON, ROY                             |             | 9001398       | MED PYMT SUPP           | 48.42              |         |
| 23767        | 11/16/07   | 122.64       | M022   | CAPELLA, KATHLEEN                        | 7           | 9001374       | MED PYMT SUPP           | 122.64             |         |
| 23768        | 11/16/07   | 1,075.61     | 002034 | CARLON'S FIRE EXTINGUISHER               |             | 15416         | ANNUAL SERVICE          | 58.20              |         |
|              |            |              |        |  |             | 15417         | ANNUAL SERVICE          | 25.60              |         |
|              |            |              |        |  |             | 15418         | ANNUAL SERVICE          | 85.80              |         |
|              |            |              |        |  |             | 15419         | ANNUAL SERVICE          | 29.40              |         |
|              |            |              |        |  |             | 15420         | ANNUAL SERVICE          | 156.08             |         |
|              |            |              |        |  |             | 15421         | ANNUAL SERVICE          | 73.77              |         |
|              |            |              |        |  |             | 15422         | ANNUAL SERVICE          | 56.60              |         |
|              |            |              |        |  |             | 15423         | ANNUAL SERVICE          | 161.36             |         |
|              |            |              |        |  |             | 15424         | ANNUAL SERVICE          | 428.80             |         |
| 23769        | 11/16/07   | 222.73       | 002882 | CARR PARTS NAPA                          |             | 15397         | PARTS & SUPPLIES        | 53.48              |         |
|              |            |              |        |  |             | 15551         | REV VEH PARTS           | 169.25             |         |
| 23770        | 11/16/07   | 24.22        | M080   | CARR, DALE                               | 7           | 9001399       | MED PYMT SUPP           | 24.22              |         |
| 23771        | 11/16/07   | 61.33        | M073   | CENTER, DOUG                             | 7           | 9001392       | MED PYMT SUPP           | 61.33              |         |

5-1.7

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                    | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 23772        | 11/16/07   | 2,074.84     | 172    | CENTRAL WELDER'S SUPPLY, INC.  |             | 15372         | PARTS & SUPPLIES        | 234.71             |         |
|              |            |              |        |                                |             | 15386         | TOOL-WELDER             | 1,649.20           |         |
|              |            |              |        |                                |             | 15560         | PARTS & SUPPLIES        | 190.93             |         |
| 23773        | 11/16/07   | 175.80       | 739    | CENTURY CHEVROLET              |             | 15484         | REV VEH PARTS           | 175.80             |         |
| 23774        | 11/16/07   | 24.22        | M036   | CERVANTES, GLORIA              | 7           | 9001376       | MED PYMT SUPP           | 24.22              |         |
| 23775        | 11/16/07   | 5.00         | 561    | CITY OF SANTA CRUZ-POLICE DEPT |             | 15602         | FIRE ALARM REG          | 5.00               |         |
| 23776        | 11/16/07   | 11,579.68    | 667    | CITY OF SCOTTS VALLEY          |             | 15698         | BLUEBONNET LANE         | 7,645.34           |         |
|              |            |              |        |                                |             | 15699         | WASTEWATER              | 3,934.34           |         |
| 23777        | 11/16/07   | 64.00        | E626   | CLARK, CARTER A                |             | 15700         | DMV FEES                | 64.00              |         |
| 23778        | 11/16/07   | 32.30        | M090   | CLARKE, PATRICIA               | 7           | 9001405       | MED PYMT SUPP           | 32.30              |         |
| 23779        | 11/16/07   | 55.00        | 001084 | CLUTCH COURIERS                |             | 15490         | PROF SVCS/RISK          | 55.00              |         |
| 23780        | 11/16/07   | 47,073.42    | 002569 | COMERICA BANK                  |             | 15505         | WORK COMP FUND          | 47,073.42          |         |
| 23781        | 11/16/07   | 184.00       | 367    | COMMUNITY TELEVISION OF        |             | 15499         | TV COVERAGE 10/26-      | 184.00             |         |
| 23782        | 11/16/07   | 70.38        | 002063 | COSTCO                         |             | 15383         | LOCAL MEETING EXP       | 36.12              |         |
|              |            |              |        |                                |             | 15433         | PHOTO PROCESS/OPS       | 7.70               |         |
|              |            |              |        |                                |             | 15434         | PHOTO PROCESS/OPS       | 4.50               |         |
|              |            |              |        |                                |             | 15435         | PHOTO PROCESS/OPS       | 11.08              |         |
|              |            |              |        |                                |             | 15436         | PHOTO PROCESS/OPS       | 10.98              |         |
| 23783        | 11/16/07   | 72.86        | M116   | CRAMBLETT, LAWRENCE            |             | 9001422       | MED PYMT SUPP           | 72.86              |         |
| 23784        | 11/16/07   | 61.33        | M092   | CRAWFORD, TERRI                | 7           | 9001406       | MED PYMT SUPP           | 61.33              |         |
| 23785        | 11/16/07   | 916.05       | 002814 | CREATIVE BUS SALES, INC.       |             | 15518         | REV VEH PARTS           | 916.05             |         |
| 23786        | 11/16/07   | 780.92       | 001048 | CRUZ CAR WASH                  |             | 15519         | OCT VEH WASH/PT         | 780.92             |         |
| 23787        | 11/16/07   | 4,719.87     | 504    | CUMMINS WEST, INC.             |             | 15378         | REV VEH PARTS           | 3,686.06           |         |
|              |            |              |        |                                |             | 15553         | REV VEH PARTS           | 1,033.81           |         |
| 23788        | 11/16/07   | 24.22        | M039   | DAVILA, ANA MARIA              | 7           | 9001377       | MED PYMT SUPP           | 24.22              |         |
| 23789        | 11/16/07   | 3,329.02     | 157    | DELL MARKETING L.P.            |             | 15513         | LATT D630 LAPTOP        | 1,694.90           |         |
|              |            |              |        |                                |             | 15514         | LATT D630 LAPTOP        | 1,634.12           |         |
| 23790        | 11/16/07   | 47,967.11    | 001316 | DEVCO OIL                      |             | 15641         | 11/7-11/13 FUEL FLT     | 47,967.11          |         |
| 23791        | 11/16/07   | 1,420.00     | 002624 | DIGITAL RECORDERS              |             | 15607         | REV VEH PARTS           | 1,420.00           |         |
| 23792        | 11/16/07   | 5,860.89     | 085    | DIXON & SON TIRE, INC.         |             | 15205         | TIRES & TUBES           | 2,007.00           |         |
|              |            |              |        |                                |             | 15206         | TIRES & TUBES           | 1,021.54           |         |
|              |            |              |        |                                |             | 15410         | TIRES & TUBES           | 587.80             |         |
|              |            |              |        |                                |             | 15411         | TIRES & TUBES           | 501.75             |         |
|              |            |              |        |                                |             | 15412         | TIRES & TUBES           | 414.87             |         |
|              |            |              |        |                                |             | 15413         | TIRES & TUBES           | 674.51             |         |
|              |            |              |        |                                |             | 15475         | TIRES & TUBES           | 387.61             |         |
|              |            |              |        |                                |             | 15522         | TIRES & TUBES           | 265.81             |         |
| 23793        | 11/16/07   | 61.33        | M095   | DIXON, GEORGE                  | 7           | 9001407       | MED PYMT SUPP           | 61.33              |         |
| 23794        | 11/16/07   | 61.33        | M096   | DRAKE, JUDITH                  | 7           | 9001408       | MED PYMT SUPP           | 61.33              |         |
| 23795        | 11/16/07   | 802.00       | 001492 | EVERGREEN OIL INC.             |             | 15369         | HAZ WASTE DISP          | 247.00             |         |
|              |            |              |        |                                |             | 15621         | HAZ WASTE DISP          | 65.00              |         |
|              |            |              |        |                                |             | 15633         | HAZ WASTE DISP          | 490.00             |         |
| 23796        | 11/16/07   | 61.33        | M098   | FAUCI, SUSAN                   | 7           | 9001409       | MED PYMT SUPP           | 61.33              |         |
| 23797        | 11/16/07   | 61.33        | M099   | FIKE, LOUIS                    | 7           | 9001410       | MED PYMT SUPP           | 61.33              |         |
| 23798        | 11/16/07   | 10.00        | E422   | FLORES, JUAN                   |             | 15598         | DMV FEES                | 10.00              |         |
| 23799        | 11/16/07   | 154.94       | M074   | GABRIELE, BERNARD              | 7           | 9001393       | MED PYMT SUPP           | 154.94             |         |
| 23800        | 11/16/07   | 24.22        | M040   | GARBEZ, LINDA                  | 7           | 9001378       | MED PYMT SUPP           | 24.22              |         |
| 23801        | 11/16/07   | 48.42        | M100   | GARCIA, SANTIAGO               | 7           | 9001411       | MED PYMT SUPP           | 48.42              |         |
| 23802        | 11/16/07   | 825.47       | 711    | GLASS DOCTOR                   | 7           | 15209         | REV VEH PARTS           | 585.90             |         |
|              |            |              |        |                                |             | 15453         | SMALL TOOL              | 239.57             |         |

5-1.8

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                   | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|-------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 23803        | 11/16/07   | 61.33        | M101   | GOES, ALAN                    | 7           | 9001412       | MED PYMT SUPP           | 61.33              |         |
| 23804        | 11/16/07   | 48.42        | M041   | GOUVEIA, ROBERT               | 7           | 9001379       | MED PYMT SUPP           | 48.42              |         |
| 23805        | 11/16/07   | 1,202.98     | 282    | GRAINGER                      |             | 15368         | REPAIRS/MAINTENANCE     | 93.20              |         |
|              |            |              |        |                               |             | 15568         | SMALL TOOLS             | 409.39             |         |
|              |            |              |        |                               |             | 15591         | SMALL TOOLS             | 700.39             |         |
| 23806        | 11/16/07   | 4,480.00     | 341    | GRANITE CONSTRUCTION CO.      |             | 15537         | ASPHALT RPR/PACIFIC     | 4,480.00           |         |
| 23807        | 11/16/07   | 14.32        | 546    | GRANITE ROCK COMPANY          |             | 15447         | REPAIRS/MAINTENANCE     | 14.32              |         |
| 23808        | 11/16/07   | 393.92       | 001097 | GREENWASTE RECOVERY, INC.     |             | 15544         | OCT MT HERMON/KINGS     | 57.60              |         |
|              |            |              |        |                               |             | 15545         | OCT 246 KINGS VLG       | 165.76             |         |
|              |            |              |        |                               |             | 15546         | OCT RESEARCH PARK       | 170.56             |         |
| 23809        | 11/16/07   | 48.42        | M081   | HALL, JAMES                   | 7           | 9001400       | MED PYMT SUPP           | 48.42              |         |
| 23810        | 11/16/07   | 89.87        | 510A   | HASLER, INC.                  |             | 15686         | 12/1-12/31 RENTAL       | 48.83              |         |
|              |            |              |        |                               |             | 15696         | DEC RENTAL/PT           | 41.04              |         |
| 23811        | 11/16/07   | 241.33       | M016   | HICKLIN, DONALD KENT          | 7           | 9001373       | MED PYMT SUPP           | 241.33             |         |
| 23812        | 11/16/07   | 24.25        | M082   | HINDIN, LENORE                | 7           | 9001401       | MED PYMT SUPP           | 24.25              |         |
| 23813        | 11/16/07   | 28,000.00    | 002116 | HINSHAW, EDWARD & BARBARA     | 7           | 9001367       | 370 ENCINAL RENT        | 28,000.00          |         |
| 23814        | 11/16/07   | 62.96        | M043   | HOLODNICK, JAMES              | 7           | 9001380       | MED PYMT SUPP           | 62.96              |         |
| 23815        | 11/16/07   | 662.45       | 166    | HOSE SHOP, THE                |             | 15609         | REV VEH PARTS           | 169.06             |         |
|              |            |              |        |                               |             | 15616         | PARTS & SUPPLIES        | 35.26              |         |
|              |            |              |        |                               |             | 15617         | PARTS & SUPPLIES        | 237.87             |         |
|              |            |              |        |                               |             | 15618         | PARTS & SUPPLIES        | 90.56              |         |
|              |            |              |        |                               |             | 15630         | REPAIRS/MAINTENANCE     | 1.12               |         |
|              |            |              |        |                               |             | 15631         | REPAIRS/MAINTENANCE     | 88.86              |         |
|              |            |              |        |                               |             | 15632         | REPAIRS/MAINTENANCE     | 39.72              |         |
| 23816        | 11/16/07   | 72.86        | M075   | HOWARD, CAROL                 | 7           | 9001394       | MED SUPP PYMT           | 72.86              |         |
| 23817        | 11/16/07   | 1,082.88     | 001132 | INLINE TRANSLATION SVCS, INC. |             | 15480         | TRANSLATION SVCS        | 1,082.88           |         |
| 23818        | 11/16/07   | 17,625.54    | 002117 | IULIANO                       | 7           | 14785         | 07/08 PROP TAX #1       | 384.30             |         |
|              |            |              |        |                               |             | 14786         | 07/08 PROP TAX #1       | 2,481.43           |         |
|              |            |              |        |                               |             | 14787         | OVER PAYMENT            | -0.17              |         |
|              |            |              |        |                               |             | 9001368       | 111 DUBOIS RENT         | 11,595.94          |         |
|              |            |              |        |                               |             | 9001369       | 115 DUBOIS RENT         | 3,164.04           |         |
| 23819        | 11/16/07   | 61.33        | M069   | JACOBS, KENNETH               | 7           | 9001389       | MED PYMT SUPP           | 61.33              |         |
| 23820        | 11/16/07   | 32.30        | M103   | JEMISON, MAURICE              | 7           | 9001413       | MED PYMT SUPP           | 32.30              |         |
| 23821        | 11/16/07   | 2,706.85     | 110    | JESSICA GROCERY STORE, INC.   |             | 9001370       | CUSTODIAL SERVICES      | 2,706.85           |         |
| 23822        | 11/16/07   | 38.50        | 405    | JOHN'S ELECTRIC MOTOR SVC     | 7           | 15593         | OUT RPR EQUIP           | 38.50              |         |
| 23823        | 11/16/07   | 61.33        | M104   | JUSSEL, PETE                  | 7           | 9001414       | MED PYMT SUPP           | 61.33              |         |
| 23824        | 11/16/07   | 377.09       | M061   | KAMEDA, TERRY                 | 7           | 9001386       | MED PYMT SUPP           | 377.09             |         |
| 23825        | 11/16/07   | 4,544.00     | 878    | KELLY SERVICES, INC.          |             | 15701         | TEMP/IT W/E 11/4        | 2,272.00           |         |
|              |            |              |        |                               |             | 15707         | TEMP/IT W/E 10/28       | 2,272.00           |         |
| 23826        | 11/16/07   | 32.30        | M105   | KOHAMA, MARY                  | 7           | 9001415       | MED PYMT SUPP           | 32.30              |         |
| 23827        | 11/16/07   | 294.00       | 001093 | KROLL LABORATORY SPECIALISTS  |             | 15506         | SEPT/OCT DRUG TESTS     | 294.00             |         |
| 23828        | 11/16/07   | 39.19        | 001050 | LADD INDUSTRIES               |             | 15613         | PARTS & SUPPLIES        | 39.19              |         |
| 23829        | 11/16/07   | 1,712.00     | 852    | LAW OFFICES OF MARIE F. SANG  | 7           | 15704         | WORKERS COMP CLAIM      | 1,216.00           |         |
|              |            |              |        |                               |             | 15705         | WORKERS COMP CLAIM      | 224.00             |         |
|              |            |              |        |                               |             | 15706         | WORKERS COMP CLAIM      | 272.00             |         |
| 23830        | 11/16/07   | 341.08       | 107A   | LUMBERMENS                    |             | 15215         | PARTS & SUPPLIES        | 11.67              |         |
|              |            |              |        |                               |             | 15216         | REPAIRS/MAINTENANCE     | 26.56              |         |
|              |            |              |        |                               |             | 15217         | CREDIT MEMO             | -11.21             |         |
|              |            |              |        |                               |             | 15218         | REV VEH PARTS           | 38.60              |         |
|              |            |              |        |                               |             | 15219         | CLEANING SUPPLIES       | 6.82               |         |

5-1.9

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                  | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|------------------------------|-------------|---------------|-------------------------|--------------------|---------|
|              |            |              |        |                              |             | 15245         | REPAIRS/MAINTENANCE     | 17.64              |         |
|              |            |              |        |                              |             | 15259         | REPAIRS/MAINTENANCE     | 30.94              |         |
|              |            |              |        |                              |             | 15425         | REPAIRS/MAINTENANCE     | 118.64             |         |
|              |            |              |        |                              |             | 15426         | REPAIRS/MAINTENANCE     | 14.59              |         |
|              |            |              |        |                              |             | 15437         | PARTS & SUPPLIES        | 35.13              |         |
|              |            |              |        |                              |             | 15440         | PARTS & SUPPLIES        | 12.68              |         |
|              |            |              |        |                              |             | 15441         | SMALL TOOL              | 39.02              |         |
| 23831        | 11/16/07   | 32.30        | M106   | LYALL, JOHN                  | 7           | 9001416       | MED PYMT SUPP           | 32.30              |         |
| 23832        | 11/16/07   | 1,407.05     | 001119 | MACERICH PARTNERSHIP LP      | 7           | 9001366       | CAPITOLA MALL RENT      | 1,407.05           |         |
| 23833        | 11/16/07   | 1,106.07     | 001358 | MARINA MOTOR COMPANY         |             | 15481         | OUT RPR REV VEH         | 625.29             |         |
|              |            |              |        |                              |             | 15482         | OUT RPR REV VEH         | 480.78             |         |
| 23834        | 11/16/07   | 128.39       | 013    | MCI SERVICE PARTS, INC.      |             | 15400         | REV VEH PARTS           | 62.22              |         |
|              |            |              |        |                              |             | 15552         | REV VEH PARTS           | 66.17              |         |
| 23835        | 11/16/07   | 874.90       | 001052 | MID VALLEY SUPPLY            |             | 15606         | CLEANING SUPPLIES       | 455.70             |         |
|              |            |              |        |                              |             | 15627         | CLEANING SUPPLIES       | 419.20             |         |
| 23836        | 11/16/07   | 61.33        | M108   | MILLER, FOREST               | 7           | 9001417       | MED PYMT SUPP           | 61.33              |         |
| 23838        | 11/16/07   | 1,412.98     | 041    | MISSION UNIFORM              |             | 15221         | UNIF & LAUNDRY          | 82.37              |         |
|              |            |              |        |                              |             | 15222         | UNIF & LAUNDRY          | 143.25             |         |
|              |            |              |        |                              |             | 15223         | UNIF & LAUNDRY          | 59.51              |         |
|              |            |              |        |                              |             | 15224         | UNIF & LAUNDRY          | 70.00              |         |
|              |            |              |        |                              |             | 15225         | UNIF & LAUNDRY          | 62.82              |         |
|              |            |              |        |                              |             | 15226         | UNIF & LAUNDRY          | 277.87             |         |
|              |            |              |        |                              |             | 15288         | UNIF/LAUNDRY/PT         | 49.65              |         |
|              |            |              |        |                              |             | 15428         | UNIF & LAUNDRY          | 80.66              |         |
|              |            |              |        |                              |             | 15442         | UNIF & LAUNDRY          | 115.44             |         |
|              |            |              |        |                              |             | 15443         | UNIF & LAUNDRY          | 282.53             |         |
|              |            |              |        |                              |             | 15444         | UNIF & LAUNDRY          | 62.82              |         |
|              |            |              |        |                              |             | 15445         | UNIF & LAUNDRY          | 44.78              |         |
|              |            |              |        |                              |             | 15581         | UNIF/LAUNDRY/FAC        | 18.32              |         |
|              |            |              |        |                              |             | 15582         | UNIF/LAUNDRY/FAC        | 18.32              |         |
|              |            |              |        |                              |             | 15583         | UNIF/LAUNDRY/FAC        | 4.00               |         |
|              |            |              |        |                              |             | 15584         | UNIF/LAUNDRY/FAC        | 18.32              |         |
|              |            |              |        |                              |             | 15585         | UNIF/LAUNDRY/FAC        | 22.32              |         |
| 23839        | 11/16/07   | 160.58       | 288    | MUNCIE TRANSIT SUPPLY        |             | 15466         | REV VEH PARTS           | 160.58             |         |
| 23840        | 11/16/07   | 3,737.73     | 001063 | NEW FLYER INDUSTRIES LIMITED |             | 15554         | REV VEH PARTS           | 955.18             |         |
|              |            |              |        |                              |             | 15555         | REV VEH PARTS           | 702.10             |         |
|              |            |              |        |                              |             | 15556         | REV VEH PARTS           | 1,095.28           |         |
|              |            |              |        |                              |             | 15625         | REV VEH PARTS           | 4.00               |         |
|              |            |              |        |                              |             | 15626         | REV VEH PARTS           | 981.17             |         |
| 23841        | 11/16/07   | 3,067.18     | 002721 | NEXTEL COMMUNICATIONS        |             | 15599         | OCT PHONES/OPS          | 1,740.37           |         |
|              |            |              |        |                              |             | 15695         | OCT PHONES/PT           | 1,326.81           |         |
| 23842        | 11/16/07   | 314.62       | 004    | NORTH BAY FORD LINC-MERCURY  |             | 15199         | OUT RPR OTH VEH         | 159.10             |         |
|              |            |              |        |                              |             | 15207         | REV VEH PARTS           | 67.54              |         |
|              |            |              |        |                              |             | 15208         | REV VEH PARTS           | 19.19              |         |
|              |            |              |        |                              |             | 15366         | REV VEH PARTS           | 68.79              |         |
| 23843        | 11/16/07   | 24.22        | M050   | O'MARA, KATHLEEN             | 7           | 9001381       | MED PYMT SUPP           | 24.22              |         |
| 23844        | 11/16/07   | 46,637.50    | 001080 | OCTAGON RISK SERVICES, INC.  |             | 15703         | DEC-FEB WC ADM FEE      | 46,637.50          |         |
| 23845        | 11/16/07   | 18,587.40    | 009    | PACIFIC GAS & ELECTRIC       |             | 15543         | 9/29-10/26 RIVER ST     | 8.10               |         |
|              |            |              |        |                              |             | 15597         | 10/3-10/31 PACIFIC      | 1,975.65           |         |
|              |            |              |        |                              |             | 15600         | 9/30-10/31 RIVER        | 13,206.46          |         |

5-1-10

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                    | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--------------------------------|-------------|---------------|-------------------------|--------------------|---------|
|              |            |              |        |                                |             | 15679         | 9/12-11/6 KINGS VLG     | 2,118.44           |         |
|              |            |              |        |                                |             | 15685         | 9/30-10/26 VERNON       | 1,278.75           |         |
| 23846        | 11/16/07   | 3,410.00     | 001044 | PACKET FUSION, INC.            |             | 15702         | MAINTENANCE SUPPORT     | 3,410.00           |         |
| 23847        | 11/16/07   | 879.43       | 043    | PALACE ART & OFFICE SUPPLY     |             | 15189         | OFFICE SUPPLIES/ADM     | 292.04             |         |
|              |            |              |        |                                |             | 15243         | OFFICE SUPPLIES/PT      | -67.44             |         |
|              |            |              |        |                                |             | 15244         | OFFICE SUPPLIES/PT      | -31.97             |         |
|              |            |              |        |                                |             | 15256         | OFFICE SUPPLIES/FIN     | 27.06              |         |
|              |            |              |        |                                |             | 15258         | OFFICE SUPPLIES/FIN     | 16.17              |         |
|              |            |              |        |                                |             | 15472         | OFFICE SUPPLIES/ADM     | 415.21             |         |
|              |            |              |        |                                |             | 15572         | OFFICE SUPPLIES         | 204.41             |         |
|              |            |              |        |                                |             | 15636         | OFFICE SUPPLIES/PT      | 23.95              |         |
| 23848        | 11/16/07   | 887.00       | 950    | PARADISE LANDSCAPE             | 7           | 15448         | NOV MAINTENANCE         | 887.00             |         |
| 23849        | 11/16/07   | 346.62       | M057   | PARHAM, WALLACE                | 7           | 9001384       | MED PYMT SUPP           | 346.62             |         |
| 23850        | 11/16/07   | 48.42        | M051   | PENDRAGON, LINDA               | 7           | 9001382       | MED PYMT SUPP           | 48.42              |         |
| 23851        | 11/16/07   | 62.96        | M109   | PEREZ, CHERYL                  |             | 9001418       | MED PYMT SUPP           | 62.96              |         |
| 23852        | 11/16/07   | 308.52       | M064   | PETERS, TERRIE                 | 7           | 9001387       | MED PYMT SUPP           | 308.52             |         |
| 23853        | 11/16/07   | 61.33        | M070   | PICARELLA, FRANCIS             | 7           | 9001390       | MED PYMT SUPP           | 61.33              |         |
| 23854        | 11/16/07   | 644.00       | 481    | PIED PIPER EXTERMINATORS, INC. |             | 15574         | OCT PEST CONTROL        | 48.50              |         |
|              |            |              |        |                                |             | 15575         | OCT PEST CONTROL        | 53.00              |         |
|              |            |              |        |                                |             | 15576         | OCT PEST CONTROL        | 183.00             |         |
|              |            |              |        |                                |             | 15577         | OCT PEST CONTROL        | 48.50              |         |
|              |            |              |        |                                |             | 15578         | OCT PEST CONTROL        | 241.00             |         |
|              |            |              |        |                                |             | 15579         | OCT PEST CONTROL        | 70.00              |         |
| 23855        | 11/16/07   | 61.33        | M117   | POLANCO, ANDRES                |             | 9001423       | MED PYMT SUPP           | 61.33              |         |
| 23856        | 11/16/07   | 132.50       | 187    | POLAR RADIATOR SERVICE INC     |             | 15460         | OUT RPR REV VEH         | 132.50             |         |
| 23857        | 11/16/07   | 346.62       | M058   | POTEETE, BEVERLY               | 7           | 9001385       | MED PYMT SUPP           | 346.62             |         |
| 23858        | 11/16/07   | 38.04        | 087    | RECOGNITION SERVICES           |             | 15538         | EMP INCENTIVE 25        | 38.04              |         |
| 23859        | 11/16/07   | 118.43       | 061A   | REGISTER PAJARONIAN            |             | 15542         | CLASS ADV-FLT           | 118.43             |         |
| 23860        | 11/16/07   | 58.41        | 002094 | RICON CORPORATION              |             | 15452         | REV VEH PARTS           | 58.41              |         |
| 23861        | 11/16/07   | 315.76       | M005   | ROSS, EMERY                    | 7           | 9001371       | MED PYMT SUPP           | 315.76             |         |
| 23862        | 11/16/07   | 48.42        | M085   | ROSSI, DENISE                  | 7           | 9001402       | MED PYMT SUPP           | 48.42              |         |
| 23863        | 11/16/07   | 3,737.96     | 018    | SALINAS VALLEY FORD SALES      |             | 15465         | REV VEH PARTS           | 2,663.81           |         |
|              |            |              |        |                                |             | 15536         | REV VEH PARTS           | 1,074.15           |         |
| 23864        | 11/16/07   | 32.30        | M111   | SANCHEZ, FELIX                 | 7           | 9001419       | MED PYMT SUPP           | 32.30              |         |
| 23865        | 11/16/07   | 1,774.04     | 002713 | SANTA CRUZ AUTO TECH, INC.     |             | 15520         | OUT RPR REV VEH         | 413.78             |         |
|              |            |              |        |                                |             | 15521         | OUT RPR REV VEH         | 130.89             |         |
|              |            |              |        |                                |             | 15569         | OUT RPR OTH VEH         | 839.99             |         |
|              |            |              |        |                                |             | 15678         | OUT RPR REV VEH         | 389.38             |         |
| 23867        | 11/16/07   | 2,542.02     | 135    | SANTA CRUZ AUTO PARTS, INC.    |             | 15212         | PARTS & SUPPLIES        | 32.33              |         |
|              |            |              |        |                                |             | 15213         | PARTS & SUPPLIES        | 34.47              |         |
|              |            |              |        |                                |             | 15214         | OUT RPR EQUIP           | 86.70              |         |
|              |            |              |        |                                |             | 15248         | PARTS & SUPPLIES        | 60.54              |         |
|              |            |              |        |                                |             | 15249         | REV VEH PARTS           | 492.16             |         |
|              |            |              |        |                                |             | 15260         | PARTS & SUPPLIES        | 57.62              |         |
|              |            |              |        |                                |             | 15282         | REV VEH PARTS           | 78.98              |         |
|              |            |              |        |                                |             | 15283         | REV VEH PARTS           | 40.00              |         |
|              |            |              |        |                                |             | 15375         | REV VEH PARTS           | 67.70              |         |
|              |            |              |        |                                |             | 15398         | REV VEH PARTS           | 17.25              |         |
|              |            |              |        |                                |             | 15399         | REV VEH PARTS           | 5.40               |         |
|              |            |              |        |                                |             | 15438         | REV VEH PARTS           | 29.03              |         |

5-1.11

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                    | VENDOR TYPE | TRANS. NUMBER    | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--------------------------------|-------------|------------------|-------------------------|--------------------|---------|
|              |            |              |        |                                |             | 15439            | OTH MOB SUPPLIES        | 71.18              |         |
|              |            |              |        |                                |             | 15467            | REV VEH PARTS           | 507.13             |         |
|              |            |              |        |                                |             | 15468            | REV VEH PARTS           | 6.60               |         |
|              |            |              |        |                                |             | 15565            | SAFETY SUPPLIES         | 115.79             |         |
|              |            |              |        |                                |             | 15566            | SAFETY SUPPLIES         | 839.14             |         |
| 23868        | 11/16/07   | 15.00        | 001944 | SANTA CRUZ COUNTY LAW LIBRARY  |             | 15393            | QUARTERLY MIN CHARGE    | 15.00              |         |
| 23869        | 11/16/07   | 40.00        | 960    | SANTA CRUZ COUNTY EAC          |             | 15231            | ANNUAL MEMBERSHIP       | 40.00              |         |
| 23870        | 11/16/07   | 11.92        | 079    | SANTA CRUZ MUNICIPAL UTILITIES |             | 15688            | OCT LANDFILL            | 11.92              |         |
| 23871        | 11/16/07   | 1,501.82     | 002459 | SCOTT'S VALLEY WATER DISTRICT  |             | 15619            | 8/9-10/9 KINGS VLG      | 1,501.82           |         |
| 23872        | 11/16/07   | 69.06        | 276    | SCOTT'S VALLEY SPRINKLER       |             | 15586            | REPAIRS/MAINTENANCE     | 69.06              |         |
| 23873        | 11/16/07   | 492.00       | 957    | SECURITY SHORING & STEEL PLT   |             | 15592            | 8/28-10/27 RENTAL       | 492.00             |         |
| 23874        | 11/16/07   | 30.00        | 880    | SEISINT, INC.                  |             | 15470            | PROF/TECH SVC/RISK      | 30.00              |         |
| 23875        | 11/16/07   | 52.48        | 002447 | SETON IDENTIFICATION PRODUCTS  |             | 15458            | NAMEPLATE               | 26.24              |         |
|              |            |              |        |                                |             | 15595            | NAMEPLATE               | 26.24              |         |
| 23876        | 11/16/07   | 2,500.00     | 002267 | SHAW & YODER, INC.             |             | 15385            | OCT LEGISLATIVE SVCS    | 2,500.00           |         |
| 23877        | 11/16/07   | 363.97       | M010   | SHORT, SLOAN                   | 7           | 9001372          | MED PYMT SUPP           | 363.97             |         |
| 23878        | 11/16/07   | 61.33        | M112   | SILVA, EDUARDO                 | 7           | 9001420          | MED PYMT SUPP           | 61.33              |         |
| 23879        | 11/16/07   | 100.00       | B016   | SKILLICORN, DALE               | 7           | 15596            | NOV BOARD MTGS          | 100.00             |         |
| 23880        | 11/16/07   | 48.42        | M054   | SLOAN, FRANCIS                 | 7           | 9001383          | MED PYMT SUPP           | 48.42              |         |
| 23881        | 11/16/07   | 3,480.00     | 002067 | SOIL CONTROL                   |             | 15449            | WATER SAMPLES           | 1,160.00           |         |
|              |            |              |        |                                |             | 15450            | WATER SAMPLES           | 1,160.00           |         |
|              |            |              |        |                                |             | 15451            | WATER SAMPLES           | 1,160.00           |         |
| 23882        | 11/16/07   | 11,651.11    | 001075 | SOQUEL III ASSOCIATES          | 7           | 9001365          | RESEARCH PARK RENT      | 11,651.11          |         |
| 23883        | 11/16/07   | 12,559.31    | 001648 | STEVE'S UNION SERVICE          |             | 15479            | OCT FUEL/PT             | 12,559.31          |         |
| 23884        | 11/16/07   | 2,707.41     | 002805 | TELEPATH CORPORATION           |             | 15456            | NOV MAINT & REPAIRS     | 2,707.41           |         |
| 23885        | 11/16/07   | 1,705.26     | 001800 | THERMO KING OF SALINAS, INC    |             | 15557            | REV VEH PARTS           | 378.99             |         |
|              |            |              |        |                                |             | 15558            | REV VEH PARTS           | 1,326.27           |         |
| 23886        | 11/16/07   | 776.79       | 002504 | TIFCO INDUSTRIES               |             | 15540            | CREDIT MEMO             | -24.99             |         |
|              |            |              |        |                                |             | 15541            | CREDIT MEMO             | -3.29              |         |
|              |            |              |        |                                |             | 15561            | PARTS & SUPPLIES        | 62.72              |         |
|              |            |              |        |                                |             | 15562            | PARTS & SUPPLIES        | 585.50             |         |
|              |            |              |        |                                |             | 15563            | PARTS & SUPPLIES        | 156.85             |         |
| 23887        | 11/16/07   | 24.22        | M086   | TOLINE, DONALD                 | 7           | 9001403          | MED PYMT SUPP           | 24.22              |         |
| 23888        | 11/16/07   | 64.97        | 170    | TOWNSEND'S AUTO PARTS          |             | 15564            | CLEANING SUPPLIES       | 64.97              |         |
| 23889        | 11/16/07   | 450.00       | 001491 | TRI-COUNTY FIRE PROTECTION INC |             | 15580            | SPRINKLER RPR           | 450.00             |         |
| 23890        | 11/16/07   | 5,491.38     | 057    | U.S. BANK                      |             | 4246044555645971 |                         | 149.00             |         |
|              |            |              |        |                                |             | 15681            | 4246044555645971        | 1,621.09           |         |
|              |            |              |        |                                |             | 15682            | 4246044555645971        | 1,251.46           |         |
|              |            |              |        |                                |             | 15683            | 4246044555645971        | 710.99             |         |
|              |            |              |        |                                |             | 15684            | 4246044555645971        | 1,758.84           |         |
| 23891        | 11/16/07   | 854.81       | 068    | UNITED LABORATORIES            |             | 15367            | REPAIRS/MAINTENANCE     | 580.40             |         |
|              |            |              |        |                                |             | 15667            | REPAIRS/MAINTENANCE     | 274.41             |         |
| 23892        | 11/16/07   | 112.28       | 007    | UNITED PARCEL SERVICE          |             | 15526            | FRT OUT-FLT             | 112.28             |         |
| 23894        | 11/16/07   | 327,977.63   | 002829 | VALLEY POWER SYSTEMS, INC.     |             | 15404            | REV VEH PARTS           | 99.26              |         |
|              |            |              |        |                                |             | 15461            | REBUILD TRANSMISSION    | 7,921.85           |         |
|              |            |              |        |                                |             | 15527            | REV VEH PARTS           | 89.06              |         |
|              |            |              |        |                                |             | 15528            | REV VEH PARTS           | 370.11             |         |
|              |            |              |        |                                |             | 15547            | REV VEH PARTS           | 1,918.71           |         |
|              |            |              |        |                                |             | 15548            | REV VEH PARTS           | 200.82             |         |
|              |            |              |        |                                |             | 15549            | REV VEH PARTS           | 4,154.77           |         |

5-1.12

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR NAME                            | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--|-------------|---------------|-------------------------|--------------------|---------|
|              |            |              |  |             | 15550         | REV VEH PARTS           | 288.03             |         |
|              |            |              |  |             | 15604         | CORE CREDIT             | -415.56            |         |
|              |            |              |  |             | 15605         | REV VEH PARTS           | 3,643.57           |         |
|              |            |              |  |             | 15614         | ENG REPOWER #2235       | 154,745.06         |         |
|              |            |              |  |             | 15615         | ENG REPOWER #2210       | 154,745.06         |         |
|              |            |              |  |             | 15623         | REV VEH PARTS           | 110.40             |         |
|              |            |              |  |             | 15624         | REV VEH PARTS           | 106.49             |         |
| 23895        | 11/16/07   | 177.12       | M076 VONWAL, YVETTE                    | 7           | 9001395       | MED PYMT SUPP           | 177.12             |         |
| 23896        | 11/16/07   | 3,561.20     | 001083 WATSONVILLE TRANSPORTATION, INC |             | 15286         | 10/17-10/24 PT SVCS     | 1,441.62           |         |
|              |            |              |  |             | 15523         | 10/25-10/31 PT SVCS     | 2,119.58           |         |
| 23897        | 11/16/07   | 70.00        | 682 WEISS, AMY L.                      | 7           | 15384         | OCT INTERPRETER         | 70.00              |         |
| 23898        | 11/16/07   | 1,823.55     | 001506 WESTERN STATES OIL CO., INC.    |             | 15611         | FUEL & LUBE/FLT         | 1,823.55           |         |
| 23899        | 11/16/07   | 377.30       | 001001 WEYERHAEUSER PAPER CO.          |             | 15371         | SHREDDING SERVICES      | 377.30             |         |
| 23900        | 11/16/07   | 46.92        | 042 WFCB-OSH COMMERCIAL SERVICES       |             | 15587         | REPAIRS/MAINTENANCE     | 6.47               |         |
|              |            |              |  |             | 15588         | REPAIRS/MAITENANCE      | 11.46              |         |
|              |            |              |  |             | 15589         | REPAIRS/MAINTENANCE     | 40.03              |         |
|              |            |              |  |             | 15601         | ON TIME CREDIT          | -11.04             |         |
| 23901        | 11/16/07   | 22,916.99    | 002875 WILBUR SMITH ASSOCIATES         |             | 15515         | 9/1-9/29 PROF SVCS      | 22,916.99          |         |
| 23902        | 11/16/07   | 72.86        | M115 WILLIAMS, CHRIS                   | 7           | 9001421       | MED PYMT SUPP           | 72.86              |         |
| 23903        | 11/16/07   | 24.22        | M088 YAGI, RANDY                       | 7           | 9001404       | MED PYMT SUPP           | 24.22              |         |
| 23904        | 11/16/07   | 103.13       | 147 ZEE MEDICAL SERVICE CO.            |             | 15594         | SAFETY SUPPLIES         | 36.51              |         |
|              |            |              |  |             | 15664         | SAFETY SUPPLIES         | 66.62              |         |
| 23905        | 11/16/07   | 369.59       | 148 ZEP MANUFACTURING COMPANY          |             | 15370         | CLEANING SUPPLIES       | 369.59             |         |
| 23906M       | 11/20/07   | 205.63       | 372 FEDERAL EXPRESS                    |             | 15846         | OCT/NOV MAIL            | 205.63             | MANUAL  |
|              |            |              |  |             |               |                         |                    |         |
| 23907M       | 11/20/07   | 450.00       | 002903 DMV-ETP                         |             | 15844         | DMV EMP TESTING         | 450.00             | MANUAL  |
|              |            |              |  |             |               |                         |                    |         |
| 23908M       | 11/26/07   | 2,000.00     | 001140 UNIVERSITY INN & HOLIDAY PARTY  |             | 15845         | HOLIDAY PARTY           | 2,000.00           | MANUAL  |
|              |            |              |  |             |               |                         |                    |         |
| 23909        | 11/30/07   | 40.50        | 002069 A TOOL SHED, INC.               |             | 15790         | EQUIP RENTAL            | 40.50              |         |
| 23910        | 11/30/07   | 423.10       | 001263 ABBOTT STREET RADIATOR, INC.    |             | 15665         | OUT RPR REV VEH         | 423.10             |         |
| 23911        | 11/30/07   | 57.83        | E437 AITKEN, ANGELA                    |             | 15837         | HOLIDAY PARTY           | 57.83              |         |
| 23912        | 11/30/07   | 20.36        | 294 ANDY'S AUTO SUPPLY                 |             | 15663         | PARTS & SUPPLIES        | 7.45               |         |
|              |            |              |  |             | 15672         | PARTS & SUPPLIES        | 12.91              |         |
| 23913        | 11/30/07   | 268.77       | 395 APPLIED GRAPHICS, INC.             |             | 15787         | PRINTING/FLT            | 268.77             |         |
| 23914        | 11/30/07   | 16,935.69    | 941 ASSURANT EMPLOYEE BENEFITS         |             | 15841         | DEC LTD INS             | 16,935.69          |         |
| 23915        | 11/30/07   | 1,544.40     | 876 ATCHISON, BARISONE, CONDOTTI &     |             | 15842         | LEGAL SVCS/METROBASE    | 22.15              |         |
|              |            |              |  |             | 15843         | LEGAL SVCS/RIVER ST     | 1,522.25           |         |
| 23916        | 11/30/07   | 19.03        | 002689 B & B SMALL ENGINE              |             | 15535         | OUT RPR EQUIP           | 19.03              |         |
| 23917        | 11/30/07   | 64.80        | 123 BAY PHOTO LAB                      |             | 15771         | PRINTING SUPPLIES       | 64.80              |         |
| 23918        | 11/30/07   | 47.75        | 001047 BOBBY'S PIT STOP                |             | 15533         | SMOG CHECK              | 47.75              |         |
| 23919        | 11/30/07   | 15,000.00    | 616 BROWN ARMSTRONG                    |             | 15836         | 07 AUDIT SERVICES       | 15,000.00          |         |
| 23920        | 11/30/07   | 397,786.65   | 502 CA PUBLIC EMPLOYEES'               |             | 15839         | DEC MEDICAL INS         | 397,786.65         |         |
| 23921        | 11/30/07   | 1,196.00     | 002287 CALIFORNIA SERVICE EMPLOYERS    |             | 15838         | DEC MEDICAL             | 1,196.00           |         |
| 23922        | 11/30/07   | 68.56        | 002882 CARR PARTS NAPA                 |             | 15669         | REV VEH PARTS           | 73.99              |         |
|              |            |              |  |             | 15670         | CORE CREDIT/089461      | -5.43              |         |
| 23923        | 11/30/07   | 251.14       | 739 CENTURY CHEVROLET                  |             | 15644         | REV VEH PARTS           | 125.57             |         |
|              |            |              |  |             | 15645         | REV VEH PARTS           | 125.57             |         |
| 23924        | 11/30/07   | 5,000.00     | 002346 CHANEY, CAROLYN & ASSOC., INC.  |             | 15800         | NOV LEGISLATIVE SVCS    | 5,000.00           |         |
| 23925        | 11/30/07   | 2,041.93     | 130 CITY OF WATSONVILLE UTILITIES      |             | 15748         | 10/1-11/1 RODRIGUEZ     | 10.34              |         |

5-1.13

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                  | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|------------------------------|-------------|---------------|-------------------------|--------------------|---------|
|              |            |              |        |                              |             | 15809         | CONTAINER/RODRIGUEZ     | 1,403.08           |         |
|              |            |              |        |                              |             | 15810         | 9/5-11/5 RODRIGUEZ      | 50.23              |         |
|              |            |              |        |                              |             | 15811         | 9/5-11/5 RODRIGUEZ      | 65.64              |         |
|              |            |              |        |                              |             | 15812         | 9/5-11/5 RODRIGUEZ      | 512.64             |         |
| 23926        | 11/30/07   | 80.43        | 075    | COAST PAPER & SUPPLY INC.    |             | 15620         | CLEANING SUPPLIES       | 80.43              |         |
| 23927        | 11/30/07   | 52.52        | 002063 | COSTCO                       |             | 15539         | LOCAL MEETING EXP       | 12.16              |         |
|              |            |              |        |                              |             | 15689         | PHOTO PROCESS/OPS       | 2.53               |         |
|              |            |              |        |                              |             | 15690         | PHOTO PROCESS/OPS       | 19.57              |         |
|              |            |              |        |                              |             | 15691         | PHOTO PROCESS/OPS       | 14.08              |         |
|              |            |              |        |                              |             | 15692         | PHOTO PROCESS           | 4.18               |         |
| 23928        | 11/30/07   | 60.90        | 001025 | COUNTY OF SANTA CRUZ         |             | 15834         | WOODWASTE               | 60.90              |         |
| 23929        | 11/30/07   | 171.90       | 001138 | DATALED TECHNOLOGIES, INC    |             | 15780         | REV VEH PARTS           | 171.90             |         |
| 23930        | 11/30/07   | 38,551.15    | 800    | DELTA DENTAL PLAN            |             | 15840         | DEC DENTAL              | 38,551.15          |         |
| 23931        | 11/30/07   | 160.00       | 002567 | DEPARTMENT OF JUSTICE        |             | 15746         | OCT FINGERPRINTS        | 160.00             |         |
| 23932        | 11/30/07   | 1,229.31     | 480    | DIESEL MARINE ELECTRIC, INC. |             | 15529         | REV VEH PARTS           | 1,229.31           |         |
| 23933        | 11/30/07   | 3,892.03     | 085    | DIXON & SON TIRE, INC.       |             | 15643         | TIRES & TUBES           | 129.90             |         |
|              |            |              |        |                              |             | 15673         | TIRES & TUBES           | 449.68             |         |
|              |            |              |        |                              |             | 15674         | TIRES & TUBES           | 400.05             |         |
|              |            |              |        |                              |             | 15675         | TIRES & TUBES           | 1,249.40           |         |
|              |            |              |        |                              |             | 15676         | TIRES & TUBES           | 1,254.38           |         |
|              |            |              |        |                              |             | 15677         | TIRES & TUBES           | 408.62             |         |
| 23935        | 11/30/07   | 450.00       | 916    | DOCTORS ON DUTY              |             | 15729         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15730         | DRUG TEST               | 30.00              |         |
|              |            |              |        |                              |             | 15731         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15732         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15733         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15734         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15735         | DRUG TEST               | 30.00              |         |
|              |            |              |        |                              |             | 15736         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15737         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15738         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15739         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15740         | DRUG TEST               | 30.00              |         |
|              |            |              |        |                              |             | 15741         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15742         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15743         | DRUG TEST               | 30.00              |         |
|              |            |              |        |                              |             | 15744         | DRUG TEST               | 25.00              |         |
|              |            |              |        |                              |             | 15745         | DRUG TEST               | 30.00              |         |
| 23936        | 11/30/07   | 500.00       | 002862 | ECOLOGICAL CONCERNS INC.     |             | 15832         | OCT HABITAT MAINT/MB    | 500.00             |         |
| 23937        | 11/30/07   | 18.11        | 002307 | EWING IRRIGATION PRODUCTS    |             | 15788         | REPAIRS/MAINTENANCE     | 18.11              |         |
| 23938        | 11/30/07   | 1,002.70     | 001029 | GOLDEN GATE SYSTEMS          |             | 15805         | TURBO IMPACT PRINTER    | 1,002.70           |         |
| 23939        | 11/30/07   | 404.08       | 282    | GRAINGER                     |             | 15772         | CLEANING SUPPLY         | 96.65              |         |
|              |            |              |        |                              |             | 15785         | PARTS & SUPPLIES        | 31.08              |         |
|              |            |              |        |                              |             | 15786         | SAFETY SUPPLIES         | 276.35             |         |
| 23940        | 11/30/07   | 131.42       | 546    | GRANITE ROCK COMPANY         |             | 15762         | REPAIRS/MAINTENANCE     | 131.42             |         |
| 23941        | 11/30/07   | 44.00        | E403   | HILL, ANDREW                 |             | 15795         | DMV FEES                | 44.00              |         |
| 23942        | 11/30/07   | 4,544.00     | 878    | KELLY SERVICES, INC.         |             | 15806         | TEMP/IT W/E 11/11       | 2,272.00           |         |
|              |            |              |        |                              |             | 15827         | TEMP/IT W/E 11/18       | 2,272.00           |         |
| 23943        | 11/30/07   | 24.85        | 074    | KENVILLE LOCKSMITHS          | 7           | 15668         | REPAIRS/MAINTENANCE     | 24.85              |         |
| 23944        | 11/30/07   | 208.00       | 852    | LAW OFFICES OF MARIE F. SANG | 7           | 15803         | WORKERS COMP CLAIM      | 96.00              |         |

5-114

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                  | VENDOR TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 23945        | 11/30/07   | 91.59        | 107A   | LUMBERMENS                   |             | 15804         | WORKERS COMP CLAIM      | 112.00             |         |
|              |            |              |        |                              |             | 15530         | REPAIRS/MAINTENANCE     | 3.22               |         |
|              |            |              |        |                              |             | 15531         | BUS STOP IMP            | 53.23              |         |
|              |            |              |        |                              |             | 15628         | REPAIRS/MAINTENANCE     | 35.14              |         |
| 23946        | 11/30/07   | 50.00        | E628   | LUNA, SUE                    |             | 15793         | HOLIDAY PARTY RAFFLE    | 50.00              |         |
| 23947        | 11/30/07   | 122.95       | E627   | MACDONELL, RYAN              |             | 15799         | 8/28-9/25 EMP TRAIN     | 122.95             |         |
| 23948        | 11/30/07   | 650.00       | 764    | MERCURY METALS               |             | 15637         | OUT RPR REV VEH         | 650.00             |         |
| 23949        | 11/30/07   | 699.96       | 041    | MISSION UNIFORM              |             | 15524         | UNIF & LAUNDRY          | 82.37              |         |
|              |            |              |        |                              |             | 15629         | UNIF/LAUNDRY            | 22.32              |         |
|              |            |              |        |                              |             | 15647         | UNIF & LAUNDRY          | 52.62              |         |
|              |            |              |        |                              |             | 15657         | UNIF & LAUNDRY          | 282.53             |         |
|              |            |              |        |                              |             | 15658         | UNIF & LAUNDRY          | 54.05              |         |
|              |            |              |        |                              |             | 15659         | UNIF & LAUNDRY          | 143.25             |         |
|              |            |              |        |                              |             | 15660         | UNIF & LAUNDRY          | 62.82              |         |
| 23950        | 11/30/07   | 28,480.16    | 002891 | NCLN20, INC.                 |             | 15824         | OCT SECURITY            | 28,480.16          |         |
| 23951        | 11/30/07   | 46.64        | 001063 | NEW FLYER INDUSTRIES LIMITED |             | 15646         | CREDIT MEMO             | -4.56              |         |
|              |            |              |        |                              |             | 15778         | REV VEH PARTS           | 51.20              |         |
| 23952        | 11/30/07   | 460.53       | 004    | NORTH BAY FORD LINC-MERCURY  |             | 15638         | OUT RPR REV VEH         | 460.53             |         |
| 23953        | 11/30/07   | 17.67        | 161    | OCEAN CHEVROLET              |             | 15608         | REV VEH PARTS           | 17.67              |         |
| 23954        | 11/30/07   | 985.94       | 009    | PACIFIC GAS & ELECTRIC       |             | 15749         | 10/13-11/10 RESEARCH    | 985.94             |         |
| 23955        | 11/30/07   | 514.44       | 043    | PALACE ART & OFFICE SUPPLY   |             | 15697         | OFFICE SUPPLIES/OPS     | 402.19             |         |
|              |            |              |        |                              |             | 15801         | OFFICE SUPPLIES/ADM     | 73.34              |         |
|              |            |              |        |                              |             | 15802         | OFFICE SUPPLIES/ADM     | 38.91              |         |
| 23956        | 11/30/07   | 65.00        | 950    | PARADISE LANDSCAPE           | 7           | 15761         | WEED CONTROL.SVTC       | 65.00              |         |
| 23957        | 11/30/07   | 154.46       | 050    | PITNEY BOWES INC.            |             | 15709         | 1/08-3/08 RENTAL/MTC    | 154.46             |         |
| 23958        | 11/30/07   | 173.55       | 156    | PRINT GALLERY, THE           |             | 15710         | PRINT ROUTE STICKERS    | 173.55             |         |
| 23959        | 11/30/07   | 109.32       | 061A   | REGISTER PAJARONIAN          |             | 15666         | CLASS ADV-PURCH         | 109.32             |         |
| 23960        | 11/30/07   | 142.50       | 699    | SALINAS CASH REGISTER CO INC |             | 15693         | OUT REPAIR-EQUIP        | 142.50             |         |
| 23961        | 11/30/07   | 1,536.58     | 018    | SALINAS VALLEY FORD SALES    |             | 15713         | REV VEH PARTS           | 155.81             |         |
|              |            |              |        |                              |             | 15715         | REV VEH PARTS           | 1,380.77           |         |
| 23962        | 11/30/07   | 910.05       | 002713 | SANTA CRUZ AUTO TECH, INC.   |             | 15639         | OUT RPR REV VEH         | 162.00             |         |
|              |            |              |        |                              |             | 15640         | OUT RPR REV VEH         | 130.89             |         |
|              |            |              |        |                              |             | 15642         | OUT RPR REV VEH         | 617.16             |         |
| 23964        | 11/30/07   | 1,555.04     | 135    | SANTA CRUZ AUTO PARTS, INC.  |             | 15525         | REV VEH PARTS           | 157.15             |         |
|              |            |              |        |                              |             | 15648         | REV VEH PARTS           | 177.47             |         |
|              |            |              |        |                              |             | 15649         | CREDIT MEMO             | -177.47            |         |
|              |            |              |        |                              |             | 15650         | REV VEH PARTS           | 20.00              |         |
|              |            |              |        |                              |             | 15651         | REV VEH PARTS           | 55.25              |         |
|              |            |              |        |                              |             | 15652         | REV VEH PARTS           | 83.35              |         |
|              |            |              |        |                              |             | 15653         | REV VEH PARTS           | 45.35              |         |
|              |            |              |        |                              |             | 15654         | REV VEH PARTS           | 95.28              |         |
|              |            |              |        |                              |             | 15655         | REV VEH PARTS           | 755.08             |         |
|              |            |              |        |                              |             | 15661         | REV VEH PARTS           | 60.23              |         |
|              |            |              |        |                              |             | 15662         | REV VEH PARTS           | 48.20              |         |
|              |            |              |        |                              |             | 15671         | SAFETY SUPPLIES         | 18.25              |         |
|              |            |              |        |                              |             | 15768         | REV VEH PARTS           | 14.01              |         |
|              |            |              |        |                              |             | 15769         | REV VEH PARTS           | 5.22               |         |
|              |            |              |        |                              |             | 15770         | REV VEH PARTS           | 40.00              |         |
|              |            |              |        |                              |             | 15773         | REV VEH PARTS           | 157.67             |         |
| 23965        | 11/30/07   | 236.00       | 002700 | SANTA CRUZ COUNTY            |             | 15797         | HEALTH PERMIT/RES.PR    | 236.00             |         |

5-1:15

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

DATE: 11/01/07 THRU 11/30/07

| CHECK NUMBER | CHECK DATE | CHECK AMOUNT | VENDOR | VENDOR NAME                    | TRANS. TYPE | TRANS. NUMBER | TRANSACTION DESCRIPTION | TRANSACTION AMOUNT | COMMENT |
|--------------|------------|--------------|--------|--------------------------------|-------------|---------------|-------------------------|--------------------|---------|
| 23966        | 11/30/07   | 17,883.42    | 977    | SANTA CRUZ TRANSPORTATION, LLC | 15718       |               | OCT 07 PT SVCS          | 17,883.42          |         |
| 23967        | 11/30/07   | 488.31       | 001    | SBC                            | 15822       |               | NOV REPEATERS/OPS       | 402.44             |         |
|              |            |              |        |                                | 15823       |               | OCT REPEATERS/OPS       | 85.87              |         |
| 23968        | 11/30/07   | 259.56       | 001143 | STEVE'S REFRIGERATION          | 15711       |               | OUT RPR EQUIP           | 259.56             |         |
| 23969        | 11/30/07   | 75.00        | E067   | SWART, RANDY                   | 15807       |               | DMV FEES                | 75.00              |         |
| 23970        | 11/30/07   | 44,386.50    | 970    | THE MECHANICS BANK             | 15792       |               | OCT RETAINAGE/MB        | 44,386.50          |         |
| 23971        | 11/30/07   | 75.59        | 002375 | U.T.U. LOCAL 23                | 15833       |               | OFFICE SUPPLY/OPS       | 75.59              |         |
| 23972        | 11/30/07   | 283.76       | 007    | UNITED PARCEL SERVICE          | 15763       |               | FRT OUT/FLT             | 222.96             |         |
|              |            |              |        |                                | 15796       |               | FRT OUT-FLT             | 60.80              |         |
| 23973        | 11/30/07   | 10.83        | 946    | UNITED SITE SERVICES           | 15817       |               | 11/14-12/11 RENTAL      | 10.83              |         |
| 23974        | 11/30/07   | 31,853.17    | 002829 | VALLEY POWER SYSTEMS, INC.     | 15775       |               | ENG REBUILD             | 10,488.70          |         |
|              |            |              |        |                                | 15776       |               | ENG REBUILD             | 2,329.42           |         |
|              |            |              |        |                                | 15777       |               | ENG REBUILD             | 18,519.77          |         |
|              |            |              |        |                                | 15782       |               | REV VEH PARTS           | 124.59             |         |
|              |            |              |        |                                | 15783       |               | REV VEH PARTS           | 390.69             |         |
| 23975        | 11/30/07   | 348.70       | 221    | VEHICLE MAINTENANCE PROGRAM    | 15781       |               | REV VEH PARTS           | 348.70             |         |
| 23976        | 11/30/07   | 53.33        | 434B   | VERIZON CALIFORNIA             | 15835       |               | MT BIEWLASKI            | 53.33              |         |
| 23977        | 11/30/07   | 60.80        | 434    | VERIZON WIRELESS               | 15828       |               | WIRELESS PC CARD        | 60.80              |         |
| 23978        | 11/30/07   | 399,478.50   | 002887 | WEST BAY BUILDERS, INC.        | 15791       |               | CONST SVC MB - 10/31    | 399,478.50         |         |
| 23979        | 11/30/07   | 94.09        | 436    | WEST PAYMENT CENTER            | 15747       |               | OCT ACCESS CHARGES      | 94.09              |         |
| 23980        | 11/30/07   | 454.07       | R507   | WOOD, SCOTT A.                 | 15798       |               | SETTLEMENT/RISK         | 454.07             |         |
| TOTAL        |            | 2,294,980.21 |        | COAST COMMERCIAL BANK          |             |               | TOTAL CHECKS            | 356                |         |

5-1.16



**Agenda**  
**METRO Advisory Committee**

6:00 pm  
December 19, 2007  
920 Pacific Avenue  
Santa Cruz, California

1. Roll Call
2. Agenda Additions/Deletions
3. Oral/Written Communication
4. Consideration of Minutes of November 2007
5. Ridership Report for October 2007
6. ParaCruz Operations Status Report for August 2007
7. Presentation by Catherine Patterson Valdez, Division Director of Lift Line, on the Mobility Outreach and Education (MORE) Program
8. Presentation by Pat Piras on the ADA/504 Accessibility Report
9. Consideration of Assigning a MAC Member to Attend Training Procedures of METRO Operators
10. Discussion of MAC Orientation Procedure and Creating a Guideline Manual
11. Discussion of Creating a Planned Schedule of Events for the 2008 MAC Meetings
12. Discussion of METRO Safety and Injury Policies and Procedures on Buses
13. Communications to METRO General Manager
14. Communications to METRO Board of Directors
15. Items for Next Meeting Agenda
16. Adjournment

Next Meeting: Wednesday, January 16 @ 6:00 pm  
Santa Cruz Metro Center Conference Room

5-3.1

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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

**October 17, 2007**

A Regular Meeting of the METRO Advisory Committee (MAC) met on Wednesday, October 17, 2007 at the METRO Center Conference Room, 920 Pacific Avenue, Santa Cruz, CA.

Chair Robert Yount called the meeting to order at 6:15 p.m.

**1. ROLL CALL:**

**MEMBERS PRESENT**

Heidi Curry  
Mara Murphy  
Dave Williams  
Robert Yount, Chair

**MEMBERS ABSENT**

Naomi Gunther  
Dennis Papadopulo  
Stuart Rosenstein

**VISITORS PRESENT**

Grace Blakeslee, SCCRTC  
Steve Prince, UTU

**STAFF PRESENT**

Ciro Aguirre, Operations Manager  
April Warnock, ParaCruz Scheduling Coord.

**2. AGENDA ADDITIONS/DELETIONS**

None

**3. ORAL/WRITTEN COMMUNICATION**

Oral: Chair Robert Yount read from a printed email, which is attached to the file copy of these minutes, which was sent to METRO from Dan Alper announcing his resignation from MAC.

Oral: Chair Robert Yount announced that there is a scheduled joint meeting with the METRO Board of Directors, MAC, and Wilbur Smith Associates on Friday, October 19, 2007 regarding the METRO's Short Range Transit Plan (SRTP).

Oral: Ciro Aguirre introduced April Warnock, ParaCruz Schedule Coordinator, and Grace Blakeslee, SCCRTC Transportation Planner, to the attendees of the meeting.

**4. CONSIDERATION OF MINUTES OF SEPTEMBER 19, 2007**

**ACTION: MOTION: MARA MURPHY SECOND: DAVE WILLIAMS**

**ACCEPT AND FILE MINUTES OF THE SEPTEMBER 19, 2007 MEETING AS PRESENTED.**

Motion passed unanimously with Naomi Gunther, Dennis Papadopulo, and Stuart Rosenstein being absent.

5-3.2

**5. RIDERSHIP REPORT FOR AUGUST 2007**

Chair Robert Yount handed out the Ridership Report for August 2006 for comparison purposes, which is attached to the file copy of these minutes.

Chair Robert Yount read from the report and stated that Route 33 shows an increase in ridership from the previous year and Route 76 shows a decrease. Mr. Yount stated that he is aware that the number of school days the bus is operated on affects the ridership.

Ciro Aguirre reported that some bus routes show low ridership but are continued due to interlining and because ParaCruz services can be provided to people in those areas. Mr. Aguirre reported that smaller 25-foot Goshen vehicles are used on some routes specifically the 33 and 34 routes because they service some very rural areas and are maneuverable for those areas. Mara Murphy asked if smaller buses could be used on more routes. Mr. Aguirre explained that smaller buses could not be used with the exception of the 33 and 34 because it would preclude METRO from interlining the routes causing higher operating costs.

**6. PARACRUZ OPERATIONS STATUS REPORT FOR JUNE 2007**

Chair Robert Yount Stated that the ParaCruz service is constantly showing improvement.

Ciro Aguirre reported that Steve Paulson retired as the ParaCruz Paratransit Supervisor on Monday, October 15, 2007.

Ciro Aguirre reported that some of the improvements were directly related to the scheduling system that is operated by April Warnock.

**7. DISCUSSION OF MAC MEMBERS ATTENDING THE WORK SESSION WITH METRO BOARD OF DIRECTORS AND WILBER SMITH ASSOCIATES ON OCTOBER 19, 2007**

Chair Robert Yount reported that a joint meeting with MAC and the METRO Board of Directors is scheduled for October 19, 2007 where Wilbur Smith Associates will give a preview of selected items that will eventually be included in the Draft Short Range Transit Plan. Mr. Yount encouraged the MAC Members to attend the meeting if at all possible.

Ciro Aguirre gave a brief description of some of the items that would be presented at the meeting and strongly recommended that anyone interested in the Santa Cruz Metropolitan Transit District and it's operations attend the meeting.

**8. ELECTION OF VICE CHAIR**

Deferred to November meeting.

**9. PRESENTATION BY SCCRTC STAFF ON THE FREEWAY SERVICE PATROL (FSP) PROGRAM AND THE USE OF METRO PARK & RIDE FACILITIES**

Chair Robert Yount introduced Grace Blakeslee, SCCRTC Transportation Planner, and Ciro Aguirre handed out a Freeway Service Patrol brochure and a memorandum from Grace Blakeslee, which are attached to the file copy of these minutes.

Grace Blakeslee reported that the SCCRTC operates the Freeway Service Patrol (FSP) on Highways 1 (from the fishhook to State Park Drive) and 17 (from the fishhook to the summit) in cooperation with Caltrans and the California Highway Patrol (CHP) and that the FSP commonly performs tasks such as towing disabled vehicles to a designated location approved by the CHP usually with the consent of the property owner and with a very limited time allotment for the vehicle owner to have the vehicle moved from the lot.

Ms. Blakeslee stated that the METRO Soquel Park and Ride location was identified as a Caltrans drop-off lot and that the CHP had communications with METRO but the personnel involved in the conversations are no longer available for comment and that there is no formal documentation regarding this issue.

Grace Blakeslee reported that on Highway 1 in 2007 the FSP program assisted approximately 800 vehicles and that approximately 100 vehicles receive assistance each month. Ms. Blakeslee stated that only around 15 vehicles require towing each month and that 5 or 6 vehicles are towed to the METRO Soquel Park and Ride location. Ms. Blakeslee reported that there is currently no designated drop-off lot in Scotts Valley.

**10. DISCUSSION OF INBOUND / OUTBOUND ROUTE SCHEDULES ON BUS STOPS**

Chair Robert Yount reported that the schedules posted at bus stops and shelters do not always include both the inbound and outbound buses and that this is a source of confusion for bus riders. Mara Murphy stated that she has a schedule from another transit organization that she feels is easier to read. Mr. Yount requested that MAC members consider recommendations and deferred this item to the November MAC meeting.

**11. DISCUSSION OF MAC BYLAWS REGARDING CONFLICT OF INTEREST FOR MAC MEMBERSHIP**

Chair Robert Yount stated that METRO District Counsel is drafting two (2) revised versions of the Membership section of the Bylaws for MAC to review and deferred this item to the November MAC meeting.

**12. DISCUSSION OF MAC BYLAWS REGARDING THE EXCUSED AND UNEXCUSED ABSENTEE DEFINITIONS**

Chair Robert Yount read the Absences section from the MAC Bylaws. Mr. Yount asked the MAC members if they had any suggestions regarding the verbiage of the bylaws and the attendance standard for MAC membership. Dave Williams suggested that only 2

unexcused absences be allowed. Mara Murphy suggested that 3 absences excused/unexcused be the standard.

April Warnock suggested to MAC that they establish a certain number of absences and remove the words “excused” and “unexcused” absences from the bylaws. Ms. Warnock stated that the bylaws could also include verbiage that the Committee could have a vote on whether or not to terminate members that have exceeded the allotted number of absences. Mara Murphy stated that she was in favor of that proposal and that people may be uncomfortable describing why they are unable to attend a meeting.

Chair Robert Yount suggested contacting the appointing METRO Director when absenteeism becomes an issue for a MAC Member. Mr. Yount requested that this item be carried over to the November MAC meeting.

**13. COMMUNICATIONS TO METRO GENERAL MANAGER**

METRO Staff to provide MAC with two (2) alternative wordings for consideration of the Membership section of the MAC Bylaws.

METRO Staff to research and report back to MAC on a recent grant awarded to Community Bridges.

MAC elected to move November’s meeting from the 21<sup>st</sup> to the 28<sup>th</sup>.

**14. COMMUNICATIONS TO METRO BOARD OF DIRECTORS**

None.

**15. ITEMS FOR NEXT MEETING AGENDA**

- Election of Vice Chair
- Discussion of Inbound / Outbound Route Schedules on Bus Stops
- Discussion of MAC Bylaws Regarding Conflict of Interest for MAC Membership
- Discussion of MAC Bylaws Regarding the Excused and Unexcused Absentee Definitions

Dave Williams stated he saw a newspaper article involving a recent grant awarded to a local organization to provide assistance to people in need of paratransit services and asked if METRO Staff could provide additional information on the project.

Dave Williams requested that the November 21, 2007 MAC Meeting be changed to accommodate for the holiday on November 22, 2007. Mara Murphy suggested to reschedule the meeting to Wednesday, November 28, 2007.

**ACTION: MOTION: MARA MURPHY SECOND: DAVE WILLIAMS**

**RESCHEDULE THE NOVEMBER 21, 2007 MAC MEETING TO NOVEMBER 28, 2007.**

Minutes – METRO Advisory Committee  
October 17, 2007  
Page 5

Motion passed unanimously with Naomi Gunther, Dennis Papadopulo, and Stuart  
Rosenstein being absent.

**ADJOURN**

There being no further business, Chair Robert Yount thanked everyone for participating,  
and he adjourned the meeting at 7:59 p.m.

Respectfully submitted,



DALE HAMILTON  
Administrative Assistant

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21<sup>st</sup>, 2007  
**TO:** Board of Directors  
**FROM:** Wally Brondstatter, Acting Paratransit Administrator  
**SUBJECT: METRO PARACRUZ OPERATIONS STATUS REPORT**

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

- METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.
- METRO assumed direct operation of paratransit services November 1, 2004.
- Operating Statistics and customer feedback information reported are for the month of September 2007.
- A breakdown of pick-up times beyond the ready window is included.

## III. DISCUSSION

METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.

METRO began direct operation of ADA paratransit service (METRO ParaCruz) beginning November 1, 2004. This service had been delivered under contract since 1992.

There has been discussion regarding ParaCruz on-time performance. It was noted that most statistical data continues to show improvement, the reported percentage of pick ups performed within the "ready window" has remained relatively consistent, hovering at roughly 90%. Staff was requested to provide a break down the pick-ups beyond the "ready window".

5-4.1

The table below displays the percentage of pick-ups within the “ready window” and a breakdown in 5-minute increments for pick-ups beyond the “ready window”.

|  | September 2006 | September 2007 |
|--|----------------|----------------|
| Total pick ups   | 7241           | 7462           |
| <b>Percent in “ready window”</b>                           | <b>89.77%</b>  | <b>93.11%</b>  |
| 1 to 5 minutes late  | 3.15%          | 2.67%          |
| 6 to 10 minutes late                                       | 2.20%          | 1.78%          |
| 11 to 15 minutes late                                      | 1.52%          | 1.09%          |
| 16 to 20 minutes late                                      | .99%           | .38%           |
| 21 to 25 minutes late                                      | .50%           | .24%           |
| 26 to 30 minutes late                                      | .57%           | .23%           |
| 31 to 35 minutes late                                      | .10%           | .08%           |
| 36 to 40 minutes late                                      | .23%           | .05%           |
| 41 or more minutes late<br>(excessively late/missed trips) | .51%           | .03%           |
| <b>Total beyond “ready window”</b>                         | <b>10.23%</b>  | <b>6.89%</b>   |

During the month of September 2007, ParaCruz received eleven (11) service complaints and one (1) compliment. Four (4) of the complaints were found to be “not valid”. Five (5) of the valid service complaints were related to late pick-ups, none (0) related to driver attitude, one (1) to an office error, and one (1) related to a reservationists attitude.

5-4.2

**Comparative Operating Statistics This Fiscal Year, Last Fiscal Year through August**

|   | <b>September 06</b> | <b>September 07</b> | <b>Fiscal 07</b> | <b>Fiscal 08</b> |
|---|---------------------|---------------------|------------------|------------------|
| Requested                                 | 8047                | 8012                | 23,105           | 22634            |
| Performed                                 | 7241                | 7462                | 21,034           | 21445            |
| Cancels                                   | 17.47%              | 15.06%              | 17.82%           | 15.10%           |
| No Shows                                  | 3.04%               | 2.51%               | 2.79%            | 2.38%            |
| Total miles                               | 50,255              | 48488               | 148,468          | 141,386          |
| Av trip miles                             | 5.25                | 5.20                | 5.21             | 5.18             |
| Within ready window                       | 89.77%              | 93.11%              | 90.39%           | 93.89%           |
| Excessively late/missed trips             | 30                  | 2                   | 67               | 11               |
| Call center volume                        | 5981                | 6180                | 18,170           | 17993            |
| Call average seconds to answer            | 25                  | 29                  | 23               | 29               |
| Hold times less than 2 minutes            | 95%                 | 95%                 | 95%              | 95%              |
| Distinct riders                           | 808                 | 806                 | 1,135            | 1,136            |
| Most frequent rider                       | 51 rides            | 56 rides            | 143 rides        | 137 rides        |
| Shared rides                              | 67.0%               | 64.9%               | 66.7%            | 63.4%            |
| Passengers per rev hour                   | 1.70                | 2.60                | 1.64             | 2.35             |
| Rides by supplemental providers           | 11.95%              | 25.54%              | 7.74%            | 23.10%           |
| Vendor cost per ride                      | \$23.89             | \$21.20             | \$22.48          | \$21.39          |
| ParaCruz driver cost per ride (estimated) | \$24.99             | \$25.01             | \$24.70          | \$24.81          |
| Rides < 10 miles                          | 82.14%              | 82.80%              | 81.67%           | 81.40%           |
| Rides > 10                                | 17.86%              | 17.20%              | 18.32%           | 18.60%           |

**IV. FINANCIAL CONSIDERATIONS**

NONE

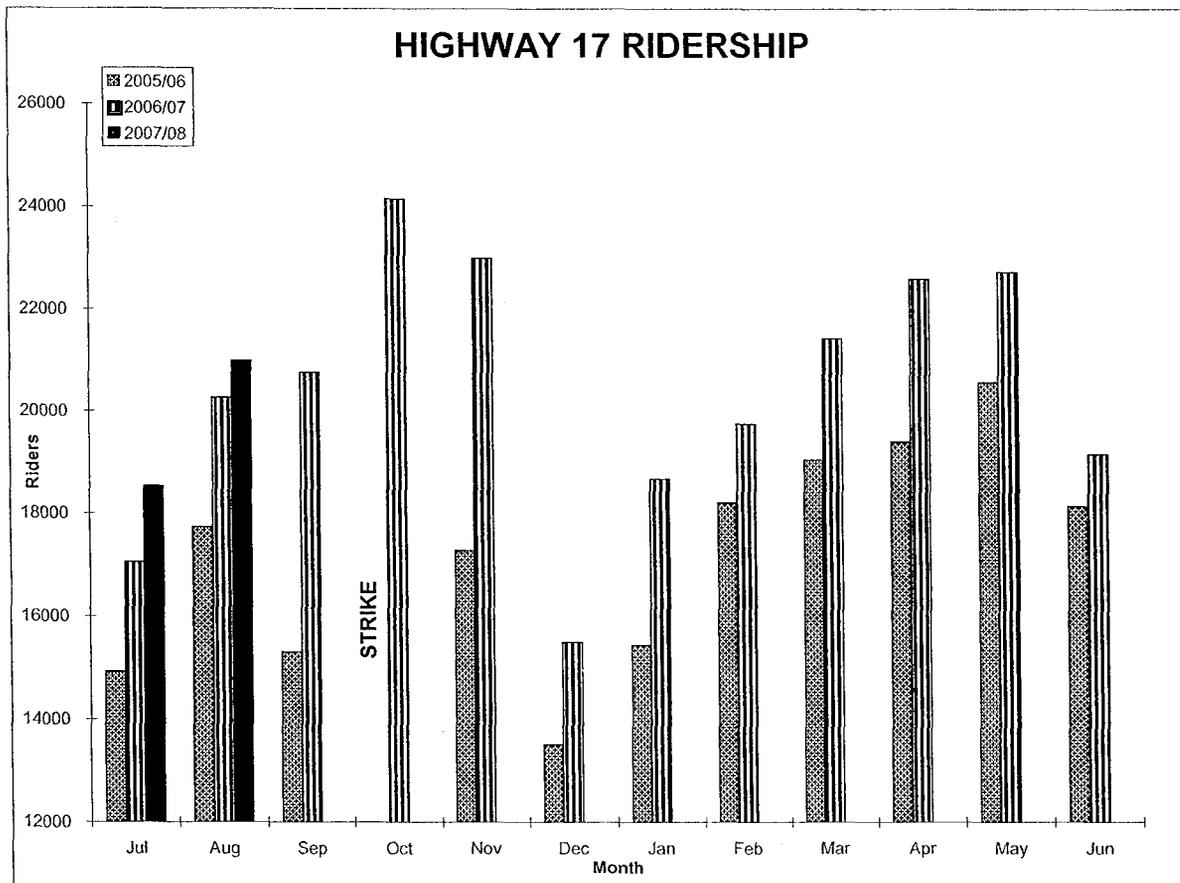
**V. ATTACHMENTS**

NONE

5-4.3

# HIGHWAY 17 - AUGUST 2007

|                       | AUGUST     |            |         | YTD        |            |         |
|-----------------------|------------|------------|---------|------------|------------|---------|
|                       | This Year  | Last Year  | %       | This Year  | Last Year  | %       |
| <b>FINANCIAL</b>      |            |            |         |            |            |         |
| Cost                  | \$ 147,893 | \$ 141,154 | 4.8%    | \$ 287,611 | \$ 270,590 | 6.3%    |
| Farebox               | \$ 64,613  | \$ 64,711  | (0.2%)  | \$ 125,181 | \$ 122,217 | 2.4%    |
| Operating Deficit     | \$ 73,615  | \$ 70,649  | 4.2%    | \$ 141,920 | \$ 134,953 | 5.2%    |
| Santa Clara Subsidy   | \$ 36,807  | \$ 35,324  | 4.2%    | \$ 70,960  | \$ 67,476  | 5.2%    |
| METRO Subsidy         | \$ 36,807  | \$ 35,324  | 4.2%    | \$ 70,960  | \$ 67,476  | 5.2%    |
| San Jose State Subsid | \$ 735     | \$ 967     | (24.0%) | \$ 735     | \$ 967     | (24.0%) |
| AMTRAK Subsidy        | \$ 8,930   | \$ 4,827   | 85.0%   | \$ 19,775  | \$ 12,453  | 58.8%   |
| <b>STATISTICS</b>     |            |            |         |            |            |         |
| Passengers            | 20,981     | 20,260     | 3.6%    | 39,507     | 37,310     | 5.9%    |
| Revenue Miles         | 43,415     | 43,415     | 0.0%    | 84,686     | 83,614     | 1.3%    |
| Revenue Hours         | 1,627      | 1,627      | 0.0%    | 3,175      | 3,136      | 1.3%    |
| Passengers/Day        | 677        | 654        | 3.6%    | 637        | 602        | 5.9%    |
| Passengers/Weekday    | 774        | 769        | 0.6%    | 746        | 736        | 1.3%    |
| Passengers/Weekend    | 396        | 321        | 23.6%   | 371        | 297        | 24.7%   |
| <b>PRODUCTIVITY</b>   |            |            |         |            |            |         |
| Cost/Passenger        | \$ 7.05    | \$ 6.97    | 1.2%    | \$7.28     | \$7.25     | 0.4%    |
| Revenue/Passenger     | \$ 3.08    | \$ 3.19    | (3.6%)  | \$3.17     | \$3.28     | (3.3%)  |
| Subsidy/Passenger     | \$ 3.54    | \$ 3.53    | 0.2%    | \$3.61     | \$3.64     | (0.9%)  |
| Passengers/Mile       | 0.48       | 0.47       | 3.6%    | 0.47       | 0.45       | 4.5%    |
| Passengers/Hour       | 12.89      | 12.45      | 3.6%    | 12.44      | 11.90      | 4.6%    |
| Recovery Ratio        | 43.7%      | 45.8%      | (4.7%)  | 43.5%      | 45.2%      | (3.6%)  |



# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Mark J. Dorfman, Assistant General Manager  
**SUBJECT:** UNIVERSITY OF CALIFORNIA -- SANTA CRUZ SERVICE UPDATE

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

- There were 23 school-term days for October 2007 versus 22 school-term days for October 2006.
- Overall UCSC trips increased by 10.4%
- Student trips for October 2007 increased by 11.2% versus October 2006.
- Faculty/staff trips for October 2007 decreased by (1.1%) versus October 2006.
- Revenue received from UCSC for October 2007 was \$334,105.76 versus \$314,022.57 for October 2006, an increase of 6.4%.

## III. DISCUSSION

UCSC Fall service began on September 24, 2007. A summary of the results for October 2007 is:

- Student billable trips for regular service in October 2007 were 306,333 versus 273,193 for October 2006, an increase of 12.1%.
- Faculty / Staff billable trips for regular service in October 2007 were 18,524 versus 18,670 for October 2006, an decrease of (0.8%).
- Student billable trips for Route 20 Supplemental service in October 2007 were 7,158 versus 14,798 for October 2006, a decrease of (51.6%). *Note: Service hours for Supplemental Service was decreased from 16 hours per day last year to 8 hours per day this year.*
- Faculty / Staff billable trips for Route 20 Supplemental service in October 2007 were 251 versus 559 for October 2006, a decrease of (55.1%).

5-6.1

- Student billable trips for Night Owl service in October 2007 were 7,040 versus 5,847 for October 2006, an increase of 20.4%.
- Faculty / Staff billable trips for Night Owl service in October 2007 were 32 versus 48 for October 2006, a decrease of (33.3%).
- Student billable trips for the Route 27x Express were 6,277 for October 2007. The 27x did not operate in October 2006.
- Faculty / Staff billable trips for the Route 27x Express were 265 for October 2007. The 27x did not operate in October 2006.
- Average student billable trips *per school-term day* for regular UC service in October 2007 were 12,003.9 versus 10,633.3 for October 2006, an increase of 12.9%.
- Average Faculty / Staff billable trips *per weekday* for regular UC service in October 2007 were 750.8 versus 765.9 for October 2006, a decrease of (2.0%).
- Average student billable trips *per school term day* for supplemental UC Service in October 2007 were 311.2 versus 672.6 for October 2006, a decrease of (53.7%).
- Average Faculty / Staff billable trips *per weekday* for supplemental UC service in October 2007 were 10.9 versus 25.4 for October 2006, a decrease of (57.1%).
- Average student billable trips *per school term day* for Night Owl UC Service in October 2007 were 142.3 versus 91.0 for October 2006, an increase of 56.4%.
- Average Faculty / Staff billable trips *per weekday* for Night Owl UC service in October 2007 were 0.5 versus 1.0 for October 2006, a decrease of (50.1%).
- Average student billable trips *per school term day* for Route 27x Express service in October 2007 were 272.9. The 27x did not operate in October 2006.
- Average Faculty / Staff billable trips *per weekday* for Route 27x Express service in October 2007 were 11.5. The 27x did not operate in October 2006.

| October                      | Student Ridership |                | Faculty/ Staff Ridership |               | Average Student Ridership Per School Term Day |                 | Average Faculty/Staff Ridership Per Weekday |              |
|------------------------------|-------------------|----------------|--------------------------|---------------|---|-----------------|---|--------------|
|                              | FY 2007           | FY 2006        | FY 2007                  | FY 2006       | FY 2007                                       | FY 2006         | FY 2007                                     | FY 2006      |
| <b>Regular Service</b>       | 306,333           | 273,193        | 18,524                   | 18,670        | 12,003.9                                      | 10,633.3        | 750.8                                       | 765.9        |
| <b>Supplemental</b>          | 7,158             | 14,798         | 251                      | 559           | 311.2   | 672.6           | 10.9  | 25.4         |
| <b>Night Owl</b>             | 7,040             | 5,847          | 32                       | 48            | 142.3   | 91.0            | 0.5   | 1.0          |
| <b>27x</b>                   | 6,277             | -              | 265                      | -             | 272.9   | -               | 11.5  | -            |
| <b>TOTAL</b>                 | <b>326,808</b>    | <b>293,838</b> | <b>19,072</b>            | <b>19,277</b> | <b>12,730.3</b>                               | <b>11,396.9</b> | <b>773.7</b>                                | <b>792.4</b> |
| <b>% Increase-(Decrease)</b> | <b>11.2%</b>      |                | <b>-1.1%</b>             |               | <b>11.7%</b>                                  |                 | <b>-2.4%</b>                                |              |

**IV. FINANCIAL CONSIDERATIONS**

NONE

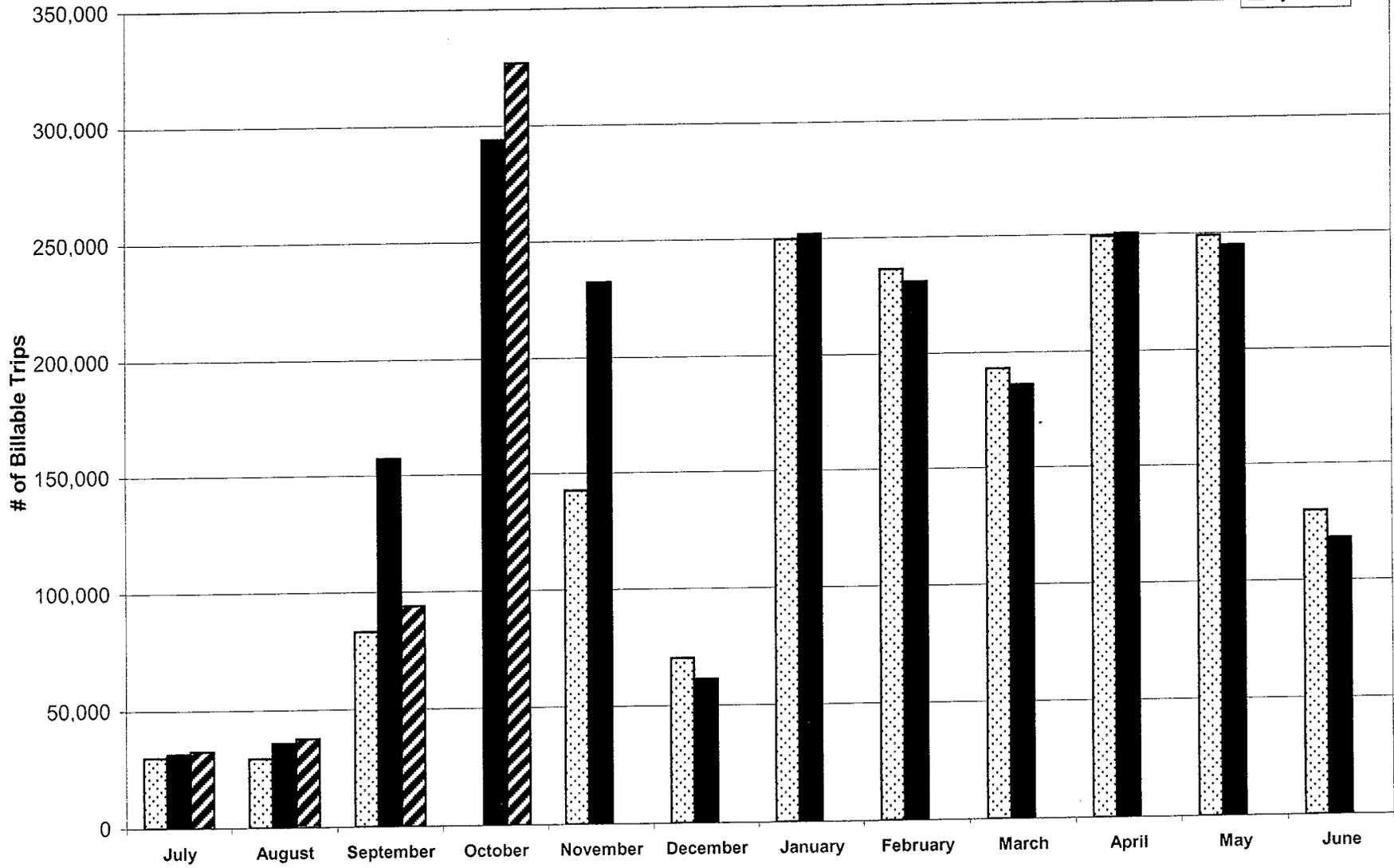
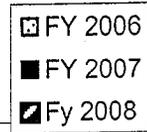
**V. ATTACHMENTS**

**Attachment A: UC Student Billable Trips**

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

5-6.3

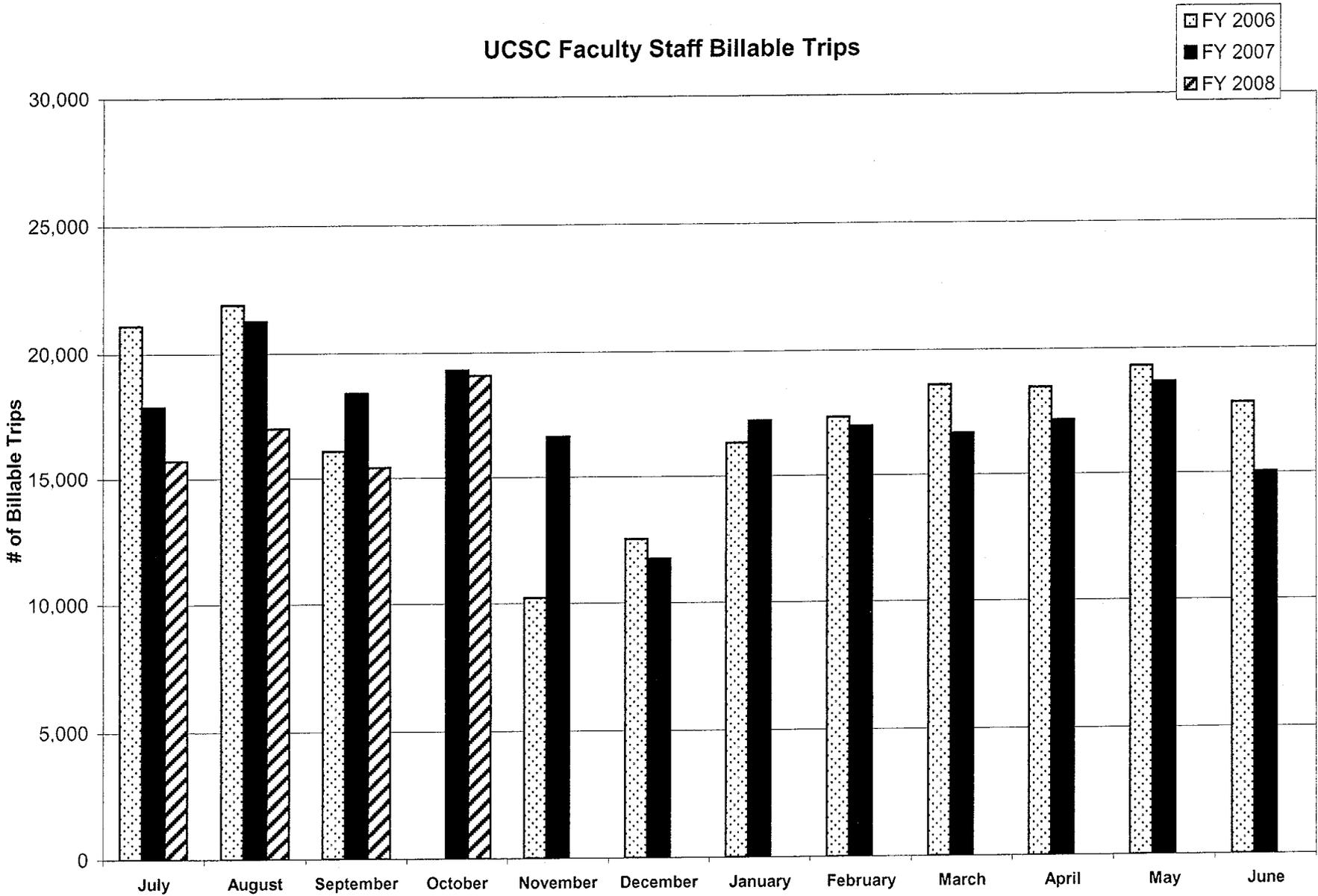
### UCSC Student Billable Trips



5-6.21

Attachment A

### UCSC Faculty Staff Billable Trips



5-6.61

Attachment B

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

## NOTICE OF ACTION TAKEN IN CLOSED SESSION MEMORANDUM

DATE: December 21, 2007  
TO: Board of Directors  
FROM: Margaret Gallagher, District Counsel  
SUBJECT: Notification Of Action Taken In Closed Session

---

1. George v. Bay Area Rapid Transit District; U.S. District Court, Northern District of California, Case No. C 00-2206CW

On October 12, 2007, in closed session you authorized METRO to join in the American Public Transportation Association (APTA) Amicus Curiae Brief in support of Appellant BART's position in the above referenced Northern District Appellate Case. This is a Northern District Federal Court in which Judge Wilken has ruled that BART is liable for ADA violations regarding the accessibility of its key stations to the visually impaired notwithstanding that BART complied in all respects with the Department of Transportation's regulations concerning the design of public transit facilities.

The following Directors authorized this action: Director Beutz, Bustichi, Hagen, Hinkle, Nicol, Reilly, Rotkin, Skillicorn, Spence and Stone. Director Tavantzis was absent. Pursuant to this direction, District Counsel notified APTA's Legal Counsel that METRO wishes to join in its Amicus Curiae Brief. METRO has been identified as joining the action in support of APTA's Brief.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007

**TO:** Board of Directors

**FROM:** Margaret Gallagher, District Counsel

**SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE CURRENT LEASE FOR THE PROPERTY LOCATED AT 111 DUBOIS STREET, SANTA CRUZ TO EXTEND THE TERM FOR AN ADDITIONAL TEN-MONTH PERIOD**

## I. RECOMMENDED ACTION

Authorize the General Manager to execute an Amendment to the current Lease between the Santa Cruz Metropolitan Transit District and the 1977 Iuliano Trust for the property located at 111 Dubois Street, to extend the term for an additional ten-month period

## II. SUMMARY OF ISSUES

- The Santa Cruz Metropolitan Transit District (METRO) has an existing lease with the 1977 Iuliano Trust for the property and building located at 111 Dubois Street, Santa Cruz for use by the Maintenance Department for the repairs and maintenance of the buses and other METRO vehicles.
- The lease term expires on February 29, 2010.
- The lease requires METRO to assign this lease to Larry Pederson, dba A Tool Shed when METRO no longer has a need for the property.
- METRO staff is concerned that it may not be fully ready to move out of the premises by February 29, 2010, as the MetroBase Phase One may not be complete by that date.
- METRO staff met with the landlords and negotiated a proposed extension of the Lease to extend the term to December 31, 2010, under the same terms and conditions as the current lease.
- METRO confirmed with Larry Pederson that he does not have an objection to the extension granted to METRO.
- METRO staff is hopeful that the extra ten months will provide adequate time for METRO to complete its First Phase of the MetroBase Project so as to avoid the necessity of obtaining an extension in the future.

### **III. DISCUSSION**

METRO's Fleet Maintenance Major Vehicle Repair Shop is located at 111 Dubois Street, Santa Cruz. The property has been leased for the bus repairs and maintenance shop since March 1, 1998. The current lease expires on February 29, 2010, which METRO originally believed would allow sufficient time to complete its First Phase MetroBase Project and vacate the premises. Now, however, METRO staff is concerned that the First Phase may not be fully completed by February 10, 2010, and is recommending extension of the term by ten months to December 31, 2010 to avoid having to obtain an extension at some point in the future.

METRO staff contacted Larry Pederson, dba A Tool Shed, to confirm that he is not opposed to this extension of time. Mr. Pederson is scheduled to take over the Lease as Assignee when METRO moves out of the building. He does not have any objection to the extension granted to METRO.

### **IV. FINANCIAL CONSIDERATIONS**

The 111 Dubois property currently leases for \$10,676.73 per month or \$128,120.76 annually. The lease requires an annual cost of living increase based on the CPI of the San Francisco-Oakland area with the caveat that any increase cannot be less than 3% or more than 6%.

### **V. ATTACHMENTS**

**Attachment A:** First Amendment to Commercial Lease and Assignment

5-8.2

**FIRST AMENDMENT TO COMMERCIAL LEASE AND ASSIGNMENT**

This Amendment to Commercial lease and assignment is made in Santa Cruz, California, and effective once signed by the parties set forth below. The Parties to this commercial lease and assignment are IULIANO 1977 TRUST (hereinafter called "Landlord") and SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (hereinafter called "Tenant"), and A Tool Shed, Inc. (hereinafter called Assignee).

**RECITALS**

- A. WHEREAS, Landlord is currently leasing to Tenant, and Tenant is currently leasing from Landlord, upon the terms and conditions hereinafter set forth, those certain premises located on Landlord's real property which is situated on 111 Dubois Street, Santa Cruz, Santa Cruz County, California. The premises leased to Tenant, which consist of all usable space in the building located at 111 Dubois Street, are shown on that certain diagram attached hereto, marked Exhibit "A" and incorporated herein by this reference (the "Premises");
- B. WHEREAS, Tenant is in the process of acquiring property for its MetroBase Project, an operations and maintenance complex, to be located in the Harvey West area in the City of Santa Cruz;
- C. WHEREAS, Tenant purchased the property located at 1122 River Street, Santa Cruz, CA currently occupied by Assignee- A Tool Shed, Inc. and has caused Assignee to vacate the premises;
- D. WHEREAS, Tenant anticipates that it will require the premises until the completion of its MetroBase Fleet Maintenance Facility, at which time, it will no longer have a need to occupy 111 Dubois, Santa Cruz and Assignee desires to assume all rights, title, interest and obligations in this lease agreement from Tenant to occupy the Premises at 111 Dubois Street.
- E. WHEREAS, the current Lease expires on February 28, 2010 and Tenant anticipates that it will require the premises until December 31, 2010, Tenant and Landlord desire to extend the Lease to expire on December 31, 2010.

Now, therefore, the parties hereto, incorporating the above recital as part of their agreement, and in consideration of the mutual covenants, terms and conditions set forth herein, agree as follows:

**AGREEMENT**

**1. TERM.**

The term of the Lease referenced, commenced on March 1, 2005, and shall expire December 31, 2010.

**2. NOTICES.**

Any notice required to be given pursuant to this Agreement shall be given in writing to the other party and delivered either personally or by depositing the same in the United States postal service, registered or certified mail, return receipt requested, with the postage prepaid, addressed to the parties as follows:

Landlord:

IULIANO 1977 TRUST,  
103B Whispering Pines  
Scotts Valley, CA 95066

Tenant:

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
Attn: Leslie White, General Manager  
370 Encinal Street, Suite 100  
Santa Cruz, CA 95060

Assignee:

Larry Pedersen  
dba A Tool Shed, Inc.  
55 E. Hamilton Avenue  
Campbell, CA 95008

Any notice delivered by mail shall be deemed delivered forty-eight (48) hours after deposit in the United States postal service mail. The address to which any notice is to be delivered may be changed by either party by compliance with the provisions of this Paragraph.

3. JURISDICTION.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

4. TIME.

Time is of the essence of this Lease.

5. ENTIRE AGREEMENT.

This Lease contains the sole and entire agreement of the parties, and correctly sets forth the rights, duties and obligations of each to the other, and any prior agreements, promises, negotiations, or representations not expressly set forth in the Agreement and this Amendment are hereby superseded and of no force and effect. Any changes to this Lease must be in writing, signed by both Landlord and Tenant.

6. EFFECTIVENESS OF LEASE.

Except as set forth in this extension of lease, all provisions of **the Lease**, shall remain unchanged and in full force and effect.

7. AUTHORIZATION.

Tenant hereby represents to Landlord that the party executing this Lease on behalf of Tenant is authorized by Tenant to execute their Lease and thus bind Tenant to all of the terms, covenants and conditions contained herein.

IN WITNESS WHEREOF, Landlord and Tenant have executed these presents the day and year first above written.

Landlord:  
IULIANO 1977 TRUST

Tenant:  
SANTA CRUZ METROPOLITAN TRANSIT  
DISTRICT

BY:

BY:

\_\_\_\_\_  
Nick Iuliano, Trustee

\_\_\_\_\_  
Leslie R. White, Secretary/General Manager

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

5-8.42

Assignee:  
A Tool Shed, Inc.

BY:

---

Larry Pedersen, President

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007

**TO:** Board of Directors

**FROM:** Margaret Gallagher, District Counsel

**SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW LEASE FOR THE PROPERTY LOCATED AT 115 DUBOIS STREET TO BEGIN ON FEBRUARY 1, 2008 AND EXPIRE ON DECEMBER 31, 2010**

## I. RECOMMENDED ACTION

Authorize the General Manager to execute a new Lease between the Santa Cruz Metropolitan Transit District and the 1977 Iuliano Trust for the property located at 115 Dubois Street, for a term to begin on February 1, 2008 and expire on December 31, 2010.

## II. SUMMARY OF ISSUES

- The Santa Cruz Metropolitan Transit District (METRO) has an existing lease with the 1977 Iuliano Trust for the lease of the property located 115 Dubois Street for bus parking and storage.
- The lease term expires on January 31, 2008 and does not provide for an option to extend the Lease.
- According to Tom Stickel, METRO's Fleet Maintenance Manager, the property needs to be leased until the first phase of the METROBASE Project is completed and METRO is ready to move over to the new maintenance facility, which is scheduled for completion on or about December 2010.
- METRO staff met with Dawn Iuliano and Nick Iuliano to negotiate a new lease term. METRO staff recommends a lease term of February 1, 2008 through December 31, 2010, to allow sufficient time for the completion of the first phase of the METROBASE Project.

## III. DISCUSSION

METRO currently leases the property located at 115 Dubois Street for extra bus parking. The lease expires on 1/31/08 and does not include an option to extend the Lease.

There is a need for METRO to continue to lease this property for bus parking until METRO completes the first phase of the METROBASE Project. Tom Stickel, METRO's Maintenance

Manager has suggested that METRO requires the use of the property for bus parking until the end of 2010.

METRO staff met with the owners of the property, Nick and Dawn Iuliano and negotiated a new Lease to begin 02/01/08 and terminate on 12/31/10, a period of two years and eleven months. This is the same date that the 111 Dubois property lease extension will expire.

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

Rent on the property will be \$3,271.61 per month for the first year, with a CPI adjustment to commence the thirteenth month of the lease term, no less than 3% and not to exceed 6%.

#### **V. ATTACHMENTS**

**Attachment A: Draft Commercial Lease**

5-9.2

COMMERCIAL LEASE

This commercial lease is made at Santa Cruz, California, and is effective once signed by the parties set forth below. The Parties to this commercial lease are IULIANO 1977 TRUST, (hereinafter called "Landlord") and SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, (hereinafter called Tenant").

WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, upon the terms and conditions hereinafter set forth, those certain premises of un-developed usable land located on Landlord's real property which is situated on Assessors Parcel Number 001-033-04, also known as 115 Dubois Street, Santa Cruz, Santa Cruz County, California.

Now, therefore, the parties hereto, incorporating the above recital as part of their agreement, and in consideration of the mutual covenants, terms and conditions set forth herein, agree as follows:

AGREEMENT

1. TERM.

The term of this Lease shall be TWO (2) years and 11 months and shall commence on 01 February 2008, and expire on 31 December 2010.

2. RENT.

Tenant shall pay to Landlord as the rent for the Premises at 115 Dubois Street, Santa Cruz, California, Three Thousand Two Hundred Seventy One Dollars and sixty one cents (\$3,271.61) per month plus all real property taxes (actual tax bill each year), and 100% of any assessments levied by the County or City of Santa Cruz, commencing on the Commencement Date, and payable on the first day of each and every month thereafter. The monthly rent shall be prorated for the first and last months of the term of this Lease should the Commencement Date not fall upon the first day of a calendar month. All rental payments shall be in lawful money of the United States of America, without deduction or offset whatsoever.

3. RENT ADJUSTMENT.

The minimum monthly rent provided for in Paragraph 2, above, shall be subject to adjustment at the end of each year during the Lease term, including any extension thereof, beginning twelve (12) months from the Commencement Date of the lease term, (the "Adjustment Date"), according to the following: The base for computing the CPI Adjustment is the Consumer Price Index (All Items) for All Urban Consumers for the San Francisco-Oakland-San Jose Area Metropolitan Area based on the standard reference base of 1982-84 equals 100, as published by the U.S. Department of Labor's Bureau of

Labor Statistics, ("CPI") adjusted to the publication date which is the date nearest the commencement date of this Lease, herein called the "base figure".

The CPI for the adjustment date shall be that CPI which is published prior to but nearest the adjustment date. In no event shall the adjusted increase be less than 3% or more than 6% each year at the anniversary date of the Lease.

The increase in the minimum monthly rent or base rent, as provided herein, shall be payable monthly on the first day of each and every month commencing on the thirteenth month of the Lease term, and ending on the last day of the Lease term, subject to subsequent adjustments after the thirteenth month. In no event, however, shall the minimum monthly rent be less than the monthly base rent from the previous year, plus all applicable property taxes and assessments.

#### 4. LATE PAYMENT.

In the event that any monthly payment is delinquent for a period of five (5) days or more, Tenant shall pay to Landlord as and for a late payment the sum of ten percent (10%) of the delinquent monthly rental payment which shall be payable with the delinquent monthly rental payment.

#### 5. TAXES ON THE PREMISES.

Tenant hereby agrees to be solely responsible for all of the real property taxes (actual tax bill) and 100% of any and all assessments levied by the County of Santa Cruz or any other governmental agency against Landlord's real property and improvements thereon during the term of this Lease. The actual tax bill will be mailed to Tenant within thirty days (30) prior to the actual due date of each installment. Tenant shall be responsible to pay 100% for any increases in real property taxes arising out of Tenant's leasehold improvements, whether or not of a permanent nature.

If this Lease expires prior to the determination date of the Lease, any amount of such taxes and assessments for the last year in which the expiration of the Lease occurs, Tenant shall nevertheless, promptly pay such percentage following notice from Landlord appropriately prorated for the portion of the Lease term that falls within such last year.

#### 6. USE.

The Premises are to be used for the storage of buses and vehicles for the Santa Cruz Metropolitan Transit District (Tenant), and other related uses. The business conducted by the Tenant on the Premises shall be of a character and nature that will not be detrimental to the value of the Premises. No use shall be made or permitted to be made of the Premises, nor act done in or about the Premises, which will in any way conflict with any law, ordinance, rule or regulation affecting the occupancy or use of the Premises, which are or may hereafter be enacted or promulgated by any public authority, or cause a cancellation of any insurance policy covering the property or any part thereof. Nor shall Tenant permit to be kept, or use in or about the Premises, any article which may be

5-9.02

prohibited by the standard form of fire insurance policy maintained by Landlord. Tenant shall not commit, or suffer to be committed, any waste upon the Premises, or any public or private nuisance, nor, without limiting the generality of the foregoing, shall Tenant allow said Premises to be used for an improper, immoral, unlawful, or unethical purpose, or for sleeping or residential purposes.

#### 7. ASSIGNMENTS AND SUBLETTING.

Tenant shall not, either voluntarily or by operation of law, assign, sell, encumber, pledge or otherwise transfer all or any part of Tenant's leasehold estate hereunder, or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees, or sublet the Premises or any portion thereof, without Landlord's prior written consent. Landlord's consent shall not be unreasonably withheld provided:

(i) The same quality of business and financial soundness of ownership and management is maintained and will continue to be maintained in a manner compatible with the high standards contemplated by this Lease.

(ii) That each and every covenant, condition or obligation imposed upon Tenant by this Lease, and each and every right, remedy or benefit afforded Landlord by this Lease is not thereby impaired or diminished:

(iii) Tenant remains liable for performance of each and every obligation under this Lease to be performed by Tenant:

(iv) As to subletting, Landlord shall receive One Hundred Percent (100%) of the gross rent paid by any assignee/sub-tenant in excess of the gross rent otherwise payable to Landlord pursuant to this Lease:

(v) Tenant reimburses Landlord for Landlord's reasonable costs and professional fees (legal and/or accounting) incurred in conjunction with the processing and documentation of any such requested assignment or subletting of this Lease by Tenant.

If Tenant desires at any time to assign this Lease, or sublet any portion of the Premises, Tenant shall first notify Landlord of its desire to do so and shall submit in writing to Landlord, at least thirty (30) days but not more than sixty (60) days before the intended date of assignment/subletting, the name of the proposed assignee/subtenant, the nature of the proposed assignee's/subtenant's business to be carried on in the Premises, the terms and provisions of the proposed assignment/subletting, and such reasonable financial information as Landlord may request, certified by the proposed assignee/subtenant as being true and correct as of the date of certification.

B. Landlord agrees that Tenant may vacate the Premises upon the completion of the Metro Base Fleet Maintenance facility by providing Landlord ninety (90) days prior to vacating the premises a written notice to that fact. Tenant shall surrender the Premises in a clean and neat condition. Tenant may remove any equipment it brought onto the

5-9-03

Premises during the Lease Term. If the removal of such equipment causes any damage to the Premises, Tenant must repair the premises at its sole cost and expense. Upon vacation of the Premises, Tenant shall have no further right, title, interest, or obligation to Landlord or to Assignee pursuant to this Lease Agreement.

#### 8. REPAIRS AND ALTERATIONS.

Tenant at his/her sole cost will make any improvements necessary to occupy the premises. This includes and does not limit those improvements to grading, plans, permits, driveway approach, fencing, drainage, erosion control, etc. Landlord shall have the option to deny, change or approve plans for improvements prior to the contract of any of the above mentioned.

Tenant agrees by taking possession of the Premises that he/she will take good care of the Premises and promptly notify the Landlord in writing of any damage caused thereto by the Tenant, its employees or invitees and will not make any repairs or alterations without written permission of Landlord first obtained, and consent for same shall not be unreasonably withheld by Landlord.

It is Tenant's sole responsibility at all times during the term hereof, to maintain the Premises including any and all improvements which includes and does not limit any upkeep of the driveway approach, fencing, drainage etc.

#### 9. BANKRUPTCIES AND INSOLVENCY.

The filing or commencement of any proceeding by or against Tenant under the Federal Bankruptcy code whether voluntary or involuntary, if not dismissed within (60) sixty days from the date of filing, shall constitute a default under this Lease.

#### 10. RECEIVERSHIP.

Either the appointment of a receiver to take possession of all, or substantially all, of the assets of any Tenant or garnishment of or levy or writ of execution on, all or substantially all of the assets of any Tenant which remains in effect for more then sixty (60) days, or a general assignment by any Tenant for the benefit of creditors, shall constitute a breach of this Lease by Tenant.

#### 11. DEFAULT AND REMEDIES.

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

- (i) The vacating or abandonment of the Premises by Tenant (which shall be conclusively presumed if Tenant leaves the Premises closed or unoccupied continuously for thirty (30) days.

5-9.94

(ii) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder as and when due and after five (5) days written notice to Tenant by Landlord to pay same.

(iii) The occurrence of an event described in Paragraphs "Bankruptcy and Insolvency" and "Receivership", hereof.

(iv) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant, other than described in subparagraph (ii) and (iii), above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant.

In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy, which Landlord may have by reason of such default or breach:

(i) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including, but not limited to expenses of re-letting, reasonable attorney's fees, and any real estate commission actually paid; the worth at the time of award by a court having jurisdiction of the unpaid rent which had been claimed after termination until the time of such award exceeds the amount of such rental loss that the Tenant proves, could have been reasonably avoided; the worth at the time of such award of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss that the Tenant proves could be reasonable avoided; and the portion of any real estate commission payable by Landlord applicable to the un-expired term of this Lease. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of ten percent (10%) per annum. In the event Tenant shall have abandoned the Premises, Landlord shall have the option of retaking possession of the Premises and recovering from Tenant the amount specified in this subparagraph (i), or proceeding under subparagraph (ii). For purposes of this subparagraph (i), the term "worth at the time of such award" shall have the meaning provided in Section 1951.2 (b) of the California Civil Code.

(ii) As provided in Section 1951.4 of the California Civil Code, maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

(iii) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of California.

5-9.25

## 12. ATTORNEY'S FEES.

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

## 13. WAIVER.

The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver or any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

## 14. LIENS.

Tenant shall keep the Premises free of any liens arising out of work performed, materials furnished or obligations incurred by Tenant.

## 15. INSURANCE.

(i) During the Lease term, Tenant shall, at its own expense, maintain in full force a policy or policies of comprehensive liability insurance, including property damage, written by one or more responsible insurance companies licensed to do business in California, and in good standing with the Insurance Commissioner of California, that will name Tenant and Landlord as insured under said policy (and such other persons, firms or corporations as are designated by Landlord and agreed to by Tenant) against liability for injury to persons and property and for death of any person or persons occurring on or about the Premises. The liability under such insurance shall not be less than One Million Dollars (\$1,000,000.00) bodily injury and Five Hundred Thousand Dollars (\$500,000.00) for property damages. Notwithstanding the above, Tenant may be self insured up to Two Hundred Fifty Thousand (\$250,000.00). During the Lease term, Tenant shall maintain in full force on all of its equipment on the Premises, a policy or policies of fire insurance with standard extended coverage endorsement, to the extent of at least eighty percent (80%) of their insurable value. As long as this Lease is in effect, the proceeds from any such policy shall be used for the repair of any equipment so insured. Landlord shall have no interest in the insurance upon Tenant's equipment and will sign all documents necessary or proper in connection with the settlement of any claim or loss by Tenant. Tenant shall provide Landlord with copies of all policies, required under subparagraphs

5-9.26

(i) and (ii), including in each instance an endorsement in a form acceptable to Landlord, providing that such insurance shall not be canceled except after (30) thirty days written notice to Landlord. Notwithstanding the above, Tenant may be self insured up to Two Hundred Fifty Thousand (\$250,000.00).

(ii) Tenant shall be responsible for carrying their own Liability Insurance with a minimum of One Million Dollars (\$1,000,000.00), as long as this Lease is in effect.

(iii) Landlord hereby releases Tenant, and Tenant hereby releases Landlord, from any and all claims or demands for damages, loss, expense or injury to the Premises, or personal property or other property of either Landlord or Tenant in, about or upon the Premises adjoining property as the case may be, which is caused by or results from perils, events or happenings which are the subject of insurance claimed by the respective parties and in force at the time of any such loss; provided, however, that such waiver shall be effective only to the extent permitted by the insurance covering such loss and to the extent of the insurance recovery.

#### 16. CONDEMNATION.

Should the whole or any part of the Premises be condemned and taken by any competent authority for any public or quasi-public use or purpose, or should Landlord make a conveyance in lieu thereof, all awards payable on account of such condemnation and taking or conveyance shall be payable to Landlord, and Tenant hereby waives all interest in or claim to said awards, or any part thereof.

If the whole of the Premises shall be so condemned and taken or conveyed, then this Lease shall terminate.

If a part only of the Premises is so condemned and taken or conveyed, and the remaining portion thereof is not suitable for the purposes for which Tenant has leased said Premises, Tenant shall have the right to terminate this Lease. If by such condemnation and taking a part only of the Premises is taken, and the remaining part thereof is suitable for the purposes for which Tenant has leased said Premises, this Lease shall continue, but the rental shall be reduced in an amount proportionate to the value of the portion taken as it relates to the total value of the Premises.

#### 17. WAIVER OF REDEMPTION BY TENANT, HOLDING OVER.

Tenant hereby waives for Tenant and for all those claiming under Tenant, all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right to occupancy of the leased Premises after any termination of this Lease. If Tenant holds over the term hereof, with the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and not a renewal hereof, or an extension for any further term, and in such case rent shall be payable in the amount and at the time specified in Paragraph "Rent", above, including adjustments for real

5-9. a7

property, tax and assessments. Such month-to-month tenancy shall be subject to every other term, covenant, and agreement contained herein.

#### 18. RULES AND REGULATIONS.

Landlord shall have the right from time to time to adopt reasonable rules and regulations for the use of the premises by Tenant and Tenant's agents, employees, customers and other invitees who agrees to abide by each and every rule and regulation upon notification by Landlord.

#### 19. HAZARDOUS MATERIALS.

Tenant in possession shall be solely responsible for the cleanup and other requirements of all governmental agencies for hazardous materials located on or during the Lease term except for any hazardous material brought on or used by Landlord, his invitees or non-tenant related third parties.

As used in this Lease, the term "hazardous materials" shall mean any substance or material which has been determined by the State of California, the federal government, the City of Santa Cruz, or any agency of said governments, to be capable of posing a risk of injury to health, safety and property, including but not limited to all of those materials and substances designated as hazardous or toxic by the Environmental Protection Agency, the California Water Quality Control Board, the U.S. Department of Labor, the California Department of Industrial Relations, the Department of Transportation, the Department of Agriculture, the Consumer Products Safety Commission, the Department of Health, Education & Welfare, the Food & Drug Administration or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment. Without limiting the generality of the foregoing, the term "hazardous materials" shall include all of those materials and substances defined as "toxic materials" in Sections 66680 through 66685 of Title 22 of the California Administrative Code, Division 4, Chapter 30, as the same may be amended from time to time.

Tenant shall promptly comply with all laws related to hazardous materials, including any and all required monitoring and record keeping, and any orders of a governmental authority requiring the clean-up and removal of hazardous materials from the Premises. If the Premises, or any part thereof (including the soil, surface water, ground water or the air about the Premises), becomes contaminated through Tenant's actions by any hazardous material, Tenant shall promptly at its sole cost take all action necessary to clean up and remove such contamination and restore the Premises to the condition existing immediately prior to the existence of such hazardous material about the Premises. Tenant's obligations under this Paragraph shall survive Lease termination. Tenant shall immediately notify Landlord in writing if Tenant causes or permits any hazardous material to be used or kept on or about the Premises or knows or has reasonable cause to believe that any hazardous material has come to be located on or about the Premises or discovers the existence of any hazardous material on or about the Premises. Tenant shall be solely responsible for the cost of any required clean up and

5-9.28

removal of hazardous materials and/or toxic wastes which have been placed or left upon the Premises by Tenant after the date of execution of this Lease or prior lease. Tenant shall indemnify and defend Landlord and his successors and assigns against and hold them harmless from any and all claims, demands, liabilities, damages, including punitive damages, costs and expenses, including reasonable attorney's fees caused by Tenant's actions, herein collectively referred to as "Claims":

- (i) Any Claim by a federal, state or local governmental agency arising out of or in any way connected with the environmental condition of the Premises caused by Tenant's actions including, but not limited, to, Claims for additional clean-up of the Premises; and
- (ii) Any Claim by a successor in interest of Tenant (including a mortgagee who acquires title to the Premises through foreclosure or by accepting a deed in lieu of foreclosure), or by any subtenant licensee, or invitee of Tenant arising out of or in any way connected with the environmental condition of the Premises caused by Tenants' or Subtenants' actions.

Any and all hazardous waste materials shall be stored above ground in tanks or other suitable containers and shall be disposed of by Tenant. The cost of manufacture of the system, storage, transportation, and disposal shall be the sole cost of Tenant.

## 20. DEFINED TERMS.

The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular, words used in neuter gender include the masculine and feminine and words in the masculine or feminine gender include the neuter. If there is more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord or Tenant, shall be joint and several. The marginal headings or titles to the Paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part thereof.

## 21. HEIRS.

Subject to the provisions hereof relating to assignment, mortgaging, pledging and subletting, this Lease is intended to and does bind the heirs, executors, administrators, successors and assigns of any and all of the parties hereto.

## 22. JURISDICTION.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

## 23. TIME.

Time is of the essence of this Lease.

5-9.29

24. ENTIRE AGREEMENT.

This Lease contains the sole and entire agreement of the parties, and correctly sets forth the rights, duties and obligations of each to the other, and any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are hereby superseded and of no force and effect. Any changes to this Lease must be in writing, signed by both Landlord and Tenant.

25. AUTHORIZATION.

Tenant hereby represents to Landlord that the party executing this Lease on behalf of Tenant is authorized by Tenant to execute their Lease and thus bind Tenant to all of the terms, covenants and conditions contained herein.

IN WITNESS WHEREOF, Landlord and Tenant have executed these presents the day and year first above written.

Landlord:  
IULIANO 1977 TRUST

Tenant:  
SANTA CRUZ METROPOLITAN  
TRANSIT DISTRICT

BY: \_\_\_\_\_  
Nick Iuliano, Trustee

BY: \_\_\_\_\_  
Leslie R. White, Secretary/General Manager

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

5-9.210

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

## STAFF REPORT

**DATE:** December 21, 2007

**TO:** Board of Directors

**FROM:** Margaret Gallagher, District Counsel

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

### I. RECOMMENDED ACTION

**Accept and File Santa Cruz METRO's Property Inventories of Leased and Owned Property for 2007, which includes a Determination that METRO does not own, Lease or Control any Property which is in excess of its Foreseeable Needs.**

### II. SUMMARY OF ISSUES

- Santa Cruz Metropolitan Transit District is required on an annual basis to prepare inventories of properties it holds, owns and controls to determine if any properties are in excess of its foreseeable needs.
- All properties leased by Santa Cruz METRO are currently being used in transit operation for bus maintenance, bus parking, administration and facilities maintenance activities.
- All properties leased, owned or controlled by Santa Cruz METRO are in transit uses and none of these properties are in excess of METRO's foreseeable needs.

### III. DISCUSSION

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

An inventory of all the properties owned by Santa Cruz Metro, prepared by the Finance Department is set forth in Attachment A. The only change since 2006 has been the purchase of the 110 Vernon Street property and it has been added to the inventory list.

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

5-10.1

functions. The only changes since 2006 are incremental rent increases for certain leases requiring CPI adjustments as well as the deletion of the 110 Vernon Street property that METRO no longer leases, as it purchased the property in 2007.

According to the applicable statute, any citizen, limited dividend corporation, housing corporation or nonprofit corporation, shall upon request, be provided with a list of the parcels without charge.

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

None

#### **V. ATTACHMENTS**

**Attachment A:** SCMTD Deeds

**Attachment B:** Properties Leased by Santa Cruz Metropolitan Transit District

5-10.2

# SCMTD DEEDS

| APN NO.                                  | PARCEL LOCATION  | DATE OF ACQUISITION BY SCMTD | ACQUIRED FROM   | DESCRIPTION  | STATUS OF USE   |
|--|--|------------------------------|---|--|---|
| 5-152-05                                 | Santa Cruz, CA<br>912 Pacific Ave.<br>Santa Cruz   | 07/16/80                     | Peerless Stages, Inc.   | Pacific Station<br>Multi-Modal Facility                                    | Active transit center   |
| 5-152-31                                 | Santa Cruz, CA<br>920 Pacific<br>Avenue<br>Santa Cruz                                      | 09/22/80                     | Reward Enterprises  | Pacific Station<br>Multi-Modal Facility                                    | Active transit center   |
| 8-013-04                                 | Santa Cruz, CA<br>120 Golf Club Dr.<br>Santa Cruz  | 6/24/05                      | The Estate of Yvonne<br>A. Humphrey. Brent J.<br>Bouchard, executor.                        | MetroBase Project  | Future Maintenance Shop<br>Location                                 |
| 8-013-7<br>previously<br>8-013-5         | Santa Cruz, CA<br>138 Golf Club Dr.<br>Santa Cruz  | 05/19/71                     | Cecil E. Woodsy<br>Minnie M. Woolsey  | Minor Maintenance Shop<br>Location<br>MetroBase Project                    | Active Maintenance Facility<br>being retrofitted for CNG<br>repairs |
| 8-013-7<br>previously<br>8-013-6         | Santa Cruz, CA<br>138 Golf Club Dr.<br>(previously 140<br>combined with<br>138) Santa Cruz | 07/7/71                      | Sally Anne Smith  | Minor Maintenance Shop<br>Location<br>MetroBase Project                    | Active Maintenance Facility<br>being retrofitted for CNG<br>repairs |
| 8-032-06                                 | Santa Cruz, CA<br>1200 River St.<br>Santa Cruz   | 06/15/77                     | Warren R. French<br>Mabel L. French   | Operations Dept. Location<br>MetroBase Project                             | Active Operations Dept.   |
| Bus Stop<br>#2551. No<br>APN #<br>listed | Santa Cruz, CA<br>17 <sup>th</sup> Ave./Tremont<br>Santa Cruz                              | 09/5/89                      | No. Calif. VOE Elderly<br>Housing, Inc.   | 17 <sup>th</sup> & Tremont Bus Stop<br>Donation<br>Live Oak Location       | Active bus stop with shelter  |
| 22-211-90                                | Scotts Valley, CA<br>425 King's Village<br>Bart Cavallaro<br>Transit Center                | 011/15/96                    | Church of Latter-Day<br>Saints<br>13.87% ownership by<br>Scotts Valley<br>Redevelop. Agency | Bart Cavallaro Transit<br>Center Park and Ride Lot<br>Multi-Modal Facility | Active Transit Center   |

5-10.a1

Attachment A

# SCMTD DEEDS

| APN NO.  | PARCEL LOCATION  | DATE OF ACQUISITION BY SCMTD | ACQUIRED FROM   | DESCRIPTION  | STATUS OF USE   |
|--|--|------------------------------|---|--|---|
| 017-011-54   | Borders West Lake Ave. & Rodriguez St., Watsonville, CA - Watsonville Transit Center | 05/9/86                      | Crocker National Bank   | Watsonville Transit Center<br>Multi-Modal Facility   | Active transit center   |
| 017-011-57 and<br>017-011-58<br>(formerly 51 & 52) | Watsonville, CA<br>Watsonville Transit Center  | 10/06/88                     | Allan Louis Alexander<br>Ann Alexander Rando<br>John M. Batistich<br>Joan M. Batistich<br>Janet F. Ryan | Transit-Oriented Mixed Use Facility which includes a Child Care Center                     | 99-year lease with City of Watsonville for \$1.00 per year.   |
| 008-032-05   | 1122 River St.   | 06/25/05                     | The 2004 Jeannine M. Gibson, Family Trust, Jeannine Marie Gibson, Trustee                               | MetroBase Project  | Future site of MetroBase Fueling Facility   |
| 086-102-14   | Boulder Creek, CA<br>17835 China Grade<br>Boulder Creek                              | 04/7/05                      | Santa Cruz County/The Henry F. Plummer Trust, Henry F. Plummer, Trustee                                 | Easement at China Grade & Hwy 236  | Bus Turnaround  |
| 008-011-14   | Santa Cruz, CA<br>110 Vernon Street<br>Santa Cruz                                    | 08/01/07                     | Mindi Broughton and Paul Broughton, Broughton Land LLC, A California Limited Liability company          | MetroBase Project  | Current fleet administration offices; future general administration offices and facilities department |
| No APN # listed                                    | Intersection of Soquel Ave., Soquel Dr. and Highway 1<br>Soquel                      | 3/29/88                      | State of California, Dept. of Transportation  | Director's Deed #DD-47160-1 for 1.312 acres and .037 of an acre for Soquel Park & Ride Lot | Active Park and Ride Lot  |

5-10.42

**PROPERTIES LEASED BY  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

| <b>PROPERTY ADDRESS/ LESSOR</b>                                   | <b>TERM/ NOTICE/ BOARD ACTION</b>  | <b>MONTHLY LEASE AMT.</b>                                   | <b>USE OF PROPERTY</b>                            |
|---|--|---|---|
| 111 Dubois<br><br>IULIANO 1977 TRUST                              | 03/01/05- Beginning<br>02/29/10- Ending  | \$11,595.94/mo<br>\$139,151.28/yr                           | Major Maintenance Facility                        |
| 115 Dubois<br><br>IULIANO 1977 TRUST                              | 02/01/05-Beginning<br>01/31/08-Ending  | \$3,164.04/mo<br>\$37,968.48/yr                             | Bus and vehicle parking                           |
| 370 Encinal Street<br><br>Edward and Barbara Hinshaw              | 01/15/99- Beginning<br>01/14/06- Ending<br>01/15/06- Ext. begins<br>01/15/08- 2 <sup>nd</sup> ext. begins<br>01/15/09 – 3 <sup>rd</sup> ext begins | \$28,000.00/mo<br>\$336,000.00/yr                           | Administration Offices/<br>Facilities Maintenance |
| 425 Front Street<br><br>Greyhound Lines, Inc.                     | 07/01/98- Beginning<br>06/30/03- Ending<br>07/01/03- Ext. begins<br>12/31/08- end of term  | \$681.59/Month<br>\$8,179.11 (Fiscal Year from 07/07-06/08) | Bus parking                                       |
| 2880 Research Park Drive, Soquel, CA<br><br>Soquel III Associates | 09/01/04-Beginning<br>08/31/09-Ending  | \$11,651.11/mo<br>\$139,813.32/yr                           | ParaCruz Operations Facility                      |
| 1200 River Street (small portion)<br><br>City of Santa Cruz       | 10/01/04- Beginning<br>09/30/44- Ending  | \$1.00/Annually<br>*100% of taxes and assessments           | Future MetroBase facility                         |

Grant of Easement and Agreement

|   |           |                              |                       |
|---|-----------|------------------------------|-----------------------|
| Capitola Mall<br><br>Macerich Partnership, LP | Perpetual | \$1,407.05/mo<br>\$16,884.60 | Active Transit Center |
|---|-----------|------------------------------|-----------------------|

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Maintenance  
**SUBJECT:** CONSIDERATION OF AWARD OF CONTRACT WITH CLASSIC GRAPHICS FOR VEHICLE BODY REPAIR AND PAINT SERVICES

## I. RECOMMENDED ACTION

**District Staff recommends that the Board of Directors authorize the General Manager to execute a contract with Classic Graphics for vehicle body repair and paint services.**

## II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified firms.
- One firm submitted a proposal for the District's review.
- District staff reviewed and evaluated the proposals.
- District staff is recommending that a contract be established with Classic Graphics for vehicle body repair and paint services.

## III. DISCUSSION

The District sought proposals to provide body repair and painting services, as required, for the District's buses, cars, service trucks and utility vehicles. These services include, but are not limited to the following: body panel/structure repair and replacement; repair and replacement of glazing frames and glazing; painting; and addition or production of truck/bus accessory body parts as specified by the District.

On November 2, 2007, District Request for Proposal No. 08-10 was mailed to twenty-nine firms, was legally advertised and a notice was posted on the District's web site. On November 30, 2007, one proposal was received and opened. District staff have reviewed and evaluated the proposal received. It should be noted that Classic Graphics has had the contract for vehicle body repair and paint services for the last five years and has provided acceptable service.

District staff is recommending that the Board of Directors authorize the General Manager to execute a two-year contract with Classic Graphics for vehicle body repair and paint services for an amount not to exceed \$415,000. Contractor will provide services meeting all District specifications and requirements.

5-11.1

**IV. FINANCIAL CONSIDERATIONS**

Funding for this contract is contained in the Operating Budget of the Fleet Maintenance Department.

**V. ATTACHMENTS**

**Attachment A:** Contract with Classic Graphics

**Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Administration Office of METRO or online at [www.scmtd.com](http://www.scmtd.com)**

5-17.2

**CONTRACT FOR VEHICLE BODY REPAIR AND PAINT SERVICES (08-10)**

THIS CONTRACT is made effective on January 1, 2008 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and CLASSIC GRAPHICS ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Vehicle Body Repair and Services

District has the need for Vehicle Body Repair and Services. In order to obtain these services, the District issued a Request for Proposals, dated November 2, 2007, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Vehicle Body Repair and Services and whose principal place of business is 7969 Enterprise Drive, Newark, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Vehicle Body Repair and Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On December 21, 2007, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide the Vehicle Body Repair and Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated November 2, 2007

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Vehicle Body Repair and Services, signed by Contractor and dated November 30, 2007.

2.02 Conflicts

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

2.03 Recitals

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

3. DEFINITIONS

3.01 General

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

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued November 2, 2007.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued November 2, 2007.

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

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

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed two (2) years and shall commence upon the issuance of the contract by the District. At the option of the District, this contract agreement may be renewed for three (3) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if

he/she exceeds the \$415,000 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

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

DISTRICT

Santa Cruz Metropolitan Transit District  
370 Encinal Street  
Suite 100  
Santa Cruz, CA 95060  
Attention: General Manager

CONTRACTOR

T & J Lewis Inc. dba Classic Graphics  
7969 Enterprise Drive  
Newark CA 94560  
Attention: President

7. AUTHORITY

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

Signed on \_\_\_\_\_

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR  
T & J LEWIS INC. dba CLASSIC GRAPHICS

By \_\_\_\_\_  
Tracy S. Lewis  
President

Approved as to Form:

\_\_\_\_\_  
Margaret Rose Gallagher  
District Counsel

**EXHIBIT -A-**

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

---

**Request for Proposals (RFP)**

**For Vehicle Body Repair and Paint Services**

**District RFP No. 08-10**

---

**Date Issued: November 2, 2007**

**Proposal Deadline: 5:00 P.M., November 30, 2007**

---



---

**Contents of this RFP**

|           |   |
|-----------|---|
| Part I.   | Instructions to Offerors                        |
| Part II.  | General Information Form                        |
| Part III. | Specifications                                  |
| Part IV.  | General Conditions                              |
| Part V.   | Contract/Agreement                              |
| Part VI.  | FTA Requirements for Non-Construction Contracts |
| Part VII. | Protest Procedures                              |

## **PART I**

### **INSTRUCTIONS TO OFFERORS**

1. **GENERAL:** These instructions form a part of the contract documents and shall have the same force as any other portion of the contract. Failure to comply may subject the proposal to immediate rejection.
2. **OFFEROR RESPONSIBILITY:** The District has made every attempt to provide all information needed by offerors for a thorough understanding of project terms, conditions, and requirements. It is expressly understood that it is the responsibility of offerors to examine and evaluate the work required under this RFP and the terms and conditions under which the work is performed. By submitting a proposal, Offeror represents that it has investigated and agrees to all terms and conditions of this RFP.
3. **DELIVERY OF PROPOSALS TO THE DISTRICT:** Proposals (1 original and 4 copies) must be delivered to the District Purchasing Office, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 on or before the deadline noted in the RFP.

Any contract or purchase order entered into as a result of this RFP shall incorporate the RFP and the proposal submitted by successful offeror. In the event of conflict between the proposal and any other contract document, the other contract document shall prevail unless specified otherwise by the District. Telephone or electronic proposals will not be accepted.

4. **LATE PROPOSALS:** Proposals received after the date and time indicated herein shall not be accepted and shall be returned to the Offeror unopened.

Requests for extensions of the proposal closing date or time will not be granted. Offerors mailing proposals should allow sufficient mail time to ensure timely receipt of their proposals before the deadline, as it is the offerors responsibility to ensure that proposals arrive before the closing time.

5. **MULTIPLE PROPOSALS:** An offeror may submit more than one proposal. At least one of the proposals shall be complete and comply with all requirements of this RFP. However, additional proposals may be in abbreviated form, using the same format, but providing only the information that differs in any way from the information contained in the master proposal. Master proposals and alternate proposals should be clearly labeled.
6. **PARTIAL PROPOSALS:** No partial proposals shall be accepted.
7. **WITHDRAWAL OR MODIFICATION OF PROPOSALS:** Proposals may not be modified after the time and date proposals are opened. Proposals may be withdrawn by Offeror before proposal opening upon written request of the official who is authorized to act on behalf of the Offeror.
8. **CHANGES TO THE RFP RECOMMENDED BY OFFERORS:** All requests for clarification or modification of the RFP shall be made in writing. Offerors are required to provide the value of each proposed modification and a brief explanation as to why the change is requested. Value shall be defined as the cost or savings to the District and the advantage to the District of the proposed change.
9. **ADDENDA:** Modifications to this RFP shall be made only by written addenda issued to all RFP holders of record. Verbal instructions, interpretations, and changes shall not serve as official expressions of the District, and shall not be binding. All cost adjustments or other changes resulting from said addenda shall be taken into consideration by offerors and included in their proposals.
10. **OFFEROR'S PROPOSAL TO THE DISTRICT:** Offerors are expected to thoroughly examine the scope of work and terms and conditions of the RFP. Offerors' terms, conditions, and prices shall constitute a firm offer to the District that cannot be withdrawn by the Offeror for ninety (90) calendar days after the closing date for

proposals, unless a longer time period is specified by the District in the RFP. Offerors shall identify all proprietary information in their proposals. Information identified as proprietary shall not be made available to the public or other offerors.

11. **SINGLE OFFEROR RESPONSIBILITY:** Single Offeror responsibility is required under this RFP. Each Offeror responding to this RFP must respond to all professional services and provide all materials, equipment, supplies, transportation, freight, special services, and other work described or otherwise required herein.
12. **EXPERIENCE AND QUALIFICATIONS:** Offeror may be required upon request of the District to substantiate that Offeror and its proposed subcontractors have the skill, experience, licenses, necessary facilities, and financial resources to perform the contract in a satisfactory manner and within the required time.
13. **SUBCONTRACTING:** The requirement for single-point responsibility does not prohibit subcontracts or joint ventures provided that the single successful Offeror assumes the following responsibilities: (1) serves as the sole general Contractor with the District; (2) assumes full responsibility for the performance of all its subcontractors, joint venturers, and other agents; (3) provides the sole point of contact for all activities through a single individual designated as project manager; (4) submits information with its proposal documenting the financial standing and business history of each subcontractor or joint venturer; and, (5) submits copies of all subcontracts and other agreements proposed to document such arrangement.

Without limiting the foregoing, any such legal documents submitted under item "5" above must (a) make the District a third-party beneficiary thereunder; (b) grant to the District the right to receive notice of and cure any default by the successful offeror under the document; and (c) pass through to the District any and all warranties and indemnities provided or offered by the subcontractor or similar party.

14. **EVALUATION CRITERIA AND AWARD OF CONTRACT:** The award of the contract will be made to the responsible Offeror whose proposal is most advantageous to the District. Specific evaluation criteria are identified in the Specifications section of the RFP.
15. **DISTRICT'S PREROGATIVE:** The District reserves the right to contract with any single firm or joint venture responding to this RFP (without performing interviews), based solely upon its evaluation and judgment of the firm or joint venture in accordance with the evaluation criteria. This RFP does not commit the District to negotiate a contract, nor does it obligate the District to pay for any costs incurred in preparation and submission of proposals or in submission of a contract.

The District reserves and holds at its discretion the following rights and options in addition to any others provided by the Public Utility Code, Section 98000 and the Public Contract Code: (1) to reject any or all of the proposals; (2) to issue subsequent requests for proposals; (3) to elect to cancel the entire request for proposals; (4) to waive minor informalities and irregularities in proposals received; (5) to enter into a contract with any combination of one or more prime Contractors, subcontractors, or service providers; (6) to approve or disapprove the use of proposed subcontractors and substitute subcontractors; (7) to negotiate with any, all, or none of the respondents to the RFP.

16. **EXECUTION OF CONTRACT:** The final contract shall be executed by the successful offeror and returned to the District Administrative Office no later than ten (10) calendar days after the date of notification of award by the District. All required bonds and insurance certificates shall also be submitted by this deadline. In the event successful offeror does not submit any or all of the aforementioned documents on or before the required deadline, the District may award the contract to another offeror; in such event, District shall have no liability and said party shall have no remedy of any kind against the District.
17. **DISADVANTAGED AND WOMEN'S BUSINESS ENTERPRISES:** The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the successful offeror selected for this project shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

18. NONDISCRIMINATION: The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability in the consideration for award of contract.

***ADDITIONAL INSTRUCTIONS TO OFFERORS ARE SET FORTH IN  
OTHER SECTIONS OF THIS REQUEST FOR PROPOSALS***



Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

---



---



---



---



---

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals.

Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.

| <b>SECTION 1 – Labor Rate</b>   | <b>UNIT COST</b>       | <b>EXTENDED</b> |
|---|------------------------|-----------------|
| 1. Labor Rate For Providing Body Repair Services  | \$ /hr                 |                 |
| 2. 6,000 Estimated hours for a two-year contract x labor rate   |                        | \$              |
| <b>SECTION 2 – Complete Repaints of Buses</b>   |                        |                 |
| Cost For Complete Repaints Of Buses (Based On Estimated Number Of Units)  |                        |                 |
| 3. Two Each 24 Ft Buses   | \$                     | \$              |
| 4. Eight Each 35 Ft Buses   | \$                     | \$              |
| 5. Eight Each 40 Ft Buses   | \$                     | \$              |
| 6. Time for Completion. All work to repaint a bus will be completed within _____ calendar days after receipt of bus at Contractor's work site.  |                        |                 |
| <b>7. Total of SECTION 2</b>  | (Add Lines 3, 4, & 5)  | \$              |
| <b>SECTION 3 – Repair Parts *</b>   |                        |                 |
| 8. District's Estimate Of Repair Parts For A Two-Year Contract  |                        | \$50,000.00     |
| 9. Contractor's Mark-Up On Cost Of Parts  | %                      |                 |
| 10. Dollar Amount Of Mark-Up (\$50,000 x line 9)  |                        | \$              |
| <b>11. Total of SECTION 3</b>   | (Add Lines 8 and 10)   | \$              |
| <b>12. TOTAL PRICE PROPOSED FOR A TWO-YEAR CONTRACT</b>   | (Add Lines 2, 7, & 11) | \$              |
| 12. Payment Terms Offered: _____% Net _____ Days (District will consider cash discounts if payment terms allow a minimum of fourteen (14) calendar days for payment. Cash discounts will not be considered in determining the award of contract.) |                        |                 |
| <b>* If repair progress to vehicle is delayed by excessive lead times on parts delivery, District reserves the right to provide parts to Contractor.</b>  |                        |                 |



**FORM A-1 APPROVED EQUALS**

**(IMPORTANT: USE A SEPARATE FORM FOR EACH SEPARATE SOLICITATION PROVISION OR SPECIFICATION ITEM REQUEST)**

Submitted By: \_\_\_\_\_  
Company Name

The District requires that all prospective bidders completely fill out and attach this form with every separate specification item request for an Approved Equal pertaining to this Contract. Failure to completely fill out this form and submit with the request may result in denial of the request. Any further information which may be useful in reviewing such a request should also be attached to this form.

1. Approved equal is being requested for \_\_\_\_\_,  
To be used in place of (list technical specification or other reference number, [e.g. Page III-1, item])  
\_\_\_\_\_.
2. Description of approved equal request/substitution  
\_\_\_\_\_
3. Product purpose \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Does this proposed approved equal request/substitution meet all applicable federal, state and local laws and regulations? \_\_\_\_\_

5. List three (3) transit properties within the United States which have used the proposed approved equal request/substitution (list California properties first).

A. Company Name \_\_\_\_\_  
Street Address \_\_\_\_\_  
City/State/Zip Code \_\_\_\_\_  
Area Code/Telephone No.\_(\_\_\_\_\_) \_\_\_\_\_  
Name Of Contact Person \_\_\_\_\_

B. Company Name \_\_\_\_\_  
Street Address \_\_\_\_\_  
City/State/Zip Code \_\_\_\_\_  
Area Code/Telephone No.\_(\_\_\_\_\_) \_\_\_\_\_  
Name Of Contact Person \_\_\_\_\_

C. Company Name \_\_\_\_\_  
Street Address \_\_\_\_\_  
City/State/Zip Code \_\_\_\_\_  
Area Code/Telephone No.\_(\_\_\_\_\_) \_\_\_\_\_  
Name Of Contact Person \_\_\_\_\_

6. List the benefits and any other reasons why the District should approve this request for approved equal/substitution.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Attach pertinent test data, technical data and background information on the approved equal substitution request.

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,  
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) \_\_\_\_\_ certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this bid had one or more public transactions (Federal, State or local) terminated for cause or default.

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) \_\_\_\_\_, CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.

\_\_\_\_\_  
Signature and Title of Authorized Official

**LOBBYING CERTIFICATION**  
**(Only for Contracts above \$100,000)**

**Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96).
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name \_\_\_\_\_

Signature of Authorized Official \_\_\_\_\_

Name and Title of Authorized Official \_\_\_\_\_

Date \_\_\_\_\_

**BUY AMERICA PROVISION**  
**(Only for Contracts above \$100,000)**

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

**BUY AMERICA CERTIFICATE**

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

# CONTRACTOR DBE INFORMATION

CONTRACTOR'S NAME \_\_\_\_\_  
 DBE GOAL FROM CONTRACT \_\_\_\_\_ %  
 FED. NO. \_\_\_\_\_  
 COUNTY \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 CONTRACT NO. \_\_\_\_\_

CONTRACTOR'S ADDRESS \_\_\_\_\_  
 \_\_\_\_\_  
 PROPOSAL AMOUNT \$ \_\_\_\_\_  
 PROPOSAL OPENING DATE \_\_\_\_\_  
 DATE OF DBE CERTIFICATION \_\_\_\_\_  
 SOURCE \*\* \_\_\_\_\_

This information must be submitted during the initial negotiations with the District. By submitting a proposal, offeror certifies that he/she is in compliance with the District's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

| CONTRACT<br>ITEM NO. | ITEM OF WORK AND DESCRIPTION OF<br>WORK OR SERVICES TO BE SUBCONTRACTED<br>OR MATERIALS TO BE PROVIDED * | CERTIFICATION<br>FILE NUMBER | NAME OF DBE | DOLLAR<br>AMOUNT<br>DBE *** | PERCENT<br>DBE |
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|

TOTAL CLAIMED DBE  
 PARTICIPATION      \$ \_\_\_\_\_      \_\_\_\_\_ %

\_\_\_\_\_  
SIGNATURE OF CONTRACTOR

\_\_\_\_\_  
DATE

\_\_\_\_\_  
AREA CODE/TELEPHONE

(Detach from proposal if DBE information is not submitted with proposal.)

- \* If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- \*\* DBE's must be certified on the date proposals are opened.
- \*\*\* Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

**NOTE:** Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

# CONTRACTOR DBE INFORMATION

| CONTRACT<br>ITEM NO. | ITEM OF WORK AND DESCRIPTION OF<br>WORK OR SERVICES TO BE SUBCONTRACTED<br>OR MATERIALS TO BE PROVIDED * | CERTIFICATION<br>FILE NUMBER | NAME OF DBE | DOLLAR<br>AMOUNT<br>DBE *** | PERCENT<br>DBE |
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|

---

---

TOTAL CLAIMED DBE  
PARTICIPATION      \$ \_\_\_\_\_      \_\_\_\_\_ %

---

---

## PART III

### SPECIFICATIONS FOR VEHICLE BODY REPAIR AND PAINT SERVICE

#### 1. General Description

The specifications described below set forth the minimum requirements for the quantity and quality of work to be provided hereunder. As used herein, the term "work" refers to the articles, equipment, materials, supplies and labor as specified, designated or otherwise required by the Request for Proposals (RFP). Additional terms, conditions and requirements pertaining to the methods and manner of performing the work are described elsewhere in the RFP.

Except where specified to the contrary herein, all work shall be new and shall be supplied with the equipment and accessories indicated as standard equipment in manufacturer's published descriptions, owner's manuals, and other literature for said work. No advantage shall be taken by the Contractor in omitting any unspecified article that goes into making the work complete and ready for immediate use.

#### 2. Description of Work, Body Repair and Paint

- 2.1 The Contractor shall provide body repair and painting services, as required, for the District's buses, vans, cars, service trucks and utility vehicles. These services shall include, but not be limited to the following: body panel/structure repair and replacement; repair and replacement of glazing frames and glazing; addition or production of truck/bus accessory body parts as specified by the District. Bus refurbishments and body related retrofit work will be negotiated at the time of repair. District fleet consists of approximately one hundred thirteen (113) buses, thirty-two (32) Para Transit vans, six (6) Para Transit buses and forty-three (43) sedans, vans, trucks and pickups. The District currently has fifteen (15) CNG powered transit buses with thirty-five (35) buses to be converted to CNG.
- 2.2 All parts replaced during the course of a repair shall be OEM unless otherwise instructed by the District. **If repair progress to vehicle is delayed by excessive lead times on parts delivery, the District reserves the right to provide parts to Contractor.**
- 2.3 Upon completion of the body repair, the Contractor will paint the areas of the vehicle required, matching the existing paint type, color, and graphic layout. The Contractor will install all applicable decals on each vehicle prior to delivery in their original location. The District normally will provide all required decals. The Contractor will be responsible for the safe removal of exterior District advertising decals, if such removal is necessary to perform required work in accordance with the scope of these specifications. The removed decals will not be reused and shall be properly disposed of by the Contractor at the Contractor's expense. District reserves the right to negotiate with successful Contractor to provide specialty decals not available to the District on an item-by-item basis.
- 2.4 The District makes no representation or guarantee as to the minimum or maximum amount of body repair and paint services to be purchased under this contract. District estimates that repairs shall not exceed \$100,000.00 per year.

#### 3. Estimates

- 3.1 When vehicle body repair and/or paint services are required, Contractor shall provide a written estimate of the time and expense required to perform the work on that vehicle to the District's Manager of Maintenance prior to commencement of work. Estimates may be submitted before Contractor has picked up the vehicle. **Estimates shall include the number of calendar days required to complete the job.** All work will be required to be completed within Contractor's written estimate and District's Notice to Proceed.

- 3.2 The Contractor will inspect each vehicle to be repaired and will provide a written estimate for the work to be performed. The District will provide the Contractor with a written notice to proceed with each repair. The successful Contractor and the District will establish and agree upon the amount of vehicle body repair and paint service required to be done on each vehicle at time of repairs.
- 3.3 All of the Contractor's written estimates shall include both the cost and time schedule required to complete the work. If the Contractor needs to change the schedule the Contractor shall communicate this schedule change request to the District. This change will then be agreed upon and confirmed in writing by the District.
- 3.4 Vehicle availability will be subject to District service needs.

#### **4. Qualification Of Contractors**

The District may reject the proposal of any Contractor deemed not to possess the minimum qualifications to perform the required work. In order to be deemed minimally qualified, a Contractor must:

- 4.1 Be a person or firm having the capabilities of providing Vehicle Body Repair Services and Repainting Services as described in the Technical Specifications; and
- 4.2 Have the facility, equipment, materials, tools and labor capable of performing the aforementioned service; and
- 4.3 Be properly licensed in accordance with the State Bureau of Automotive Repairs and comply with all state and local codes required to perform the specified services.
- 4.4 Have knowledge and experience in repairing compressed natural gas powered vehicles.
- 4.5 The District reserves the right to inspect the Contractor's premises prior to Contract award or at any time during the Contract period.
- 4.6 Each Contractor shall submit the form entitled "List of References," Page II-3, which is a list of three (3) firms for which it provides or has provided comparable services.
- 4.7 Failure to provide information regarding experience may result in rejection of the proposal.

#### **5. Interpretation Of The Contract Specifications**

- 5.1 If any person contemplating submitting a proposal for the proposed Contract is in doubt as to the true meaning of any provision of these Contract Specifications, he or she shall submit to the District's Purchasing Agent, a written request for an interpretation or clarification. The District will respond to such requests prior to proposal opening.
- 5.2 Any interpretation, change, or correction of these specifications will be made by written addenda only, duly issued by the District Purchasing Agent. Copies of such addenda will be mailed or delivered to each firm receiving a set of specifications. All oral modifications of these specifications are void and ineffective.

#### **6. Approved Equal Requests**

- 6.1 It is understood that specifying a brand name, or specific types of components and/or equipment in these specifications shall not relieve the Contractor from its responsibility to furnish the end product in accordance with the warranty and contractual requirements. The Contractor is responsible for notifying the District of any inappropriate brand names, or types of components and/or equipment that may be called for in these specifications, and to propose a suitable substitute for consideration. Unless otherwise specifically provided in the specifications, reference to any equipment, material, article or patented process by trade name, make or catalog number shall be regarded as establishing a standard of quality and shall not be construed as limiting competition. A Contractor may, at its option, use any equipment, material, article, or process which, in the judgment of the District, is equal to that designated. To do so a Contractor shall furnish, at its own expense, all

test results, technical data and background information required by the District in making the determination as to whether the proposed equipment, material or article or process, in the judgment of the Purchasing Agent, is equal to that designated.

- 6.2 The District shall be the sole judge as to the comparative quality and suitability of alternative equipment, articles, material or process, and its decision shall be final.

## **7. Approved Equal Procedures**

- 7.1 Prospective Contractors may discuss these specifications with the District's Purchasing Agent. This, however, will not relieve Contractors from the procedure of submitting written documented requests as required by 7.2 below.

- 7.2 Requests for Approved Equals must be received by the District in writing (110 Vernon Street, Suite B, Santa Cruz, CA 95060) or by facsimile at (831) 469-1958 or by email ([llongnec@scmtd.com](mailto:llongnec@scmtd.com)) **no later than November 16, 2007.** No such requests will be considered by the District if received after this date.

- 7.3 Each request for an approved equal pertaining to a specified product requirement in the Technical Specifications must be accompanied by a completed "Request for Approved Equal Form" (Form A-1) for each work item request, a sample copy of which is included in this package and identified as "Form A-1."

- 7.4 Failure to submit "Form A-1" with each item request for approved equal may result in denial of the request.

- 7.5 In addition, any request for an Approved Equal must be fully supported with technical data, test results or other pertinent information as evidence that the substitute offered is equal to or better than the specification requirement, including, any test requirements in the specifications that pertain to an item under consideration for Approved Equal must be submitted with the request for Approved Equal.

- 7.6 All requests for Approved Equals shall be addressed to the District Purchasing Agent.

- 7.7 A "denial" response from the District on a properly submitted written approved equals request or, in the absence of written requests for approved equals per the requirements and in the form set forth above, such submission or lack of submission thereof shall constitute a Contractor's acknowledgment and acceptance of all terms, conditions, specifications and provisions contained in this solicitation or the Approved Equal, as applicable.

- 7.8 The District's reply to requests received pursuant to 7.2 above, **will be postmarked by November 20, 2007.** District reserves the right to postpone this deadline or the proposal opening for its own convenience.

## **8. Pick-Up and Delivery**

- 8.1 For all vehicles requiring service under this Contract, the Contractor is responsible for pickups from and deliveries to the designated location, at the Contractor's sole expense. **All drivers operating District vehicles shall possess a valid Class B commercial operator's license with "P" endorsement.** In the event that a vehicle is determined by the District to not be drivable, the District will arrange to have the vehicle towed to the Contractor's facility at the District's expense.

- 8.2 Within seven working days after the District conveys its request to the Contractor for the complete repainting of a particular vehicle, the Contractor shall pick up the vehicle from the designated location, perform the required repainting services, and deliver the vehicle to the designated location. Delivery location will be the Fleet Maintenance facility, 111 Dubois Street, Santa Cruz during the hours of 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 4:00 p.m. **Contractor shall provide District with twenty-four (24) hour notice prior to Contractor's personnel appearing at District's facility to drive vehicle to back to Contractor's work site.**

## **9. Quality**

- 9.1 All body repair and paint service work shall be of first class quality, and the workmanship shall be the best obtainable in various trades. All paintwork shall be applied uniformly and evenly and be free of runs, drips, bubbles, orange peel and sags. All black rubber trim, tires and windows shall be free of paint over spray. All interior surfaces shall be free of dust, dirt and paint over spray.
- 9.2 No advantage shall be taken by the Contractor in the omission of any part or detail that is required to make the District's vehicles complete and ready for service, even though such parts or detail are not mentioned in these specifications.
- 9.3 All materials or parts not specified shall be the manufacturer's standard (OEM or better) units. In all cases, material must be furnished as specified, but if the term "approved equal" is used, the District's Fleet Maintenance Manager must approve any materials or equipment substituted for the specified material or equipment prior to submitting an estimate.

## **10. Location of Work**

All work is to be performed on the Contractor's premises. In order to minimize the wear and tear and mileage on District vehicles, the work required under this Contract shall be performed at a facility located within 100 miles of the Santa Cruz County borders.

## **11. Term of Contract**

- 11.1 The term of the contract will be for a period of two (2) years and shall commence upon the signing of the agreement by the successful Contractor and the District. At the option of the District, this contract agreement may be renewed for three (3) additional one (1) year terms under the same terms and conditions.
- 11.2 On option years only, Contractor will be allowed to increase rates. Rate increases may not exceed the annual percentage change of the Consumer Price Index for the San Francisco, Oakland, San Jose Area or percentage increases in Contractor's published prices, whichever is lower. In all cases, the District may cancel the contract if a requested price increase(s) is not acceptable.

## **12. Description of Work, Complete Repaints**

- 12.1 The Contractor shall provide complete repaints of the District's buses, when requested. The buses to be repainted shall be 24 feet, 35 feet, and 40 feet long. Cost estimates for each bus size will be provided by the Contractor on the proposal response.
- 12.2 For the purposes of establishing a base price for complete repaints, the Contractor shall provide a price for "Standard Repaints," which are described below:
- 12.2.1 Remove decals and strip entire bus of body hardware and accessories to allow for proper preparation for repainting.
  - 12.2.2 Provide minor body repair work as needed (minor scratches, dents, etc.).
  - 12.2.3 Prepare all surfaces for proper paint adhesion using compatible etching and primer products. All standard preparatory labor shall be included in the standard repaint unit cost.
  - 12.2.4 Finish paint all surfaces with PPG paint products (or approved equal) in three colors as listed below:  
White - DCC 8631 Dark Blue - DCC 16223 Aqua – DCC 48973
  - 12.2.5 Yellow Decal to be 3M Scotchlite 3" wide, Part No. 75-0001-6455-0
  - 12.2.6 All front and rear bus bumpers and fenders shall be primed with self etching primer, Dupont Variprime 616 or equivalent and painted with black acrylic Dupont Centauri enamel paint with

Centauri 99A hardener and 793 flattener.

- 12.2.7 All District vehicles requiring a clear coat process will be specified at time of repairs. The clear coat process will be the PPG LOW VOC two-stage process to match the manufacturer's paint and process.
- 12.2.8 Finished paint shall measure a minimum of 1.5 millimeters thick, measured from bus metal body to the surface of paint finish.
- 12.2.9 Buses will adhere to the exact dimensional graphics layout as provided on the buses when repainted. The District reserves the right to request minor layout variations to conform to updated District standards.
- 12.2.10 Upon completion of the painting, the Contractor shall install all applicable decals on the vehicle prior to delivery. Normally all required decals will be provided by the District.
- 12.2.11 Bus interiors will be cleaned and be free of dust and dirt prior to delivery back to the District.
- 12.2.12 The District and Contractor will establish the amount of work to be done on each vehicle at time of repairs. Each vehicle will be inspected for corrosion and body damage. Any corrosion detected will be removed and the exposed surface treated with a corrosion inhibitor.
- 12.2.13 Body damage will be repaired according to industry standards with minimal use of body filler. All repairs shall include a primer coat and at least one coat of paint. All parts used shall be original equipment manufacture's parts. Contractor may substitute after market or used parts when it is agreed upon in writing between the Contractor and District as the most cost effective way to perform specific repairs.

### **13. Receiving Inspection**

- 13.1 The successful Contractor will deliver all repaired vehicles to District's Maintenance facility at 111 Dubois Street, Santa Cruz during the receiving hours of 8:00 a.m. - 12:00 p.m. and 1:00 p.m. - 4:00 p.m. All receiving documents must accompany delivered vehicle. Receiving documents will include a detailed invoice listing all applicable charges and assigned District purchase order number.
- 13.2 Within five (5) working days from the time of delivery, the vehicle shall be inspected to confirm compliance with all the agreed upon repair specifications. If, upon inspection for conformance to the requirements of this specification, deficiencies are detected, the vehicle repair job will be rejected and the Contractor will be required to make the necessary adjustments, replacements or repairs at Contractor's expense. If the vehicle is rejected, it shall be the Contractor's responsibility to pickup the vehicle, make the necessary corrections and re-deliver the vehicle for re-inspection and acceptance. Payment will not be made until the defects are corrected.

### **14. Final Acceptance**

Repaired vehicles will not be accepted until all deficiencies detected during initial and subsequent inspections are corrected.

### **15. Warranty**

All workmanship and materials provided by the Contractor will be warranted for a period of one (1) year from the date the work was accepted by the district.

### **16. Responsibility**

The Contractor shall assume responsibility for all materials and labor for the services provided for under this Contract, whether the same are provided by the Contractor or purchased from an outside source.

## **17. Liquidated Damages**

17.1 Time is of the essence in this contract. The Contractor shall pay to the District the sum of sixty dollars (\$60.00) per day for each and every calendar day that the Contractor fails to provide the required items as specified in these Contract Documents and Technical Specifications subject to extensions granted thereto in writing by the District.

17.2 The Contractor agrees to pay such liquidated damages as herein provided and, in case the same are not paid, agrees that the District may deduct the amount thereof from any money due or to become due to the Contractor under the Contract. The Contractor will be granted an extension of time and will not be assessed with liquidated damages for any delay in the delivery of items ordered beyond the time period specified for delays caused by acts of God or of the public enemy, fire, floods, epidemics, quarantine, restrictions, strikes, labor disputes, shortage of materials and freight embargoes, or other causes deemed by the District to be beyond the reasonable control of the Contractor, provided Contractor notifies the District in writing of the causes of delay within five (5) calendar days from the beginning of any such delay. The District shall ascertain the nature of the delay and determine whether an extension of time is warranted, which determination shall be final and conclusive. Contractor has the burden of proof that the delay was beyond its control.

## **18. District's Use of Alternate Contractors**

The District will retain the right to seek outside estimates from alternate suppliers for any repair or repainting work specified within this Contract. The District may at its sole discretion, place this work with alternate suppliers if this is deemed to be in the best interest of the District.

## **19. Proposal Forms**

Proposals must be submitted on the proposal forms provided (yellow pages). Proposals submitted in any other form will be considered non responsive and may be rejected. Any proposal which is conditioned in whole or in part, which revises or omits any requirement or provision of the Contract Documents and Specifications, which is based on any substitution for an item specified in the Contract Documents and Specifications when such substitution has not received formal approval by the District, or which includes an escalation clause or any other requirements or provisions not contained in the Contract Documents and Specifications may be considered non responsive, and for that reason rejected.

## **20. Proposal Prices/Completion Of Proposal Forms**

20.1 In Section 1 of the Proposal Form, Contractor shall enter its per hour labor rate for performing body repair services on District buses, automobiles, vans and service trucks. This rate must be shown as the straight time hourly labor rate. Contractor shall multiply its hourly rate by the District's estimated service hour requirements (6,000 service hours) for a two (2) year period and enter extended price.

20.2 In Section 2, Contractor shall enter its unit proposal price for complete repaints (as described in Part III, item 12) of District buses based on the sizes shown. Contractor shall multiply each unit proposal price by the estimated number of units for the extended price.

20.3 In Section 3, Contractor must enter the percentage mark-up for repair parts, for a two (2) year period. The \$50,000.00 figure shown in Section 3 is a representative number only. The actual cost of repair parts may differ from this number. Contractors shall multiply the estimated cost of repair parts for a two (2) year period by the Contractor's percentage markup. Contractors shall add the dollar amount to the estimated cost of repair parts and enter it into the "Extended" column.

20.4 If repair parts are provided by the Contractor, such parts will be provided to the District at the Contractor's net cost, plus the percentage mark-up quoted on the Proposal Form.

20.5 Where prices are called for on the Proposal Form, the prices shall include all costs required to perform the work, including overhead, profits, services, insurance, delivery/pickup charges and any and all other applicable costs.

20.6 The term of this Contract commences on the date of execution and shall remain in force for a two (2) year period thereafter. All rates offered shall remain firm through this contract period. At the option of the District, this contract may be renewed for three (3) additional one (1) year terms under the same conditions with any rate increases not to exceed the annual percentage change of the Consumer Price Index (CPI) for the San Francisco –Oakland – San Jose Area. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent. The effective date of the CPI adjustment, if any, will commence on either; 1) the first day of the third and/or subsequent year(s) term of the contract, or 2) the date of the Contractor’s request, whichever event is later.

20.7 Contractor must complete the "Extended " column by multiplying the estimated quantity by the unit price. Contractor shall enter in the " Total Proposal Price for a Two Year Contract " space the total of all "Extended " amounts.

20.8 In the event there is a discrepancy between the computed extension price and the unit price, the unit price shall control and the mathematical error will be corrected accordingly.

20.9 Contractor must offer a price proposal on all items shown on the proposal form. Failure to do so may result in rejection of the proposal.

**21. Evaluation Criteria**

21.1 Award of contract will be based on information provided in response to the RFP and a variety of factors, including costs, evaluation of proposals according to District specified criteria, consideration of any exceptions taken to District’s proposed contract terms and conditions, qualifications and experience, information provided by offeror’s references for whom work of a similar nature has been done, and Disadvantaged Business Enterprise (DBE) participation.

21.2 Proposals submitted by each offeror shall be evaluated separately based on how well the proposal meets the District’s criteria. Selection will be based on written proposals alone.

21.3 If a single proposal is received in response to this RFP, the District will be required to perform a detailed cost/price analysis in order to award the contract.

21.4 The overall evaluation process will be performed by a Evaluation Committee. The evaluation criteria set forth at the end of this section will be the sole basis for determining the technical acceptability of proposals. The technical proposal should be specific and complete in every detail. Reference checks may be made of the top rated offeror(s).

21.5 Proposals will be evaluated according to the following criteria, which shall be the sole criteria for determining qualifications for contract award:

| <b>Criteria</b>                                       | <b>Points</b>     |
|---|-------------------|
| Cost Proposal   | 35 points         |
| Experience and Qualifications                         | 25 points         |
| Proposed Turnaround Time for Repaints and Repairs     | 20 points         |
| References  | 15 points         |
| Disadvantaged Business Enterprise (DBE) participation | 5 points          |
| <b>Total Points Possible</b>                          | <b>100 points</b> |

## **PART IV**

### **GENERAL CONDITIONS TO THE CONTRACT**

#### **1. GENERAL PROVISIONS**

##### **1.01 Governing Law & Compliance with All Laws**

This Contract is governed by and construed in accordance with the laws of California. Each party will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

##### **1.02 Right to Modify Contract**

District may extend the term of this Contract, expand the Scope of Work, or otherwise amend the Contract. Any such extension, expansion or amendment shall be effective only upon written agreement of the parties in accordance with Section 13.14.

#### **2. TERMINATION**

##### **2.01 Termination for Convenience**

2.01.01 The performance of Work under this Contract may be terminated by the District upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever the District determines that such termination is in the District's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by the District, the Contractor shall: (1) stop work under the Contract on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (4) assign to the District in the manner, at the time, and to the extent directed by the District all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the District shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (5) settle all outstanding liabilities and claims arising out of such termination or orders and subcontracts, with the approval or ratification of the District, to the extent the District may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to the District and deliver in the manner, at the time, and to the extent, if any, directed by District the fabricated or unfabricated parts, work in progress, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the work terminated and the completed or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to the District; (7) use its best efforts to sell, in the manner, at the time, to the extent, and at the price(s) directed or authorized by the District, any property of the types referred to above provided, however, that the Contract shall not be required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed by and at a price(s) approved by the District, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to the District to the Contractor under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract or paid in such other manner as the District may direct; (8) complete performance of

such part of the Work as shall not have been terminated by the notice of termination; and (9) take such action as may be necessary, or as the District may direct, for the protection or preservation of the property related to this Contract which is in the possession of the Contractor and in which the District has or may acquire an interest.

## 2.02 Termination for Default

2.02.01 The District may, upon written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor: (1) fails to complete the Scope of Work within time period stated in the Specifications section of the IFB; (2) fails to perform any of the other provisions of the Contract; or (3) fails to make progress as to endanger performance of this Contract in accordance with its provisions.

2.02.02 If the Contract is terminated in whole or in part for default, the District may procure, upon such terms and in such manner as the District may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to the District, the Contractor shall be liable to the District for any excess costs for such similar supplies or services, and shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.

2.02.03 If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of Contractor and District shall be considered to have been terminated pursuant to termination for convenience of the District pursuant to Article 2.01 from the date of Notification of Default.

## 2.03 No Limitation

The rights and remedies of the District provided in this Article 2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

## 3. FORCE MAJEURE

### 3.01 General

Neither party hereto shall be deemed to be in default of any provision of this Contract, or for any failure in performance, resulting from acts or events beyond the reasonable control of such party. For purposes of this Contract, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control; provided, however, that the provisions of this Section 3 shall not preclude District from canceling or terminating this Contract (or any order for any product included herein), as otherwise permitted hereunder, regardless of any force majeure event occurring to Contractor.

### 3.02 Notification by Contractor

Contractor shall notify District in writing as soon as Contractor knows, or should reasonably know, that a force majeure event (as defined in Section 3.01) has occurred that will delay completion of the Scope of Work. Said notification shall include reasonable proofs required by the District to evaluate any Contractor request for relief under this Article 3. District shall examine Contractor's notification and determine if the Contractor is entitled to relief. The District shall notify the Contractor of its decision in writing. The District's decision regarding whether or not the Contractor is entitled to force majeure relief shall be final and binding on the parties.

### 3.03 Losses

Contractor is not entitled to damages, compensation, or reimbursement from the District for losses resulting from any "force majeure" event.

#### 4. PROFESSIONAL STANDARDS

Contractor shall at all times during the term of this Contract possess the technical ability, experience, financial ability, overall expertise, and all other skills, licenses, and resources necessary to perform and complete the scope of work in a timely, professional manner so as to meet or exceed the provisions of this Contract.

#### 5. PROFESSIONAL RELATIONS

##### 5.01 Independent Contractor

No relationship of employer and employee is created by this Contract. In the performance of its work and duties, Contractor is at all times acting and performing as an independent Contractor in the practice of its profession. District shall neither have nor exercise control or direction over the methods by which Contractor performs services pursuant to this Contract (including, without limitation, its officers, shareholders, and employees); provided, however, that Contractor agrees that all work performed pursuant to this Contract shall be in strict accordance with currently approved methods and practices in its profession, and in accordance with this Contract. The sole interest of District is to ensure that such services are performed and rendered in a competent and cost effective manner.

##### 5.02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against the District for social security benefits, workers' compensation benefits, disability benefits, unemployment benefits, vacation pay, sick leave, or any other employee benefit of any kind.

#### 6. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS

##### 6.01 Scope

Contractor shall exonerate, indemnify, defend, and hold harmless District (which for the purpose of Articles 6 and 7 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

6.01.01 Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which District may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, or arising out of, or in any manner connected with the Contractor's performance under the provisions of this Contract. Such indemnification includes any damage to the person(s) or property (ies) of Contractor and third persons.

6.01.02 Any and all Federal, state and local taxes, charges, fees, or contributions required to be paid with respect to Contractor, Contractor's officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

#### 7. INSURANCE

##### 7.01 General

Contractor, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain at minimum all of the following insurance coverage. Such insurance coverage shall be primary coverage as respects District and any insurance or self-insurance maintained by District shall be excess of Contractor's insurance coverage and shall not contribute to it.

## 7.02 Types of Insurance and Minimum Limits

Contractor shall obtain and maintain during the term of this Contract:

- (1) Worker's Compensation and Employer's Liability Insurance in conformance with the laws of the State of California (not required for Contractor's subcontractors having no employees).
- (2) Contractor's vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by Contractor's employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit per accident for bodily injury and property damage.
- (3) Contractor shall obtain and maintain Comprehensive General Liability Insurance coverage in the minimum amount of \$1,000,000.00 combined single limit, including bodily injury, personal injury, and property damage. Such insurance coverage shall include, without limitation:
  - (a) Contractual liability coverage adequate to meet the Contractor's indemnification obligations under this contract.
  - (a) Full Personal Injury coverage.
  - (a) Broad form Property Damage coverage.
  - (a) A cross-liability clause in favor of the District.
- (4) Contractor shall obtain and maintain Professional Liability Insurance coverage in the minimum amount of \$1,000,000.00.

## 7.03 Other Insurance Provisions

- (1) As to all insurance coverage required herein, any deductible or self-insured retention exceeding \$5,000.00 shall be disclosed to and be subject to written approval by District.
- (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor shall maintain such insurance coverage for three (3) years after expiration of the term (and any extensions) of this Contract.
- (3) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance shall contain the following endorsement as a part of each policy: "The Santa Cruz Metropolitan Transit District is hereby added as an additional insured as respects the operations of the named insured."
- (4) All the insurance required herein shall contain the following clause: "It is agreed that this insurance shall not be canceled until thirty (30) days after the District shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify District in writing at least thirty (30) days in advance of any reduction in any insurance policy required under this Contract.
- (6) Contractor agrees to provide District at or before the effective date of this Contract with a certificate of insurance of the coverage required.
- (6) All insurance shall be obtained from brokers or carriers authorized to transact business in California and are satisfactory to the District.

## 8. SINGLE PROPOSAL

If only one proposal is received in response to the RFP, Offeror may be required to submit to District within five (5) days of District demand, a detailed cost proposal. The District may conduct a cost or price analysis of the cost proposal to determine if the proposal price(s) are fair and reasonable. Offeror shall cooperate with District in compiling and submitting detailed information for the cost and price analysis.

## 9. NO DISCRIMINATION

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or, sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR, Part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as recipient deems appropriate.

## 10. DISADVANTAGED BUSINESS ENTERPRISES

The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE's) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the Contractor shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

### I. PROMPT PAYMENT

#### 11.01 Prompt Progress Payment to Subcontractors

The prime Contractor or subcontractor shall pay to any subcontractor not later than 10-days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-days is applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with the District's prior written approval. Any violation of Section 7108.5 shall subject the violating Contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the Contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the Contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

#### A. Prompt Payment of Withheld Funds to Subcontractors

The District shall hold retainage from the prime Contractor and shall make prompt and regular incremental acceptances of portions, as determined by the District of the contract work and pay retainage to the prime Contractor based on these acceptances. The prime Contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the District. Any delay or postponement of payment may take place only for good cause and with the District's prior written approval. Any violation of these provisions shall subject the violating prime Contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the Contractor or subcontractor in the event of: a dispute involving late payment or nonpayment by the Contractor; deficient subcontractor performance; and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

Prime subcontractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime Contractor to uphold prompt payment requirements for subcontractors will result in District withholding reimbursement for completed work.

## 12. RESERVED

## 13. MISCELLANEOUS PROVISIONS

### 13.01 Successors and Assigns

The Contract shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties hereto, except that nothing contained in this Article shall be construed to permit any attempted assignment which would be unauthorized or void pursuant to any other provision of this Contract.

### 13.02 Survival of Rights and Obligations

In the event of termination, the rights and obligations of the parties which by their nature survive termination of the services covered by this Contract shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Contract shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended as provided in Section 13.15; and the hold harmless agreement contained in Article 6 shall survive.

### 13.03 Limitation on District Liability

The District's liability is, in the aggregate, limited to the total amount payable under this Contract.

### 13.04 Drug and Alcohol Policy

Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract or while on District premises or distribute same to District employees.

### 13.05 Publicity

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

### 13.06 Consent to Breach Not Waiver

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

### 13.07 Attorneys' Fees

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

### 13.08 No Conflict of Interest

Contractor represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Contract.

13.09 Prohibition of Discrimination against Qualified Handicapped Persons

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

13.10 Cal OSHA/Hazardous Substances

13.10.01 Contractor shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on District property, (2) ensure that its employees take appropriate protective measures, and (3) provide the District's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on District property.

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify the District against any and all damage, loss, and injury resulting from non-compliance with this Article.

13.10.03 Contractor will comply with the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 - 25249.13. Contractor will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.

13.10.04 Contractor shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Contractor. Contractor shall be solely responsible for all clean-up efforts and costs.

13.11 Non-Assignment of Contract

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or Contractor's right, title or interest in or to the same or any part thereof without previous written consent by the District; and any such action by Contractor without District's previous written consent shall be void.

13.12 No Subcontract

Contractor shall not subcontract or permit anyone other than Contractor or its authorized staff and subcontractors to perform any of the scope of work, services or other performance required of Contractor under this Contract without the prior written consent of the District. Any such action by Contractor without District's previous consent shall be void.

13.13 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect, and shall in no way be affected, impaired or invalidated.

13.14 All Amendments in Writing

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

13.15 Audit

This Contract is subject to audit by Federal, State, or District personnel or their representatives at no cost for a period of four (4) years after the date of expiration or termination of the Contract. Requests for audits shall be made in writing, and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request. During the four-year period that the Contract is subject to audit, Contractor shall maintain detailed records substantiating all costs and expenses billed against the Contract.

13.16 Smoking Prohibited

Contractor, its employees and agents shall not smoke in any enclosed area on District premises or in a District vehicle.

13.17 Responsibility for Equipment

13.17.01 District shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment used by Contractor, or any of its employees, even though such equipment be furnished, rented or loaned to Contractor by District.

13.17.02 Contractor is responsible to return to the District in good condition any equipment, including keys, issued to it by the District pursuant to this Agreement. If the Contractor fails or refuses to return District-issued equipment within five days of the conclusion of the contract work the District shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to Contractor or take other appropriate legal action at the discretion of the District.

13.18 Grant Contracts

13.18.01 Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

13.19 Time of the Essence

13.19.01 Time is of the essence in this Contract

## PART V

### CONTRACT FOR VEHICLE BODY REPAIR AND PAINT SERVICES (08-10)

THIS CONTRACT is made effective on \_\_\_\_\_, 2007 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and \_\_\_\_\_ ("Contractor").

1.     RECITALS

1.01    District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02    District's Need for Vehicle Body Repair and Services

District has the need for Vehicle Body Repair and Services. In order to obtain these services, the District issued a Request for Proposals, dated November 2, 2007, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03    Contractor's Proposal

Contractor is a firm/individual qualified to provide Vehicle Body Repair and Services and whose principal place of business is \_\_\_\_\_. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Vehicle Body Repair and Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04    Selection of Contractor and Intent of Contract

On \_\_\_\_\_, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide the Vehicle Body Repair and Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2.     INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01    Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A.     Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated November 2, 2007

B.     Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Vehicle Body Repair and Services, signed by Contractor and dated November 30, 2007.

2.02 Conflicts

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

2.03 Recitals

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

3. DEFINITIONS

3.01 General

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

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued November 2, 2007.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued November 2, 2007.

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

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

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed two (2) years and shall commence upon the issuance of the contract by the District. At the option of the District, this contract agreement may be renewed for three (3) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$\_\_\_\_\_ maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

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

DISTRICT

Santa Cruz Metropolitan Transit District  
370 Encinal Street  
Suite 100  
Santa Cruz, CA 95060  
Attention: General Manager

CONTRACTOR

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

7. AUTHORITY

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

Signed on \_\_\_\_\_

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR

By \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Margaret Rose Gallagher  
District Counsel

## **PART VI**

### **FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR NON-CONSTRUCTION CONTRACTS**

#### **1.0 GENERAL**

This Contract is subject to the terms of a financial assistance contract between the Santa Cruz Metropolitan Transit District and the Federal Transit Administration (FTA) of the United States Department of Transportation.

#### **2.0 INTEREST TO MEMBERS OF OR DELEGATES TO CONGRESS**

In accordance with 18 U.S.C. 431, no member of, nor delegates to, the Congress of the United States shall be admitted to a share or part of this Contract or to any benefit arising therefrom.

#### **3.0 INELIGIBLE CONTRACTORS**

Neither Contractor, subcontractor, nor any officer or controlling interest holder of Contractor or subcontractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government.

#### **4.0 EQUAL EMPLOYMENT OPPORTUNITY (Not applicable to contracts for standard commercial supplies and raw materials)**

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or application for employment because of race, religion, color, sex, age (40 or over), national origin, pregnancy, ancestry, marital status, medical condition, physical handicap, sexual orientation, or citizenship status. The Contractor shall take affirmative action to insure that applicants employed and that employees are treated during their employment, without regard to their race, religion, color, sex national origin, etc. Such actions shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

#### **5.0 TITLE VI CIVIL RIGHTS ACT OF 1964**

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

##### **5.1 Compliance with Regulations**

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract.

##### **5.2 Nondiscrimination**

The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited in Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the regulations.

### 5.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

### 5.4 Information and Reports

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the District or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information is required or a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the District, or the Federal Transit Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

### 5.5 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the District shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the Contractor under the Contract until the Contractor complies; and/or,
- (b) Cancellation, termination or suspension of the Contract, in whole or in part.

### 5.6 Incorporation of Provisions

The Contractor shall include the provisions of Paragraphs (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the District or the Federal Transit Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may require the District to enter into such litigation to protect the interests of the District, and, in addition, the Contractor may request the services of the Attorney General in such litigation to protect the interests of the United States.

## 6.0 CLEAN AIR AND FEDERAL WATER POLLUTION CONTROL ACTS (Applicable only to contracts in excess of \$100,000)

Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Contractor shall report all violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329).

## 7.0 CONSERVATION

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq.).

## 8.0 AUDIT AND INSPECTION OF RECORDS (Applicable only to sole source or negotiated contracts in excess of \$10,000)

Contractor agrees that the District, the Comptroller General of the United States, or any of their duly authorized representatives shall, for the purpose of audit and examination, be permitted to inspect all work, materials, payrolls and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three years after District makes final payments and all other pending matters are closed.

## 9.0 LABOR PROVISIONS (Applicable only to contracts of \$2,500.00 or more that involve the employment of mechanics or laborers)

### 9.1 Overtime Requirements

No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1 1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week, whichever is greater.

### 9.2 Violation; Liability for Unpaid Wages; Liquidated Damages

In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of which such individual was required or permitted to work in excess of eight (8) hours in excess of the standard work week of forty (40) hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5.

### 9.3 Withholding for Unpaid Wages and Liquidated Damages

DOT or the District shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5.

### 9.4 Nonconstruction Grants

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of

the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, the District shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the Contractor or subcontractor for inspection, copying or transcription by authorized representatives of DOT and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

#### 9.5 Subcontracts

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (5) of this paragraph.

#### 10.0 CARGO PREFERENCE (Applicable only to Contracts under which equipment, materials or commodities may be transported by ocean vehicle in carrying out the project)

The Contractor agrees:

- 10.1 To utilize privately owned United States-flag commercial vessels to ship at least fifty percent (50%) of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States- flag commercial vessels.
- 10.2 To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above, to the District (through the prime Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington D. C. 20590, marked with appropriate identification of the project.
- 10.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract.

#### 11.0 BUY AMERICA PROVISION

This procurement is subject to the Federal Transportation Administration Buy America Requirements in 49 CFR 661. A Buy America Certificate, if required format (see Form of Proposal or Bid Form) must be completed and submitted with the proposal. A proposal that does not include the certificate shall be considered non-responsive. A waiver from the Buy America Provision may be sought by the District if grounds for the waiver exist. Section 165a of the Surface Transportation Act of 1982 permits FTA participation on this Contract only if steel and manufactured products used in the Contract are produced in the United States. In order for rolling stock to qualify as a domestic end product, the cost of components produced in the United States must exceed sixty percent (60%) of the cost of all components, and final assembly must take place in the United States.

## 12.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

### 12.1 Policy

It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this Agreement.

### 12.2 DBE Obligation

District and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, District and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. District and Contractor shall not discriminate on the basis of race, creed, color, national origin, age or sex in the award and performance of DOT-assisted Contracts.

### 12.3 Transit Vehicle Manufacturers

Transit vehicle manufacturers must certify compliance with DBE regulations.

## 13.0 CONFLICT OF INTEREST

No employee, officer or agent of the District shall participate in selection, or in the award of administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when (1) the employee, officer or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) an organization that employs, or is about to employ, has a financial or other interest in the firm selected for award. The District's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, potential Contractors or parties of sub agreements.

## 14.0 MOTOR VEHICLE EMISSION REQUIREMENTS (Applicable only to Contracts involving the purchase of new motor vehicles)

The Contractor must provide a certification that:

- (a) The horsepower of the vehicle is adequate for the speed, range, and terrain in which it will be required and also to meet the demands of all auxiliary equipment.
- (b) All gases and vapors emanating from the crankcase of a spark-ignition engine are controlled to minimize their escape into the atmosphere.
- (c) Visible emission from the exhaust will not exceed No. 1 on the Ringlemann Scale when measured six inches (6") from the tail pipe with the vehicle in steady operation.
- (d) When the vehicle has been idled for three (3) minutes and then accelerated to eighty percent (80%) of rated speed under load, the opacity of the exhaust will not exceed No. 2 on the Ringlemann Scale for more than five (5) seconds, and not more than No. 1 on the Ringlemann Scale thereafter.

## 15.0 MOTOR VEHICLE SAFETY STANDARDS (Applicable only to contracts involving the purchase of new motor vehicles)

The Contractor will assure that the motor vehicles purchased under this contract will comply with the Motor Vehicle Safety Standards as established by the Department of Transportation at 49 CFR Parts 390 and 571.

## 16.0 DEBARRED BIDDERS

The Contractor, including any of its officers or holders of a controlling interest, is obligated to inform the District whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, Contractor shall so inform the District.

## 17.0 PRIVACY (Applicable only to Contracts involving the administration of any system of records as defined by the Privacy Act of 1974, on behalf of the Federal Government)

### 17.1 General

The District and Contractor agree:

- (a) To comply with the Privacy Act of 1974, 5 U.S.C. 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Contract involves the design, development or operation of any system of records on individuals to be operated by the District, its Contractors or employees to accomplish a Government function.
- (b) To notify the Government when the District or Contractor anticipates operating a system of records on behalf of the Government in order to accomplish the requirements of this Agreement, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Agreement until the necessary approval and publication requirements applicable to the system have been carried out. The District or Contractor, as appropriate, agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act.
- (c) To include the Privacy Act Notification contained in this Agreement in every subcontract solicitation and in every subcontract when the performance of Work under the proposed subcontract may involve the design, development or operation of a system of records on individuals that is to be operated under the Contract to accomplish a Government function; and
- (d) To include this clause, including this paragraph in all in subcontracts under which Work for this Agreement is performed or which is awarded pursuant to this Agreement or which may involve the design, development, or operation of such a system of records on behalf of the Government.

### 17.2 Applicability

For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a Government function, the District, third party Contractors and any of their employees are considered to be employees of the Government with respect to the Government function and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to contracts effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this clause will make this Agreement subject to termination.

### 17.3 Definitions

The terms used in this clause have the following meanings:

- (a) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of the Government including the collection, use and dissemination of records.
- (b) "Records" means any item, collection or grouping of information about an individual that is maintained by the District or Contractor on behalf of the Government, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.
- (c) "System of records" on individuals means a group of any records under the control of the District or Contractor on behalf of the Government from which information is retrieved by the name of the individual or by some identifying number, symbol or other identifying particular assigned to the individual.

#### 18.0 PATENT RIGHTS (Applicable only to research and development contracts)

If any invention, improvement or discovery of the District or Contractors or subcontractors is conceived or first actually reduced to practice in the course of or under this project which invention, improvement, or discovery may be patentable under the Patent Laws of the United States of America or any foreign country, the District (with appropriate assistance of any Contractor or subcontractor involved) shall immediately notify the Government (FTA) and provide a detailed report. The rights and responsibilities of the District, third party Contractors and subcontractors and the Government with respect to such invention will be determined in accordance with applicable Federal laws, regulations, policies and any waivers thereof.

#### 19.0 RIGHTS IN DATA (Applicable only to research and development contracts)

The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents, machine forms such as punched cards, magnetic tape or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related information. The term does not include financial reports, cost analyses and similar information incidental to contract administration.

All "subject data" first produced in the performance of this Agreement shall be the sole property of the Government. The District and Contractor agree not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such data. Except for its own internal use, the District and Contractor shall not publish or reproduce such data in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of the Government until such time as the Government may have released such data to the public. This restriction, however, does not apply to Agreements with academic institutions.

The District and Contractor agree to grant and do hereby grant to the Government and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive and irrevocable license throughout the world:

- (a) To publish, translate, reproduce, deliver, perform, use and dispose of, in any manner, any and all data not first produced or composed in the performance of this Contract but which is incorporated in the work furnished under this Contract; and
- (b) To authorize others so to do.

District and Contractor shall indemnify and save and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the District and Contractor of proprietary rights, copyrights or

rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Contract.

Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

The third and fourth paragraphs under Section 19.0 above are not applicable to material furnished to the District or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by the District or Contractor at the time of delivery of such work.

In the event that the project, which is the subject of this Agreement, is not completed, for any reason whatsoever, all data generated under that project shall become subject data as defined in the Rights in Data clause in this Contract and shall be delivered as the Government may direct. This clause shall be included in all subcontracts under this Contract.

## 20.0 NEW RESTRICTIONS ON LOBBYING

### 20.1 Prohibition

- (a) Section 1352 of Title 31, U.S. Code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The prohibition does not apply as follows:
  - (i) Agency and legislative liaison by Own Employees.
  - (ii) Professional and technical services by Own Employees.
  - (iii) Reporting for Own Employees.
  - (iv) Professional and technical services by Other than Own Employees.

### 20.2 Disclosure

- (a) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, included in Form of Proposal or Bid Forms, that the person has not made, and will not make, any payment prohibited by Section 20.1 of this clause.
- (b) Each person who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non- appropriated funds (to include profits from any covered Federal action), which would be prohibited under Section 20.1 of this clause if paid for with appropriated funds.
- (c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (c)(2) of this section. An event that materially affects the accuracy of the information reported includes:

- (i) a cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
  - (ii) a change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
  - (iii) a change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (d) Any person who requests or receives from a person referred to in paragraph (c)(i) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.
- (e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (c)(i) of this section. That person shall forward all disclosure forms to the agency.

### 20.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

### 20.4 Penalties.

- (a) Any person who makes an expenditure prohibited under Section 20.1 of this clause shall be subject to a civil penalty of not less than \$10,000 for each such expenditure.
- (b) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- (c) Contractors may rely without liability on the representations made by their sub- Contractors in the certification and disclosure form.

### 20.5 Cost allowability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

## PART VII

### SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURES

#### PROCUREMENT PROTESTS

All protests shall be filed, handled and resolved in a manner consistent with the requirements of Federal Transit Administration (FTA) Circular 4220.1E Third Party Contracting Guidelines dated June 19, 2003 and the Santa Cruz Metropolitan Transit District's (DISTRICT) Protest Procedures which are on file and available upon request.

Current FTA Policy states that: "Reviews of protests by FTA will be limited to:

- (1) a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest; or
- (2) violation of Federal law or regulation.

An appeal to FTA must be received by the cognizant FTA regional or Headquarters Office within five (5) working days of the date the protester learned or should have learned of an adverse decision by the grantee or other basis of appeal to FTA" (FTA Circular 4220.1E, Section 7, paragraph 1., Written Protest Procedures)

Protests relating to the content of this Request for Proposal (RFP) package must be filed within ten (10) calendar days after the date the RFP is first advertised. Protests relating to a recommendation for award solicited by this RFP must be filed by an interested party within five (5) calendar days after the staff's written recommendation and notice of intent to award is issued to the offerors. The date of filing shall be the date of receipt of protests or appeals by the DISTRICT.

All Protests shall be filed in writing with the Assistant General Manager, Santa Cruz Metropolitan Transit District, 370 Encinal Street, Suite 100, Santa Cruz, CA 95060. **No other location shall be acceptable.** The DISTRICT will respond in detail to each substantive issue raised in the protest. The Assistant General Manager shall make a determination on the protest normally within ten (10) working days from receipt of protest. Any decision rendered by the Assistant General Manager may be appealed to the Board of Directors. The Protester has the right within five (5) working days of receipt of determination to file an appeal restating the basis of the protest and the grounds of the appeal. In the appeal, the Protester shall only be permitted to raise factual information previously provided in the protest or discovered subsequent to the Assistant General Manager's decision and directly related to the grounds of the protest. The Board of Directors has the authority to make a final determination and the Board of Director's decision shall constitute the DISTRICT's final administrative remedy.

In the event the protestor is not satisfied with the DISTRICT's final administrative determination, they may proceed within 90 days of the final decision to State Court for judicial relief. The Superior Court of the State of California for the County of Santa Cruz is the appropriate judicial authority having jurisdiction over Proposal Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Offeror may withdraw its protest or appeal at any time before the DISTRICT issues a final decision.

Should the DISTRICT postpone the date of proposal submission owing to a protest or appeal of the solicitation specifications, addenda, dates or any other issue relating to this procurement, the DISTRICT shall notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that an appeal/protest had been filed, and the due date for proposal submission shall be postponed until the DISTRICT has issued its final decision.

A letter of protest must set forth the grounds for protest and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protestor is responsible for adhering to the DISTRICT's protest procedures.

An Offeror may seek FTA review of the DISTRICT's decision. A protest appeal to the FTA must be filed in accordance with the provisions of FTA circular 4220.1E. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under the DISTRICT's protest procedure. Protest appeals should be filed with:

Federal Transit Administration  
Regional Administrator Region IX  
201 Mission Street, Suite 2210  
San Francisco, CA 94105-1839

Phone  
(510) 744-2190

7969 Enterprise Drive  
Newark, California 94560

Fax  
(510) 713-8541

November 23, 2007

Santa Cruz Metropolitan Transit  
Purchasing Office  
110 Vernon Street, Suite B  
Santa Cruz, CA 95060

Re: Vehicle Body Repairs and Paint Services (RFP No. 08-10)

Dear Purchasing Office,

Thank you for the opportunity to submit a proposal for body repairs and paint services.

I have been working in the paint and body repair industry for 31 years. Classic Graphics has been business since 1992. We have many qualified employees with a range of knowledge from being ASE & I-CAR Certified to employees who have received on the job training for 2 to 25 years. We feel confident that our shop will be able to meet your needs and ask that you call upon our references to confirm our statement.

An actual turn a round time for repairs cannot be determined until the job is estimated; however, from previous experiences we can estimate an approximate time frame for turn a round on an average body and spot refinish one color to be three days, body and spot refinish two colors to be four days and body and spot refinish three colors to be five days. We also estimate a proposed time of five to seven working days for a complete paint job.

If you have any questions, please contact me at (510) 744-2190.

Again, thank you for the opportunity to submit a proposal for services. We look forward to hearing from your office soon.

Sincerely,



Tracy Lewis

President

T & J LEWIS, Inc.

DbA CLASSIC GRAPHICS

PART II

GENERAL INFORMATION FORM

VEHICLE BODY REPAIR AND PAINT SERVICES RFP NO. 08-10

(To be completed by the offeror and placed at the front of your proposal)

T & J LEWIS INC.  
dba Classic Graphics

Legal Name of Firm

11-21-07

Date

7969 Enterprise Drive, Newark, CA 94560

Firm's Address

(510) 744-2190

Telephone Number

(510) 713-8541

FAX Number

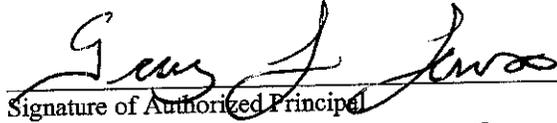
Corporation

Type of Organization (Partnership, Corporation, etc)

80-0010376

Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.



Signature of Authorized Principal

Tracy S. Lewis, President

Name of Principal-in-Charge and Title

Tracy Lewis

Name of Project Manager and Title

Tracy Lewis, President + lewis@classicgraphicsbodyshop.com

Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

7969 Enterprise Drive, Newark CA 94560

Addresses Where Correspondence Should Be Sent

Paint & Body Repairs

Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

---



---



---



---

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals

Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.

|   | UNIT COST                | EXTENDED      |
|---|--------------------------|---------------|
| <b>SECTION 1 – Labor Rate</b>   |                          |               |
| 1. Labor Rate For Providing Body Repair Services  | \$ 50. <sup>00</sup> /hr |               |
| 2. 6,000 Estimated hours for a two-year contract x labor rate   |                          | \$ 300,000.00 |
| <b>SECTION 2 – Complete Repaints of Buses</b>   |                          |               |
| Cost For Complete Repaints Of Buses (Based On Estimated Number Of Units)  |                          |               |
| 3. Two Each 24 Ft Buses   | \$ 2,675.00              | \$ 5,350.00   |
| 4. Eight Each 35 Ft Buses   | \$ 3,250.00              | \$ 26,000.00  |
| 5. Eight Each 40 Ft Buses   | \$ 3,550.00              | \$ 28,400.00  |
| 6. Time for Completion. All work to repaint a bus will be completed within <u>7</u> calendar days after receipt of bus at Contractor's work site.   |                          |               |
| 7. Total of SECTION 2   | (Add Lines 3, 4, & 5)    | \$ 59,750.00  |
| <b>SECTION 3 – Repair Parts *</b>   |                          |               |
| 8. District's Estimate Of Repair Parts For A Two-Year Contract  |                          | \$50,000.00   |
| 9. Contractor's Mark-Up On Cost Of Parts  | 10 %                     |               |
| 10. Dollar Amount Of Mark-Up (\$50,000 x line 9)  |                          | \$ 5,000.00   |
| 11. Total of SECTION 3  | (Add Lines 8 and 10)     | \$ 55,000.00  |
| 12. TOTAL PRICE PROPOSED FOR A TWO-YEAR CONTRACT  | (Add Lines 2, 7, & 11)   | \$ 414,750.00 |
| 12 Payment Terms Offered: _____ % Net _____ Days (District will consider cash discounts if payment terms allow a minimum of fourteen (14) calendar days for payment. Cash discounts will not be considered in determining the award of contract.) |                          |               |
| * If repair progress to vehicle is delayed by excessive lead times on parts delivery, District reserves the right to provide parts to Contractor.   |                          |               |

**LIST OF REFERENCES**

(Do not use Santa Cruz Metropolitan Transit District as a reference)

1. COMPANY NAME San Mateo County Transit  
STREET ADDRESS 301 No. Access Road  
CITY, STATE, ZIP So San Francisco, CA 94083  
NAME OF PERSON TO CONTACT Elliott Rivas  
AREA CODE/PHONE # 650-508-6413
  
2. COMPANY NAME Allied Waste Services  
STREET ADDRESS 42600 Boyce Road  
CITY, STATE, ZIP Fremont, CA 94538  
NAME OF PERSON TO CONTACT Dan Nelson  
AREA CODE/PHONE # 510-657-1350
  
3. COMPANY NAME Coca Cola Bottling Co.  
STREET ADDRESS 1551 Atlantic Ave.  
CITY, STATE, ZIP Union City CA 94587  
NAME OF PERSON TO CONTACT Robert McKim  
AREA CODE/PHONE # 510-476-7050

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,  
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) T & J LEWIS INC DBA Classic Graphics certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this bid had one or more public transactions (Federal, State or local) terminated for cause or default.

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) T & J LEWIS INC  
DBA Classic Graphics CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.

  
Signature and Title of Authorized Official

**LOBBYING CERTIFICATION**  
(Only for Contracts above \$100,000)

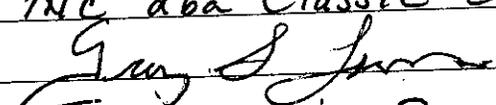
**Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96)
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any

Firm Name T+J LEWIS INC dba Classic Graphics  
Signature of Authorized Official   
Name and Title of Authorized Official Tracy S. Lewis, President  
Date 11-21-07

**BUY AMERICA PROVISION**  
**(Only for Contracts above \$100,000)**

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive

A false certification is a criminal act in violation of 18 U.S.C 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance

A waiver from the Buy America Provision may be sought by SCMID if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

**BUY AMERICA CERTIFICATE**

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: 11-21-07

Signature: *Gay J. Lewis*

Company Name: T+J LEWIS INC dba Classic Graphics

Title: President

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Leslie R. White, General Manager  
**SUBJECT: CONSIDERATION OF RECEIPT OF INFORMATION FROM THE GENERAL MANAGER REGARDING HIS ATTENDANCE AT THE FALL MEETING OF THE CALIFORNIA TRANSIT ASSOCIATION NOVEMBER 12-14, 2007**

## I. RECOMMENDED ACTION

**That the Board of Directors accept and file information from the General Manager regarding his attendance at the Fall Meeting of the California Transit Association November 12-14, 2007.**

## II. SUMMARY OF ISSUES

- The California Transit Association (CTA) held the 2007 Fall Meeting from November 12-14, 2007 in Anaheim, California.
- Mark Dorfman and I attended the CTA Fall Meeting representing Santa Cruz METRO.
- As a part of the CTA Fall Meeting a number of instructional sessions and committee meetings were held that I participated in.
- I attended and participated in sessions and committee meetings devoted to legislative issues, transit project funding and management issues, and succession planning.
- I also attended conference sessions addressing: land use and transportation planning issues, issues relating to the development of leaders in the transit industry, issues relating to small system operations, and issues related to "green" technology and global warming.
- Additionally I attended the meeting of the CTA Executive Committee, where I was sworn in as a newly elected Member of the Executive Committee for a two-year term that will be completed in November 2009.
- I attended the first meeting of the newly formed CTA Federal Reauthorization Task Force whose task is to develop a statewide position that will assure that the new federal authorization bill reflects the needs of the transit systems in California.

5-12.1

### **III. DISCUSSION**

The California Transit Association (CTA) held the 2007 Fall Meeting from November 12-14, 2007 in Anaheim, California. Mark Dorfman and I attended the CTA Fall Meeting representing Santa Cruz METRO. As a part of the CTA Fall Meeting a number of instructional sessions and committee meetings were held that I participated in.

I attended and participated in sessions and committee meetings devoted to legislative issues, transit project funding and management issues, and succession planning. I also attended conference sessions addressing: land use and transportation planning issues, issues relating to the development of leaders in the transit industry, issues relating to small system operations, and issues related to "green" technology and global warming.

Additionally I attended the meeting of the CTA Executive Committee, where I was sworn in as a newly elected Member of the Executive Committee for a two-year term that will be completed in November 2009. I attended the first meeting of the newly formed CTA Federal Reauthorization Task Force whose task is to develop a statewide position that will assure that the new federal authorization bill reflects the needs of the transit systems in California.

Overall, I found the CTA Fall Meeting to be very well balanced and informative. The time devoted to both committee meetings and instructional sessions was very productive. A considerable amount of attention and discussion was devoted to the State of California budget and the transit funding problems that it has caused. The current lawsuit that the CTA has filed against the State of California received a lot of attention. Lastly, the vendor equipment exhibits provided valuable information and insight into products that are being developed to improve the quality of transit services that are being provided to the citizens of California.

### **IV. FINANCIAL CONSIDERATIONS**

Funds for the General Manager and Assistant General Manager to attend the Fall Meeting of the California Transit Association were provided for in the FY 2008 Operating Budget.

### **V. ATTACHMENTS**

None

5-12.2

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Frank L. Cheng, Project Manager  
**SUBJECT: CONSIDERATION OF METROBASE STATUS REPORT**

## I. RECOMMENDED ACTION

**That the Board of Directors accept and file the MetroBase Status Report.**

## II. SUMMARY OF ISSUES

- Service Building work
  - Arntz Builders completing punch-list items.
  - Harris & Associates working with Arntz Builders for closeout material information.
- Maintenance Building
  - West Bay Builders continuing site work on 120 Golf Club Drive property
  - Storm Sewer connection work continuing on Golf Club Drive.
  - PG&E to provide more information for site work.
  - AT&T completing telecom plans.

## III. DISCUSSION

Arntz Builders is completing punch-list items to finalize Service & Fueling Building. Harris & Associates is working with Arntz Builders for closeout material information. Harris & Associates issued three non-conformances to Arntz Builders. The three include floor reflectivity, bus wash location, and alarm system. Arntz Builders is working to resolve the non-conformances with Harris & Associates.

West Bay Builders is continuing site work on 120 Golf Club Drive property. West Bay Builders is continuing work on Golf Club Drive for storm and sewer work. West Bay Builders completed the work that was needed for the storm drain on Highway 9 and continuing the work up Golf Club Drive towards the site. On the site, West Bay Builders is working on the Steel Joist Submittals with RNL Design and Harris & Associates.

In regards to electrical, METRO is having issues with PG&E in regards to turnaround time. Application was applied end of last year and METRO has not received final design drawings. METRO staff is continually contacting PG&E representatives for any information. In regards to AT&T, METRO will be receiving final plans for telecommunication materials needed for the project.

5-13.1

Information for the MetroBase Project can be viewed at <http://www.scmttd.com/metrobase>  
Information on the project, contact information, and MetroBase Hotline number (831) 621-9568  
can be viewed on the website.

New updates on the MetroBase Project:

- Arntz working on non-conformance issues.
- West Bay Builders continuing site work on 120 Golf Club Drive property.
- PG&E to provide more information for site work.
- AT&T completing Maintenance Building telecom plans.

Previous information regarding the MetroBase Project:

A. Service & Fueling Building (IFB 05-12)

- Arntz working on punch-list items and non-conformances.
- Arntz Builders completed trash enclosure and street repaving of Highway 9.
- On January 26, 2007, Board of Directors went on a tour of the MetroBase Project.
- Received Caltrans Encroachment Permit. Work completed.
- Department of Fish&Game approved work on outfall construction completed.
- Concrete Driven Piles completed end of May 2006.
- Arntz Builders providing training to METRO employees.
- Public Outreach Newsletter sent to areas possibly affected by construction.
- Notice to Proceed issue effective January 9, 2006 with 365 calendar day construction period.
- Weekly Construction Meetings

B. Maintenance Building (IFB 06-01)

- On November 20, 2006, METRO received signed copies of IFB 06-01 from West Bay Builders including agreement to Labor Harmony provisions included in award letter.
- IFB 06-01 Maintenance Building awarded to West Bay Builders for \$15,195,000 contingent upon Labor Harmony provision in award letter.
- Tilt-up panels installed, West Bay Builders working on steel joists.
- RNL contract modified for added Maintenance Building scope
- Harris & Associates contract modified for added Maintenance Building scope.
- Weekly Construction Meetings.

#### IV. FINANCIAL CONSIDERATIONS

Funds for the construction of the Service & Fueling, and Maintenance Building Components of the MetroBase Project are available within the funds the METRO has secured for the Project.

5-13.2

**V. ATTACHMENTS**

**Attachment: NONE**

5-13.3

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Maintenance  
**SUBJECT:** CONSIDERATION OF AWARD OF CONTRACT FOR PRINTING OF HEADWAYS BUS SCHEDULE AND TRANSPORTATION INFORMATION PUBLICATION WITH FRICKE-PARKS PRESS

## I. RECOMMENDED ACTION

**District Staff recommends that the Board of Directors authorize the General Manager to execute a contract for printing of Headways Bus Schedule and Transportation Information Publication with Fricke-Parks Press.**

## II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit bids from qualified firms.
- Five printing firms submitted bids for the District's review.
- District staff has reviewed all submitted bids.
- District staff is recommending that a contract be established with Fricke-Parks Press to provide printing of Headways Bus Schedule and Transportation Information Publication .

## III. DISCUSSION

Headways is the quarterly schedule book published by METRO to provide passengers and members of the public with current route and timetable information. On October 26, 2007, District Invitation for Bid No. 08-12 was mailed to twenty-three printing firms, was legally advertised, and a notice was posted on the District's web site. On November 27, 2007, bids were received and opened from five firms. A list of firms and a summary of the bids received are provided in Attachment A. District staff has reviewed all submitted bids.

District staff is recommending that a contract be established with Fricke-Parks Press to provide printing of Headways Bus Schedule and Transportation Information Publication for an amount not to exceed \$ 30,000. Contractor will provide all equipment and materials meeting all District specifications and requirements.

## IV. FINANCIAL CONSIDERATIONS

Annual costs for four production runs of *Headways* with a quantity of 40,000 schedules per run would cost \$29,940. These costs are included as part of the Customer Service budget.

5-14.1

**V. ATTACHMENTS**

**Attachment A:** Summary of Bids Received

**Attachment B:** Contract with Fricke-Parks Press

**Note: The IFB along with its Exhibits and any Addendum(s) are available for review at the Administration Office of METRO or online at [www.scmttd.com](http://www.scmttd.com)**

5-14.2

| Recap of IFB 08-12 Printing of Headways |   |                         | Folger Graphics | Southwest Offset<br>Printing                                     | Alonzo Printing<br>Company, Inc. | Fricke-Parks<br>Press | Office Depot |
|---|---|-------------------------|-----------------|--|----------------------------------|-----------------------|--------------|
| Item No.                                | Item Description  | Quantity                | Unit Price/M    | Unit Price/M   | Unit Price/M                     | Unit Price/M          | Unit Price/M |
| 1                                       | <b>BASE BID:</b> Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages   | Up to 4 production runs | \$ 199.90       | \$ 138.00  | \$ 235.10                        | \$ 172.47             | \$ 360.00    |
| 2                                       | <b>OPTION PRICING:</b> Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, 80 pages (Cost for an additional 8 pages)            | Up to 4 production runs | \$ 221.00       | \$ 147.00  | \$ 247.00                        | \$ 185.16             | \$ 400.00    |
| 3                                       | <b>OPTION PRICING:</b> Cost for an Additional 6,000 copies placed after delivery of 40,000 run of 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages | 6 M                     | \$ 471.75       | \$ 293.00  | \$ 447.00                        | \$ 328.96             | \$ 490.00    |
| 4                                       | <b>OPTION PRICING:</b> Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink plus one color (red) with grey-screen, 72 pages                        | Up to 4 production runs | \$ 248.00       | \$ 155.35  | \$ 270.20                        | \$ 197.47             | \$ 590.00    |
| 5                                       | <b>Total Base Bid for 4 production runs</b>   |                         | \$ 34,702.64    | \$ 23,956.80   | \$ 40,813.36                     | \$ 29,940.79          | \$ 62,496.00 |
|   | Debarment Certification   |                         | Yes             | Yes  | Yes                              | Yes                   | Yes          |
|   | Lobbying Certification  |                         | N/A             | N/A  | N/A                              | N/A                   | N/A          |
|   | Buy America Certification   |                         | N/A             | N/A  | N/A                              | N/A                   | N/A          |
|   | DBE Information   |                         | N/A             | N/A  | N/A                              | N/A                   | N/A          |
|   | Sample Provided   |                         | Yes             | Yes  | Yes                              | Yes                   | No           |
|   | Exceptions  |                         |                 | Finished Size will be 8" x 10-1/4" not 8" x 10-1/2" as specified |                                  |                       |              |
|   | Notes   |                         |                 | Bid Rejected for specification deviation                         |                                  |                       |              |

5-14.01

Attachment A

**CONTRACT FOR PRINTING OF HEADWAYS (08-12)**

THIS CONTRACT is made effective on January 1, 2008 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and **FRICKE-PARKS PRESS** ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Printing of HEADWAYS

District requires the printing of HEADWAYS to be used for standard purposes. In order to obtain said printing of HEADWAYS the District issued an Invitation for Bids, dated October 26, 2007 setting forth specifications for such printing of HEADWAYS. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Contractor's Bid Form

Contractor is a printing company whose principal place of business is 33250 Transit Avenue, Union City, California. Pursuant to the Invitation for Bids by the District, Contractor submitted a bid for Provision of said printing of HEADWAYS which is attached hereto and incorporated herein by reference as Exhibit B.

1.04 Selection of Contractor and Intent of Contract

On December 21, 2007, District selected Contractor as the lowest responsive, responsible bidder to provide said printing of HEADWAYS. The purpose of this Contract is to set forth the provisions of this procurement.

1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in This Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' Contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14 of the General Conditions of the Contract.

a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids" dated October 26, 2007.

b) Exhibit B (Bid Form)

Contractor's Bid Form to the District for Item, signed by Contractor and dated November 27, 2007.

2.02 Conflicts

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

2.03 Recitals

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

3. TIME OF PERFORMANCE

3.01 General

Contractor shall perform work under this Contract at such times to enable it to meet the time schedules specified in the Specifications Section of the IFB. The Contractor shall not be responsible for delays caused by force majeure events described in Section 2 of the General Conditions of the Contract.

3.02 Term

The term of this Contract commences on the date of execution and shall remain in force for a one (1) year period thereafter. At the option of the District, this contract may be renewed for four (4) additional one (1) year terms under the same conditions with any cost increases not to exceed the annual percentage change of the Consumer Price Index for the San Francisco – Oakland – San Jose Area. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

4. COMPENSATION

4.01 Terms of Payment

Upon written acceptance, District agrees to pay Contractor the rates as identified in the Bid Form, Exhibit B, with a total amount not to exceed \$30,000 for satisfactory completion of work under the terms and provisions of this Contract within thirty (30) days thereof. Contractor understands and agrees that if he/she exceeds the \$30,000 maximum amount payable under this contract, that it does so at its own risk.

4.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District. Contractor's invoices shall include detailed records. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this contract; and (4) necessary for performance of the services. No expenses shall be paid by the District unless specifically allowed by this contract.

5. NOTICES

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

DISTRICT

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

Attention: General Manager

CONTRACTOR

Fricke-Parks Press  
33250 Transit Avenue  
Union City, CA 94587

Attention: Carlos Armenta, Sales Manager

6. AUTHORITY

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

Signed on \_\_\_\_\_

DISTRICT--SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR—FRICKE-PARKS PRESS

By \_\_\_\_\_  
Robert C. Parks  
Chairman

Approved as to Form:

\_\_\_\_\_  
Margaret Rose Gallagher  
District Counsel

**EXHIBIT -A-**

---

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

---

**Invitation for Bid (IFB)**

**For Printing of HEADWAYS Bus Schedule and  
Transportation Information Publication**

**District IFB No. 08-12**

---

**Date Issued: October 26, 2007**

**Bid Deadline: 2:00 p.m., November 27, 2007**

---



---

**Contents of this IFB**

|                          |   |
|--------------------------|---|
| Part I.                  | Bid Form  |
| Part II.                 | Instructions to Bidders                         |
| Part III.                | Specifications                                  |
| Part IV.                 | General Conditions of the Contract              |
| Part V.                  | Special Conditions of the Contract              |
| Part VI.                 | Contract  |
| Part VII.                | FTA Requirements for Non-Construction Contracts |
| Part VIII.               | Protest Procedures                              |
| HEADWAYS SAMPLE ATTACHED |   |

## PART I

### BID FORM

The undersigned ("Bidder"), upon acceptance by the District, agrees to furnish all labor, freight, transportation, materials, equipment, services, supplies and other work in accordance with the Invitation for Bids entitled Item dated October 26, 2007 at the following prices. The unit bid prices should NOT INCLUDE SALES, USE, EXCISE OR ANY OTHER TAX, they are to be shown in the second column if applicable.

| Item No. | Item Description  | Quantity                     | Unit Price (\$/M) | Tax (8.5 %) | Extended Price |
|----------|---|------------------------------|-------------------|-------------|----------------|
| 1        | <b>BASE BID:</b> Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages   | Up to 4 production runs/year |                   |             |                |
| 2        | <b>OPTION PRICING:</b> Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, <b>80 pages (Cost for an additional 8 pages)</b>     | Up to 4 production runs/year |                   |             |                |
| 3        | <b>OPTION PRICING: Cost for an Additional 6,000 copies placed after delivery of 40,000 run</b> of 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages | 6 M                          |                   |             |                |
| 4        | <b>OPTION PRICING:</b> Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink <b>plus one color (red)</b> with grey-screen, 72 pages                 | Up to 4 production runs/year |                   |             |                |
| 5        | Total   |                              |                   |             |                |

The successful bidder obligates him/herself to provide any or all of the bid items at the bid price. District reserves the right to award bid items separately or as a package. District may accept or reject the bid items at its discretion. Award of the bid will be based on totals provided for the Base Bid Items, Option Pricing shall not be used in the determination of low bid. The Board of Directors also reserves the right to reject all bids for any reason.

Bidder has examined and is fully familiar with all terms and conditions of the Invitation for Bids and any addenda issued by the District thereto, and Bidder unconditionally submits this bid in strict accordance with said Invitation for Bids. Bidder has carefully checked all words and figures shown on this Bid Form and has carefully reviewed the accuracy of all documents, representations, manufacturer's literature, and statements submitted with this bid.

Bidder understands that this bid constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of bid opening. If awarded the contract, bidder agrees to deliver to the District executed copies of the final contract and required insurance certificates within ten (10) calendar days of the date of the District Notice of Award. Said Notice of Award shall be deemed duly given to Bidder upon delivery if delivered by hand, or three (3) calendar days after posting if sent by mail to Bidder's address.

Bidder understands that no partial, conditional or qualified bids shall be accepted for any bid item. Bidder further understands the right of the District Board of Directors to accept or reject any or all bids received for any reason. The District reserves the right to waive minor irregularities.

Bidder has included manufacturers' brochures describing the equipment bid under this IFB. Any proposed deviation from any item in the IFB specifications has been delineated on said brochures or on a separate attachment included with the bid. Bidder represents that the equipment and other work bid meets the specifications in all respects unless clearly noted to the contrary in the bid submittal.

The contract, if awarded, will be to the lowest responsive, responsible bidder. Bidder understands that the "lowest responsible bidder" is the lowest bidder whose offer best responds in quality, fitness and capacity to the requirements of the Invitation for Bids. The District reserves the right to award to other than the lowest bidder if the District finds that the lowest bidder is not responsible.

Bidder acknowledges receipt of the following addenda to the Invitation for Bids. All cost adjustments or other requirements resulting from said addenda have been taken into consideration by the bidder and included in the bid.

Addenda No.'s \_\_\_\_\_

Bidder has submitted the following documents with the bid:

1. Exceptions, if any, taken to the specifications or other sections of the IFB. (Warning: Substantive exceptions will be cause for bid rejection.)
2. Copy of any standard warranties in accordance with the Specifications.
3. Manufacturer's specifications, description, promotional material describing the item bid.
4. Fully executed copy of the "Lobbying Certification" listed as Page I-4 of the Bid, if applicable
5. Fully executed copy of the "Buy America Provision Certification" listed as Page I-5 of the Bid, if applicable.

Bidder understands that bids shall be placed in a sealed envelope marked as indicated below and delivered to the Purchasing Office of the Santa Cruz Metropolitan Transit District, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 prior to the time of bid opening. Bids postmarked before bid opening but delivered afterward shall be rejected.

**IFB No. 08-12**  
**"Printing of HEADWAYS"**  
**Bid Opening 2:00 p.m., November 27, 2007**

Bidder has full power and authority to enter into and perform the work described in the Invitation for Bids on behalf of the company noted below.

---

Company Name

Indicate:

Sole Proprietorship    Partnership    Corporation

Joint Venture with \_\_\_\_\_

---

Street Address

---

City, State, Zip Code

---

Signature of authorized company official

---

Typewritten name of above and title

---

Name, title, and email address of person to whom correspondence should be directed

---

Telephone Number

FAX Number

---

Date

Federal Tax ID No.

The Santa Cruz Metropolitan Transit District is a special purpose District and is a subdivision of the State of California.

Listing of major subcontractors proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

---

---

---

---

---

---

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,  
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) \_\_\_\_\_ certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this bid had one or more public transactions (Federal, State or local) terminated for cause or default.

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) \_\_\_\_\_, CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.

\_\_\_\_\_  
Signature and Title of Authorized Official

**LOBBYING CERTIFICATION**  
**(Only for Contracts above \$100,000)**

**Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96).
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq. apply to this certification and disclosure, if any.

Firm Name \_\_\_\_\_

Signature of Authorized Official \_\_\_\_\_

Name and Title of Authorized Official \_\_\_\_\_

Date \_\_\_\_\_

**BUY AMERICA PROVISION  
(Only for Contracts above \$100,000)**

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

**BUY AMERICA CERTIFICATE**

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

# BIDDER DBE INFORMATION

BIDDER'S NAME \_\_\_\_\_  
 DBE GOAL FROM CONTRACT \_\_\_\_\_ %  
 FED. NO. \_\_\_\_\_  
 COUNTY \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 CONTRACT NO. \_\_\_\_\_

BIDDER'S ADDRESS \_\_\_\_\_  
 \_\_\_\_\_  
 BID AMOUNT \$ \_\_\_\_\_  
 BID OPENING DATE \_\_\_\_\_  
 DATE OF DBE CERTIFICATION \_\_\_\_\_  
 SOURCE \*\* \_\_\_\_\_

This information must be submitted during the initial negotiations with the District. By submitting a proposal, offeror certifies that he/she is in compliance with the District's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the bid or proposal non-responsive.

| CONTRACT<br>ITEM NO. | ITEM OF WORK AND DESCRIPTION OF<br>WORK OR SERVICES TO BE SUBCONTRACTED<br>OR MATERIALS TO BE PROVIDED * | CERTIFICATION<br>FILE NUMBER | NAME OF DBE | DOLLAR<br>AMOUNT<br>DBE *** | PERCENT<br>DBE |
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|

TOTAL CLAIMED DBE  
 PARTICIPATION \$ \_\_\_\_\_ %

\_\_\_\_\_  
 SIGNATURE OF BIDDER

\_\_\_\_\_  
 DATE

\_\_\_\_\_  
 AREA CODE/TELEPHONE

(Detach from proposal if DBE information is not submitted with bid.)

- \* If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- \*\* DBE's must be certified on the date bids are opened.
- \*\*\* Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

**NOTE:** Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

# BIDDER DBE INFORMATION

| CONTRACT<br>ITEM NO. | ITEM OF WORK AND DESCRIPTION OF<br>WORK OR SERVICES TO BE SUBCONTRACTED<br>OR MATERIALS TO BE PROVIDED * | CERTIFICATION<br>FILE NUMBER | NAME OF DBE | DOLLAR<br>AMOUNT<br>DBE *** | PERCENT<br>DBE |
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|
|----------------------|--|------------------------------|-------------|-----------------------------|----------------|

---

---

TOTAL CLAIMED DBE PARTICIPATION \$ \_\_\_\_\_ %

---

---

## **PART II**

### **INSTRUCTIONS TO BIDDERS**

1. **CONTENTS:** This Invitation for Bids (IFB) includes the (I) Bid Form, (II) Instructions to Bidders, (III) Specifications, (IV) General Conditions of the Contract, (V) Special Conditions of the Contract, (VI) Contract, (VII) FTA Requirements for Non-Construction Contracts, and (VIII) Formal Bidding Procedures. The final Contract with the Successful Bidder will be in the form and substance of the Contract (Part VI) included in the IFB.
2. **SUBMISSION OF BID:** Prior to the date and time of bid opening, all bids shall be delivered to the Purchasing Office of the District at 110 Vernon Street, Suite B, Santa Cruz, California, 95060. All bids shall be in a sealed envelope properly endorsed as to name and opening date. No bids received after said time or at any place other than the place as stated in the Notice and Invitation to Bidders will be considered. For example, bids postmarked before bid opening but received after shall be rejected. Telephone or electronic bids will not be accepted.
3. **BIDDER RESPONSIBILITY:** The District has made every attempt to provide all information needed by bidders for a thorough understanding of project terms, conditions and other requirements. It is expressly understood that it is Bidder's responsibility to examine and evaluate the work required under this Invitation for Bids (IFB) and the terms and conditions under which the work is performed. By submitting a bid, Bidder represents that it has investigated and agrees to all the terms and conditions of the IFB.
4. **BID FORM:** The bid shall be made on the Bid Form provided therefore and shall be enclosed in a sealed envelope marked and addressed as required. If the bid is made by a sole proprietor, it shall be signed with his/her full name and his address shall be given; if it is made by a partnership, it shall be signed with the co-partnership name by a member of the firm, who shall also sign his/her own name, and the name and address of each member shall be given; and if it is made by a corporation, it shall be signed by an officer or other individual who has the full and proper authorization to do so.

When the Bid Form is signed by an agent, other than the officer or officers of a corporation authorized to sign Contracts on its behalf, or is signed by an agent other than a partner of a partnership, or by an agent for an individual, a power of attorney must be submitted with the bid; otherwise, the bid will be rejected as irregular and unauthorized.

Blank spaces in the Bid Form shall be properly filled. The phraseology of the Bid Form must not be changed, and no additions shall be made to the items mentioned therein. Alterations by erasure or interlineation must be explained or noted in the bid over the signature of the Bidder. If the unit price and the total amount named by a Bidder for any item do not agree, the unit price alone will be considered as representing the Bidder's intention.

Submission of alternative bid or bids, except as specifically called for in the IFB, will render it informal and may cause its rejection.

5. **COMPETITIVE BIDDING:** If more than one bid is offered by any individual, firm, partnership, corporation, association, or any combination thereof, under the same or different names, all such bids may be rejected. A party who has quoted prices on materials or work to a Bidder is not thereby disqualified from quoting prices to other Bidders, or from submitting a bid directly for the materials or work if otherwise qualified to do so.

All Bidders are put on notice that any collusive agreement fixing the prices to be bid so as to control or affect the awarding of this Contract is in violation of the District's competitive bidding requirements and may render void any Contract let under such circumstances.

6. **EXPENSES TO BE INCLUDED IN BID PRICE:** Unless otherwise specified in the IFB, the bid price shall include all expenses necessary that go into making the items procured under the IFB complete and ready for immediate use by the District without additional expense. Bid price shall include, without limitation, all costs for labor, services, equipment, materials, supplies, transportation, installation, overhead, packing, cartage, insurance, license, fees, taxes, permits, bonds, inspection, and other expenses necessary to satisfy the provisions of the IFB, expressed and implied.

Unless bidder is specifically instructed to do otherwise in the Specifications section of this IFB, sales taxes shall be included in the bid price in the amount of 8.5 % of the total bid price. Federal Excise Tax, from which the District is exempt, should not be included in the bid price. A Federal Excise Tax Exemption certificate will be furnished to the successful Bidder.

Samples of items, when required, must be furnished free of expense to the District and, if not destroyed by tests may, upon request made at the time the samples are furnished, be returned at Bidder's expense.

7. **WITHDRAWAL OF BID:** Bidder may withdraw the bid before the expiration of the time during which bids may be submitted, without prejudice, by submitting a written request for its withdrawal to the District Secretary/General Manager.
8. **TIME OF DELIVERY:** Time of delivery is part of the bid and must be strictly adhered to by the Bidder. Bidder obligates itself to complete the work within the number of days specified in the Contract.
9. **CANVASS OF BID:** At the hour specified in the Notice of Invitation to Bidders, the District, in open session, will open, examine and publicly declare all bids received and shall announce each bidder's price. The remaining content of the bids shall not be made public until after an award is made by the Board of Directors or District Staff as appropriate. Bidders, their representatives and others interested, are invited to be present at the opening of bids. Award will be made or bids rejected by the District within the time period specified in the Bid, if none is specified, within sixty (60) days after the date of bid opening.
10. **RIGHT TO REJECT BIDS:** The District may reject any and all bids at its discretion, and may reject the bid of any party who has been delinquent or unfaithful in any former contract with the District. The right is reserved to reject any or all bids and to waive technical defects, as the interest of the District may require. The District may reject bids from Bidders who cannot satisfactorily prove the experience and qualifications outlined in the Instructions to Bidders.
11. **SINGLE BID:** If only one bid is received in response to the IFB, Bidder may be required to submit to District within five (5) days of District demand, a detailed cost proposal. The District may conduct a cost or price analysis of the cost proposal to determine if the bid price(s) are fair and reasonable. Bidder shall cooperate with District in compiling and submitting detailed information for the cost and price analysis.
12. **EXPERIENCE AND QUALIFICATIONS:** The Bidder may be required upon request of the District to prove to the District's satisfaction that the Bidder is responsible. Criteria used by the District to determine Bidder responsibility includes, without limitation, whether Bidder and its proposed contractors have the skill, experience, necessary facilities and financial resources to perform the Contract in a satisfactory manner and within the required time. Other criteria include whether the original equipment manufacturer of the items bid (1) has in operation, or has the capability to have in operation, a manufacturing plant adequate to assure delivery of all equipment within the time specified under the Contract and (2) has adequate engineering and service personnel, or has the capability to have such personnel, to satisfy any engineering or service problems that may arise during the warranty period and the useful life of all items bid. To help the District assess Bidder's responsibility and ability to provide continued parts, service, and engineering support for the useful life of all items bid, Bidder may be required to submit, at its own cost, its latest Dunn & Bradstreet report and its latest independently audited financial statements.
13. **APPROVED EQUALS:** In order to establish a basis of quality, certain items or processes may be specified by description or brand name. Unless otherwise specified, it is not the intent of the IFB to exclude other items or processes of equal value, utility or merit.

Bids for equivalent items meeting the standards of quality thereby indicated will be considered provided they are received by no later than fourteen calendar days before the date of bid opening. Any such bid shall include adequate information and samples, including technical data, test results, performance characteristics, life-cycle costs, and other salient characteristics to clearly describe the item or process offered and how it equals or exceeds the characteristics of the referenced brand or process.

Unless the Bidder clearly indicates otherwise in the bid, it is understood that he/she is offering a referenced brand or process as specified herein. The District reserves the right to determine whether a substitute offer is equivalent to, and meets the standards of, quality indicated by the brand name or process referenced.

14. **AWARD OF CONTRACT:** The award of the Contract, if awarded, will be to the responsive, responsible Bidder whose bid complies with the IFB in all respects, and whose ADJUSTED BID PRICE is the lowest of all qualified bids received. The methodology for determining the adjusted bid price is described in the Bid Form (Part I of the IFB). If the lowest responsive, responsible Bidder refuses or fails to execute the Contract, the District may award the Contract to the next lowest responsive, responsible Bidder or solicit new bids.
15. **EXECUTION OF CONTRACT:** The Contract shall be provided by the District in substantially the same form as provided in Part VI and shall be executed by the successful Bidder and returned to the District Purchasing Office (110 Vernon Street, Suite B, Santa Cruz, CA 95060) no later than ten (10) calendar days after the date of receipt of the Notice of Award. Successful Bidder shall submit the required insurance certificate(s) no later than ten (10) days after receipt of Notice of Award. Successful Bidder's execution and delivery of the insurance certificate(s) specified in the IFB is a condition precedent to the finalization of the Contract. In no event shall the successful Bidder commence work until it has received the signed Contract and notification from the District that the required insurance certificate(s) have been approved.
16. **ERRORS AND ADDENDA:** If omissions, discrepancies, or apparent errors are found in the IFB prior to the date of bid opening, the Bidder shall request a clarification from the District which, if substantiated, will be given in the form of addenda to all Bidders.
17. **NON-DISCRIMINATION:** The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability in the consideration for an award.
18. **DISADVANTAGED AND BUSINESS ENTERPRISES:** The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the Bidder shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.
19. **INQUIRIES AND CORRESPONDENCE DURING BIDDING PERIOD:** Questions pertaining to the Specifications and the Bid Documents during the bidding period shall be directed to the Purchasing Agent at (831) 426-0199.

## PART III

### SPECIFICATIONS FOR ITEM

#### 1. General Description

The specifications described below set forth the minimum requirements for the quantity and quality of work to be provided hereunder. The Printing of Headways shall meet or exceed the specifications attached hereto. As used herein, the term "work" refers to the articles, equipment, materials, supplies and labor as specified, designated or otherwise required by the Invitation for Bids (IFB). Additional terms, conditions and requirements pertaining to the methods and manner of performing the work are described elsewhere in the IFB.

#### 2. Specifications

- 2.1 The Santa Cruz Metropolitan Transit District requires the printing of "Headways" (Santa Cruz Metropolitan Transit District's Bus Schedule). "Headways" is a bus schedule and transportation information publication, printed in English only, which the District makes available to the public free of charge. A sample Headways is attached to this IFB.
- 2.2 The District will require "Headways" to be printed up to four times per year, 40,000 schedules per production run. The District reserves the right to select any of the options specified on a run-by-run basis. The District reserves the right to negotiate with successful bidder any specification changes that may occur.
- 2.3 Quotations are requested on a "per production run" basis, for a contract life of one year unless otherwise specified.
- 2.4 Printer is required to retain the plates between printings, in case the necessity arises in which a reprint must be done. Printer must provide a cost for an additional printing of 6,000 copies of "Headways" on the Bid Form.
- 2.5 Detailed specifications for the work requested is as follows:
  - 2.5.1 Quantity: 40,000 (English only)/production run, up to four times a year.
  - 2.5.2 Number of Finished Pages: 72 (Option Pricing for additional 8 pages).
  - 2.5.3 Image Size: 8" x 10.5".
  - 2.5.4 Binding: Stitched and trimmed, flexi-booklet.
  - 2.5.5 Paper Size: 35" web.
  - 2.5.6 Paper (Cover and Test Pages): 30# Recycled Newsprint.
  - 2.5.7 Ink: Black soy-based. (Option Pricing Plus one color –red) All screens are 100 lines per inch.
  - 2.5.8 Art: All text and art will be provided in a PDF file. Artwork can be provided either as 1-up camera-ready artwork, or on disk in PageMaker 6.5/Macintosh format. Specify which method your quote is based on. Content is designed in Adobe CS3 (Windows XP) and provided as a camera-ready, 72 page Adobe PDF file delivered via ftp.
  - 2.5.9 Bundling: Web tie in bundles of 50, turn at 25.
  - 2.5.10 Palletized: Headways must be palletized on a standard size pallet, four way access, in good condition. Headways are to be shrunk-wrapped with cardboard slip-sheet on top, and strapped with a skid or pallet on top of Headways. (This will allow Headways to be double stacked in District's warehouse.) Headways stacked on each pallet shall not exceed four feet in height.

**3. Price Quotation.**

Price shall be on the Bid Form to comply with the following requirements:

3.1 Run of 40,000, (up to 4 production runs/year) 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages (BASE BID).

3.2 Cost for **additional 8 pages** (OPTION).

3.3 Cost for **additional 6,000 copies** (OPTION).

3.4 Run of 40,000, (up to 4 production runs/year) 30# recycled newsprint and black soy-based ink **plus one color (red)** with grey-screen, 72 pages (OPTION).

3.5 The term of this Contract commences on the date of execution and shall remain in force for a one (1) year period thereafter. At the option of the District, this contract may be renewed for four (4) additional one (1) year terms under the same conditions with any cost increases not to exceed the annual percentage change of the Consumer Price Index for the San Francisco –Oakland – San Jose Area. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

**4. Qualifications of Bidder.**

No bidder shall be considered qualified for award of the contract unless he/she meets or exceeds all terms, conditions, and requirements of the Invitation for Bids at the time of bid opening. Samples of bidders work similar to the type of printing requested here shall be submitted with the bid for District review.

**5. Delivery.**

The District requires no more than a five (5) working-day production turnaround from the time Contractor receives final acceptance of proof by District until “Headways” is delivered. Vendor must notify District Facilities Maintenance personnel 24 hours prior to delivery at (831) 469-1960. All prices offered must include freight charges to District delivery site.

**6. Delivery Location and Requirements.**

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

**Delivery trucks must be equipped with a lift gate and have a pallet jack on board to expedite off-loading of Headways.**

## **PART IV**

### **GENERAL CONDITIONS TO THE CONTRACT**

#### **I. GENERAL PROVISIONS**

##### **1.01 Governing Law & Compliance with All Laws**

This Contract is governed by and construed in accordance with the laws of California. Each party will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect.

##### **1.02 Right to Modify Contract**

District may extend the term of this Contract, expand the Scope of Work, or otherwise amend the Contract. Any such extension, expansion or amendment shall be effective only upon written agreement of the parties in accordance with Section 13.14.

#### **2. TERMINATION**

##### **2.01 Termination for Convenience**

2.01.01 The performance of Work under this Contract may be terminated by the District upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever the District determines that such termination is in the District's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by the District, the Contractor shall: (1) stop work under the Contract on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (4) assign to the District in the manner, at the time, and to the extent directed by the District all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the District shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (5) settle all outstanding liabilities and claims arising out of such termination or orders and subcontracts, with the approval or ratification of the District, to the extent the District may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to the District and deliver in the manner, at the time, and to the extent, if any, directed by District the fabricated or unfabricated parts, work in progress, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the work terminated and the completed or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to the District; (7) use its best efforts to sell, in the manner, at the time, to the extent, and at the price(s) directed or authorized by the District, any property of the types referred to above provided, however, that the Contractor shall not be required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed by and at a price(s) approved by the District, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to the District to the Contractor under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract or paid in such other manner as the District may direct; (8) complete performance of such part of the Work as shall not have been terminated by the notice of termination; and (9)

take such action as may be necessary, or as the District may direct, for the protection or preservation of the property related to this Contract which is in the possession of the Contractor and in which the District has or may acquire an interest.

## 2.02 Termination for Default

- 2.02.01 The District may, upon written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor: (1) fails to complete the Scope of Work within time period stated in the Specifications section of the IFB; (2) fails to perform any of the other provisions of the Contract; or (3) fails to make progress as to endanger performance of this Contract in accordance with its provisions.
- 2.02.02 If the Contract is terminated in whole or in part for default, the District may procure, upon such terms and in such manner as the District may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to the District, the Contractor shall be liable to the District for any excess costs for such similar supplies or services, and shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.
- 2.02.03 If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of Contractor and District shall be considered to have been terminated pursuant to termination for convenience of the District pursuant to Article 2.01 from the date of Notification of Default.

## 2.03 No Limitation

The rights and remedies of the District provided in this Article 2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

## 3. FORCE MAJEURE

### 3.01 General

Neither party hereto shall be deemed to be in default of any provision of this Contract, or for any failure in performance, resulting from acts or events beyond the reasonable control of such party. For purposes of this Contract, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control; provided, however, that the provisions of this Section 3 shall not preclude District from canceling or terminating this Contract (or any order for any product included herein), as otherwise permitted hereunder, regardless of any force majeure event occurring to Contractor.

### 3.2 Notification by Contractor

Contractor shall notify District in writing as soon as Contractor knows, or should reasonably know, that a force majeure event (as defined in Section 3.01) has occurred that will delay completion of the Scope of Work. Said notification shall include reasonable proofs required by the District to evaluate any Contractor request for relief under this Article 3. District shall examine Contractor's notification and determine if the Contractor is entitled to relief. The District shall notify the Contractor of its decision in writing. The District's decision regarding whether or not the Contractor is entitled to force majeure relief shall be final and binding on the parties.

### 3.03 Losses

Contractor is not entitled to damages, compensation, or reimbursement from the District for losses resulting from any "force majeure" event.

#### 4. PROFESSIONAL STANDARDS

Contractor shall at all times during the term of this Contract possess the technical ability, experience, financial ability, overall expertise, and all other skills, licenses, and resources necessary to perform and complete the scope of work in a timely, professional manner so as to meet or exceed the provisions of this Contract.

#### 5. PROFESSIONAL RELATIONS

##### 5.01 Independent Contractor

No relationship of employer and employee is created by this Contract. In the performance of its work and duties, Contractor is at all times acting and performing as an independent contractor in the practice of its profession. District shall neither have nor exercise control or direction over the methods by which Contractor performs services pursuant to this Contract (including, without limitation, its officers, shareholders, and employees); provided, however, that Contractor agrees that all work performed pursuant to this Contract shall be in strict accordance with currently approved methods and practices in its profession, and in accordance with this Contract. The sole interest of District is to ensure that such services are performed and rendered in a competent and cost effective manner.

##### 5.02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against the District for social security benefits, workers' compensation benefits, disability benefits, unemployment benefits, vacation pay, sick leave, or any other employee benefit of any kind.

#### 6. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS

##### 6.01 Scope

Contractor shall exonerate, indemnify, defend, and hold harmless District (which for the purpose of Articles 6 and 7 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

6.01.01 Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which District may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, or arising out of, or in any manner connected with the Contractor's performance under the provisions of this Contract. Such indemnification includes any damage to the person(s) or property(ies) of Contractor and third persons.

6.01.02 Any and all Federal, state and local taxes, charges, fees, or contributions required to be paid with respect to Contractor, Contractor's officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

#### 7. INSURANCE

##### 7.01 General

Contractor, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain at minimum all of the following insurance coverage. Such insurance

coverage shall be primary coverage as respects District and any insurance or self-insurance maintained by District shall be excess of Contractor's insurance coverage and shall not contribute to it.

#### 7.02 Types of Insurance and Minimum Limits

Contractor shall obtain and maintain during the term of this Contract:

- (1) Worker's Compensation and Employer's Liability Insurance in conformance with the laws of the State of California (not required for Contractor's subcontractors having no employees).
- (2) Contractors vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by Contractor's employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit per accident for bodily injury and property damage.
- (3) Contractor shall obtain and maintain Comprehensive General Liability Insurance coverage in the minimum amount of \$1,000,000.00 combined single limit, including bodily injury, personal injury, and property damage. Such insurance coverage shall include, without limitation:
  - (a) Contractual liability coverage adequate to meet the Contractor's indemnification obligations under this contract.
  - (b) Full Personal Injury coverage.
  - (c) Broad form Property Damage coverage.
  - (d) A cross-liability clause in favor of the District.

#### 7.03 Other Insurance Provisions

- (1) As to all insurance coverage required herein, any deductible or self-insured retention exceeding \$5,000.00 shall be disclosed to and be subject to written approval by District.
- (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor shall maintain such insurance coverage for three (3) years after expiration of the term (and any extensions) of this Contract.
- (3) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance shall contain the following endorsement as a part of each policy: "The Santa Cruz Metropolitan Transit District is hereby added as an additional insured as respects the operations of the named insured."
- (4) All the insurance required herein shall contain the following clause: "It is agreed that this insurance shall not be canceled until thirty (30) days after the District shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify District in writing at least thirty (30) days in advance of any reduction in any insurance policy required under this Contract.
- (6) Contractor agrees to provide District at or before the effective date of this Contract with a certificate of insurance of the coverage required.

8. RESERVED

## 9. NO DISCRIMINATION

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or, sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR, Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as recipient deems appropriate.

## 10. DISADVANTAGED BUSINESS ENTERPRISES

The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE's) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the Contractor shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

## 11. PROMPT PAYMENT

### 11.01 Prompt Progress Payment to Subcontractors

The prime contractor or subcontractor shall pay to any subcontractor not later than 10-days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-days is applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with the District's prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

### 11.2 Prompt Payment of Withheld Funds to Subcontractors

The District shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the District of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the District. Any delay or postponement of payment may take place only for good cause and with the District's prior written approval. Any violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the contractor or subcontractor in the event of: a dispute involving late payment or nonpayment by the contractor; deficient subcontractor performance; and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

Prime subcontractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in District withholding reimbursement for completed work.

## 12. RESERVED

## 13. MISCELLANEOUS PROVISIONS

### 13.01 Successors and Assigns

The Contract shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties hereto, except that nothing contained in this Article shall be construed to permit any attempted assignment which would be unauthorized or void pursuant to any other provision of this Contract.

### 13.02 Survival of Rights and Obligations

In the event of termination, the rights and obligations of the parties which by their nature survive termination of the services covered by this Contract shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Contract shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended as provided in Section 13.15; and the hold harmless agreement contained in Article 6 shall survive.

### 13.03 Limitation on District Liability

The District's liability is, in the aggregate, limited to the total amount payable under this Contract.

### 13.04 Drug and Alcohol Policy

Contractor shall comply with Federal Transit Administration's (FTA) drug and alcohol testing regulations, 49 CFR Parts 653 and 654. Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract or while on District premises or distribute same to District employees.

### 13.05 Publicity

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

### 13.06 Consent to Breach Not Waiver

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

### 13.07 Attorneys' Fees

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

### 13.08 No Conflict of Interest

Contractor represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Contract.

### 13.09 Prohibition of Discrimination against Qualified Handicapped Persons

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

### 13.10 Cal OSHA/Hazardous Substances

13.10.01 Contractor shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on District property, (2) ensure that its employees take appropriate protective measures, and (3) provide the District's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on District property.

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify the District against any and all damage, loss, and injury resulting from non-compliance with this Article.

13.10.03 Contractor will comply with the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 - 25249.13. Contractor will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.

13.10.04 Contractor shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Contractor. Contractor shall be solely responsible for all clean-up efforts and costs.

### 13.11 Non-Assignment of Contract

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or Contractor's right, title or interest in or to the same or any part thereof without previous written consent by the District; and any such action by Contractor without District's previous written consent shall be void.

### 13.12 No Subcontract

Contractor shall not subcontract or permit anyone other than Contractor or its authorized staff and subcontractors to perform any of the scope of work, services or other performance required of Contractor under this Contract without the prior written consent of the District. Any such action by Contractor without District's previous consent shall be void.

### 13.13 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect, and shall in no way be affected, impaired or invalidated.

### 13.14 All Amendments in Writing

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

### 13.15 Audit

This Contract is subject to audit by Federal, State, or District personnel or their representatives at no cost for a period of four (4) years after the date of expiration or termination of the Contract. Requests for audits shall be made in writing, and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request. During the four-year period that the Contract is subject to audit, Contractor shall maintain detailed records substantiating all costs and expenses billed against the Contract.

#### 13.16 Smoking Prohibited

Contractor, its employees and agents shall not smoke in any enclosed area on District premises or in a District vehicle.

#### 13.17 Responsibility for Equipment

13.17.01 District shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment used by Contractor, or any of its employees, even though such equipment be furnished, rented or loaned to Contractor by District.

13.17.02 Contractor is responsible to return to the District in good condition any equipment, including keys, issued to it by the District pursuant to this Agreement. If the contractor fails or refuses to return District-issued equipment within five days of the conclusion of the contract work the District shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to contractor or take other appropriate legal action at the discretion of the District.

#### 13.18 Grant Contracts

13.18.01 Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

#### 13.19 Time of the Essence

Time is of the essence in this Contract.

## **PART V**

### **SPECIAL CONDITIONS OF THE CONTRACT**

#### **1. BASIC SCOPE OF WORK**

##### **1.01 Basic Scope of Work**

Contractor shall, without limitation, furnish and deliver equipment in accordance with the "Specifications" section of the Invitation for Bids, dated October 26, 2007.

#### **2. DEFINITIONS**

##### **2.01 General**

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

2.01.01 ACCEPTANCE DATE - The date on which delivery is deemed to be complete in accordance with the provisions of the Contract and accepted in writing by the District.

2.01.02 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2 of Part VI - "Contract for ITEM," and any written amendments made in accordance with Article 13.14 of Part IV - "General Conditions of the Contract".

2.01.03 CONTRACTOR - Synonymous with Bidder.

2.01.04 DAYS - Calendar Days

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

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

#### **3. BUY AMERICA CERTIFICATE**

Contractor shall comply with the requirements of Section 165(a) of the Surface Transportation Assistance Act of 1982 and the applicable regulations in 49 Code of Federal Register Part 661. As evidence of Contractor's knowledge and understanding and certification of intention of compliance, Contractor has executed a Buy America Certificate, which is included as part of the "Bid Form" and incorporated herein by reference. If steel and manufactured products are needed by Contractor for its performance under the provisions of the Contract, Contractor shall only use steel and manufactured products that were produced in the United States.

#### **4. LIQUIDATED DAMAGES**

If the work is not completed within the time required, damage will be sustained by the District. It is, and will be impracticable and extremely difficult to ascertain and determine the actual damage which the District will sustain by reason of such delay; and it is therefore agreed that the Contractor shall pay to the District fifty dollars (\$50.00) for each and every day's delay in finishing the Work beyond the time prescribed. If the Contractor fails to pay such liquidated damages, the District may deduct the amount thereof from any money due or that may become due the Contractor under the Contract.

The Work shall be regarded as completed upon the date the District has accepted the same in writing.

## 5. STATE CONTRACT PROVISIONS

- 5.01 In the performance of work under these provisions, Contractor and its subcontractors will not discriminate against any employee or applicant for employment because of race, religious creed, medical condition, color, marital status, ancestry, sex, age, national origin, or physical handicap (Government Code Section 12940 et seq.). Contractor and all its subcontractors will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religious creed, medical condition, color, marital status, ancestry, sex, age, national origin, or physical handicap. such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor and its subcontractors shall post in conspicuous places, available to employees and applicants for employment, notice to be provided by STATE setting for the provisions of this section.
- 5.02 Contractor and its subcontractors will permit access to all records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by STATE, for the purpose of investigation to ascertain compliance with Section 1 of this Article.
- 5.03 Contractor shall establish and maintain an accounting system and records that properly accumulate and segregate incurred costs by line item for the project. Contractor's accounting system shall conform to generally accepted accounting principles (GAAP), enable to determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of Contractor connected with performance under this Agreement shall be maintained for a minimum of three years from the date of final payment to District under these provisions and shall be held open to inspection and audit by representatives of STATE and the Auditor General of the State and copies thereof will be furnished upon request.
- 5.04 Contractor agrees that contract cost principles at least as restrictive as 48 CFR, Federal Acquisition Regulation System, Chapter 1 Part 31, shall be used to determine the allowability of individual items of costs. Contractor also agrees to comply with Federal procedures as set forth in 49 CFR, Part 18, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments.
- 5.05 For the purpose of determining compliance with Public Contract Code Section 10115, et seq., Military and Veterans Code Sections 999 et seq. and Title 2, California Code of Regulations, Section 1896.60 et seq., when applicable, and other matters connected with the performance of District's contracts with third parties pursuant to Government code Section 10532, Contractors and subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including but not limited to, the costs of administering the various contracts. Contractor and its subcontractors shall make such materials available at their respective offices at all reasonable times during the contract period and for three years from the date of final payment under such contract. STATE, the State Auditor General, the Federal Highway Administration, or any duly authorized representative of the Federal Government shall have access to any books, records and documents that are pertinent to the Agreement for audits, examinations, excerpts, and transactions and copies thereof shall be furnished if requested.

## 6. LABOR HARMONY REQUIREMENT

The construction manager/general and sub-contractor(s) at all tiers must be able to furnish labor that can work in harmony with all other elements employed or to be employed in conjunction with the construction work on the site. Without limiting the generality of the foregoing, 'labor harmony' shall include a provision of labor that will not cause, cause to be threatened, engage in, or give rise to, either directly or indirectly, any work disruption, slowdowns

or stoppages, or any violence or harm to any persons or property while performing any work or activities affecting the project in any way, including but not limited to: (1) traveling to and from the work site; (2) loading, transporting and off-loading of equipment and materials on the construction site; (3) delivery, receipt and unloading of material or equipment, or the provision or receipt of any construction-related services at any designated storage area, or the work site; (4) the performing of the work of the contract at the work site; and on non-working time associated with the above while employees are on site (e.g. lunch hours, breaks, queuing for transportation, etc.).

If a contractor causes any work disruption, slowdowns or work stoppages as a result of its inability to ensure labor harmony, that contractor shall pay to District the sum of \$100 per day as liquated damages while such work disruption, slowdown or work stoppage is underway. As an independent and further remedy, District reserves the right to order the offending contractor to cease work on the project until such time as the work disruption, slowdown or stoppage is resolved and, if the work disruption, slowdown or stoppage is not resolved in District's opinion, within a reasonable period of time, District reserves the right to withdraw the contract from the contractor and to put such contract or remainder of such contract out for re-bid.

If District claims that this provision has been violated, the contractor(s) must agree to submit the issue to emergency arbitration for final and binding resolution. The permanent arbitrator over such disputes shall be the Honorable Nat Agliano, retired or, if he is unavailable, the Honorable Richard Silver, retired. If they decline to serve and the parties are unable to agree on an acceptable alternative, the arbitrator will be selected by petition to the Superior Court for the County of Santa Cruz. The Arbitrator's authority shall be limited to a determination of whether the Labor Harmony requirement has been violated and, if so, what shall be the remedy.

## PART VI

### CONTRACT FOR PRINTING OF HEADWAYS (08-12)

THIS CONTRACT is made effective on \_\_\_\_\_, 2007 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and \_\_\_\_\_ ("Contractor").

#### 1. RECITALS

##### 1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

##### 1.02 District's Need for Printing of HEADWAYS

District requires the printing of HEADWAYS to be used for standard purposes. In order to obtain said printing of HEADWAYS the District issued an Invitation for Bids, dated October 26, 2007 setting forth specifications for such printing of HEADWAYS. The Invitation for Bids is attached hereto and incorporated herein by reference as Exhibit A.

##### 1.03 Contractor's Bid Form

Contractor is a printing company whose principal place of business is \_\_\_\_\_. Pursuant to the Invitation for Bids by the District, Contractor submitted a bid for Provision of said printing of HEADWAYS which is attached hereto and incorporated herein by reference as Exhibit B.

##### 1.04 Selection of Contractor and Intent of Contract

On \_\_\_\_\_, District selected Contractor as the lowest responsive, responsible bidder to provide said printing of HEADWAYS. The purpose of this Contract is to set forth the provisions of this procurement.

##### 1.05 Contractor and Supplier Synonymous

For the purposes of this Contract, the terms "contractor" and "supplier" are synonymous.

District and Contractor agree as follows:

#### 2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

##### 2.01 Documents Incorporated in This Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' Contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14 of the General Conditions of the Contract.

a) Exhibit A

Santa Cruz Metropolitan Transit District's "Invitation for Bids" dated October 26, 2007.

b) Exhibit B (Bid Form)

Contractor's Bid Form to the District for Item, signed by Contractor and dated November 27, 2007.

## 2.02 Conflicts

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

## 2.03 Recitals

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

# 3. TIME OF PERFORMANCE

## 3.01 General

Contractor shall perform work under this Contract at such times to enable it to meet the time schedules specified in the Specifications Section of the IFB. The Contractor shall not be responsible for delays caused by force majeure events described in Section 2 of the General Conditions of the Contract.

## 3.02 Term

The term of this Contract commences on the date of execution and shall remain in force for a one (1) year period thereafter. At the option of the District, this contract may be renewed for four (4) additional one (1) year terms under the same conditions with any cost increases not to exceed the annual percentage change of the Consumer Price Index for the San Francisco –Oakland – San Jose Area. District and Contractor may extend the term of this Contract at any time for any reason upon mutual written consent.

# 4. COMPENSATION

## 4.01 Terms of Payment

Upon written acceptance, District agrees to pay Contractor \_\_\_\_\_ as identified in the Bid Form, Exhibit B, not to exceed \$\_\_\_\_\_, for satisfactory completion of all work under the terms and provisions of this Contract within thirty (30) days thereof. Contractor understands and agrees that if he/she exceeds the \$\_\_\_\_\_ maximum amount payable under this contract, that it does so at its own risk.

## 4.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the contract. Telephone call expenses shall show the nature of the call and identify location and individual called.

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

necessary for performance of the services. No expenses shall be paid by the District unless specifically allowed by this contract.

5. NOTICES

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

DISTRICT

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

Attention: General Manager

CONTRACTOR

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

6. AUTHORITY

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

Signed on \_\_\_\_\_

DISTRICT--SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR-- \_\_\_\_\_

By \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Margaret Rose Gallagher  
District Counsel

## **PART VII**

### **FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR NON-CONSTRUCTION CONTRACTS**

#### **1.0 GENERAL**

This Contract is subject to the terms of a financial assistance contract between the Santa Cruz Metropolitan Transit District and the Federal Transit Administration (FTA) of the United States Department of Transportation.

#### **2.0 INTEREST TO MEMBERS OF OR DELEGATES TO CONGRESS**

In accordance with 18 U.S.C. 431, no member of, nor delegates to, the Congress of the United States shall be admitted to a share or part of this Contract or to any benefit arising therefrom.

#### **3.0 INELIGIBLE CONTRACTORS**

Neither Contractor, nor any officer or controlling interest holder of Contractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government.

#### **4.0 EQUAL EMPLOYMENT OPPORTUNITY (Not applicable to contracts for standard commercial supplies and raw materials)**

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or application for employment because of race, religion, color, sex, age (40 or over), national origin, pregnancy, ancestry, marital status, medical condition, physical handicap, sexual orientation, or citizenship status. The Contractor shall take affirmative action to insure that applicants employed and that employees are treated during their employment, without regard to their race, religion, color, sex national origin, etc. Such actions shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

#### **5.0 TITLE VI CIVIL RIGHTS ACT OF 1964**

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

##### **5.1 Compliance with Regulations**

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract.

##### **5.2 Nondiscrimination**

The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination

prohibited in Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the regulations.

### 5.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

### 5.4 Information and Reports

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the District or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information is required or a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the District, or the Federal Transit Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

### 5.5 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the District shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the Contractor under the Contract until the Contractor complies; and/or,
- (b) Cancellation, termination or suspension of the Contract, in whole or in part.

### 5.6 Incorporation of Provisions

The Contractor shall include the provisions of Paragraphs (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the District or the Federal Transit Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may require the District to enter into such litigation to protect the interests of the District, and, in addition, the Contractor may request the services of the Attorney General in such litigation to protect the interests of the United States.

## 6.0 CLEAN AIR AND FEDERAL WATER POLLUTION CONTROL ACTS (Applicable only to contracts in excess of \$100,000)

Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Contractor shall report all violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329).

## 7.0 CONSERVATION

Contractor shall recognize mandatory standards and policies relating to energy efficiency, which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq.).

8.0 AUDIT AND INSPECTION OF RECORDS (Applicable only to sole source or negotiated contracts in excess of \$10,000)

Contractor agrees that the District, the Comptroller General of the United States, or any of their duly authorized representatives shall, for the purpose of audit and examination, be permitted to inspect all work, materials, payrolls and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three years after District makes final payments and all other pending matters are closed.

9.0 LABOR PROVISIONS (Applicable only to contracts of \$2,500.00 or more that involve the employment of mechanics or laborers)

9.1 Overtime Requirements

No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1 1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week, whichever is greater.

9.2 Violation; Liability for Unpaid Wages; Liquidated Damages

In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of which such individual was required or permitted to work in excess of eight (8) hours in excess of the standard work week of forty (40) hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5.

9.3 Withholding for Unpaid Wages and Liquidated Damages

DOT or the District shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5.

9.4 Nonconstruction Grants

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of the Contract for all laborers and mechanics, including guards and watchmen, working on

the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, the District shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the Contractor or subcontractor for inspection, copying or transcription by authorized representatives of DOT and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

#### 9.5 Subcontracts

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (5) of this paragraph.

#### 10.0 CARGO PREFERENCE (Applicable only to Contracts under which equipment, materials or commodities may be transported by ocean vehicle in carrying out the project)

The Contractor agrees:

- 10.1 To utilize privately owned United States-flag commercial vessels to ship at least fifty percent (50%) of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States- flag commercial vessels.
- 10.2 To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above, to the District (through the prime Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington D. C. 20590, marked with appropriate identification of the project.
- 10.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract.

#### 11.0 BUY AMERICA PROVISION

This procurement is subject to the Federal Transportation Administration Buy America Requirements in 49 CFR 661. A Buy America Certificate, if required format (see Form of Proposal or Bid Form) must be completed and submitted with the bid. A bid that does not include the certificate shall be considered non-responsive. A waiver from the Buy America Provision may be sought by the District if grounds for the waiver exist. Section 165a of the Surface Transportation Act of 1982 permits FTA participation on this Contract only if steel and manufactured products used in the Contract are produced in the United States. In order for rolling stock to qualify as a domestic end product, the cost of components produced in the United States must exceed sixty percent (60%) of the cost of all components, and final assembly must take place in the United States.

## 12.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

### 12.1 Policy

It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this Agreement.

### 12.2 DBE Obligation

District and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, District and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. District and Contractor shall not discriminate on the basis of race, creed, color, national origin, age or sex in the award and performance of DOT-assisted Contracts.

### 12.3 Transit Vehicle Manufacturers

Transit vehicle manufacturers must certify compliance with DBE regulations.

## 13.0 CONFLICT OF INTEREST

No employee, officer or agent of the District shall participate in selection, or in the award of administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when (1) the employee, officer or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) an organization that employs, or is about to employ, has a financial or other interest in the firm selected for award. The District's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, potential Contractors or parties of sub agreements.

## 14.0 MOTOR VEHICLE EMISSION REQUIREMENTS (Applicable only to Contracts involving the purchase of new motor vehicles)

The Contractor must provide a certification that:

- (a) The horsepower of the vehicle is adequate for the speed, range, and terrain in which it will be required and also to meet the demands of all auxiliary equipment.
- (b) All gases and vapors emanating from the crankcase of a spark-ignition engine are controlled to minimize their escape into the atmosphere.
- (c) Visible emission from the exhaust will not exceed No. 1 on the Ringlemann Scale when measured six inches (6") from the tail pipe with the vehicle in steady operation.
- (d) When the vehicle has been idled for three (3) minutes and then accelerated to eighty percent (80%) of rated speed under load, the opacity of the exhaust will not exceed No. 2 on the Ringlemann Scale for more than five (5) seconds, and not more than No. 1 on the Ringlemann Scale thereafter.

## 15.0 MOTOR VEHICLE SAFETY STANDARDS (Applicable only to contracts involving the purchase of new motor vehicles)

The Contractor will assure that the motor vehicles purchased under this contract will comply with the Motor Vehicle Safety Standards as established by the Department of Transportation at 49 CFR Parts 390 and 571.

#### 16.0 DEBARRED BIDDERS

The Contractor, including any of its officers or holders of a controlling interest, is obligated to inform the District whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, Contractor shall so inform the District.

#### 17.0 PRIVACY (Applicable only to Contracts involving the administration of any system of records as defined by the Privacy Act of 1974, on behalf of the Federal Government)

##### 17.1 General

The District and Contractor agree:

- (a) To comply with the Privacy Act of 1974, 5 U.S.C. 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Contract involves the design, development or operation of any system of records on individuals to be operated by the District, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when the District or Contractor anticipates operating a system of records on behalf of the Government in order to accomplish the requirements of this Agreement, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Agreement until the necessary approval and publication requirements applicable to the system have been carried out. The District or Contractor, as appropriate, agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act.
- (c) To include the Privacy Act Notification contained in this Agreement in every subcontract solicitation and in every subcontract when the performance of Work under the proposed subcontract may involve the design, development or operation of a system of records on individuals that is to be operated under the Contract to accomplish a Government function; and
- (d) To include this clause, including this paragraph in all in subcontracts under which Work for this Agreement is performed or which is awarded pursuant to this Agreement or which may involve the design, development, or operation of such a system of records on behalf of the Government.

##### 17.2 Applicability

For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a Government function, the District, third party contractors and any of their employees are considered to be employees of the Government with respect to the Government function and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to contracts effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this clause will make this Agreement subject to termination.

### 17.3 Definitions

The terms used in this clause have the following meanings:

- (a) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of the Government including the collection, use and dissemination of records.
- (b) "Records" means any item, collection or grouping of information about an individual that is maintained by the District or Contractor on behalf of the Government, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.
- (c) "System of records" on individuals means a group of any records under the control of the District or Contractor on behalf of the Government from which information is retrieved by the name of the individual or by some identifying number, symbol or other identifying particular assigned to the individual.

18.0 PATENT RIGHTS (Applicable only to research and development contracts) If any invention, improvement or discovery of the District or contractors or subcontractors is conceived or first actually reduced to practice in the course of or under this project which invention, improvement, or discovery may be patentable under the Patent Laws of the United States of America or any foreign country, the District (with appropriate assistance of any contractor or subcontractor involved) shall immediately notify the Government (FTA) and provide a detailed report. The rights and responsibilities of the District, third party contractors and subcontractors and the Government with respect to such invention will be determined in accordance with applicable Federal laws, regulations, policies and any waivers thereof.

### 19.0 RIGHTS IN DATA (Applicable only to research and development contracts)

The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents, machine forms such as punched cards, magnetic tape or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related information. The term does not include financial reports, cost analyses and similar information incidental to contract administration.

All "subject data" first produced in the performance of this Agreement shall be the sole property of the Government. The District and Contractor agree not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such data. Except for its own internal use, the District and Contractor shall not publish or reproduce such data in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of the Government until such time as the Government may have released such data to the public. This restriction, however, does not apply to Agreements with academic institutions.

The District and Contractor agree to grant and do hereby grant to the Government and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive and irrevocable license throughout the world:

- (a) To publish, translate, reproduce, deliver, perform, use and dispose of, in any manner, any and all data not first produced or composed in the performance of this Contract but which is incorporated in the work furnished under this Contract; and
- (b) To authorize others so to do.

District and Contractor shall indemnify and save and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the District and Contractor of proprietary rights, copyrights or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Contract.

Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

The third and fourth paragraphs under Section 19.0 above are not applicable to material furnished to the District or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by the District or Contractor at the time of delivery of such work.

In the event that the project, which is the subject of this Agreement, is not completed, for any reason whatsoever, all data generated under that project shall become subject data as defined in the Rights in Data clause in this Contract and shall be delivered as the Government may direct. This clause shall be included in all subcontracts under this Contract.

## 20.0 NEW RESTRICTIONS ON LOBBYING

### 20.1 Prohibition

- (a) Section 1352 of Title 31, U.S. Code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The prohibition does not apply as follows:
  - (i) Agency and legislative liaison by Own Employees.
  - (ii) Professional and technical services by Own Employees.
  - (iii) Reporting for Own Employees.
  - (iv) Professional and technical services by Other than Own Employees.

### 20.2 Disclosure

- (a) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, included in Form of Proposal or Bid Forms, that the person has not made, and will not make, any payment prohibited by Section 20.1 of this clause.
- (b) Each person who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered Federal action), which would be prohibited under Section 20.1 of this clause if paid for with appropriated funds.
- (c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph

(c)(2) of this section. An event that materially affects the accuracy of the information reported includes:

- (i) a cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
  - (ii) a change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
  - (iii) a change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (d) Any person who requests or receives from a person referred to in paragraph (c)(i) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.
- (e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (c)(i) of this section. That person shall forward all disclosure forms to the agency.

### 20.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

### 20.4 Penalties.

- (a) Any person who makes an expenditure prohibited under Section 20.1 of this clause shall be subject to a civil penalty of not less than \$10,000 for each such expenditure.
- (b) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- (c) Contractors may rely without liability on the representations made by their sub- contractors in the certification and disclosure form.

### 20.5 Cost allowability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

## PART VIII

### SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURE

#### PROCUREMENT PROTESTS

All protests shall be filed, handled and resolved in a manner consistent with the requirements of Federal Transit Administration (FTA) Circular 4220.1E Third Party Contracting Guidelines dated June 19, 2003 and the Santa Cruz Metropolitan Transit District's (District) Protest Procedures which are on file and available upon request.

Current FTA Policy states that: "Reviews of protests by FTA will be limited to:

- (1) a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest; or
- (2) violation of Federal law or regulation.

An appeal to FTA must be received by the cognizant FTA regional or Headquarters Office within five (5) working days of the date the protester learned or should have learned of an adverse decision by the grantee or other basis of appeal to FTA" (FTA Circular 4220.1E, Section 7, paragraph 1., Written Protest Procedures)

Protests relating to the content of this Invitation for Bid (IFB) package must be filed within ten (10) calendar days after the date the IFB is first advertised. Protests relating to a recommendation for award solicited by this IFB must be filed by an interested party within five (5) calendar days after the staff's written recommendation and notice of intent to award is issued to the bidders. The date of filing shall be the date of receipt of protests or appeals by the DISTRICT.

All Protests shall be filed in writing with the Assistant General Manager, Santa Cruz Metropolitan Transit District, 370 Encinal Street, Suite 100, Santa Cruz, CA 95060. **No other location shall be acceptable.** The DISTRICT will respond in detail to each substantive issue raised in the protest. The Assistant General Manager shall make a determination on the protest normally within ten (10) working days from receipt of protest. Any decision rendered by the Assistant General Manager may be appealed to the Board of Directors. The Protester has the right within five (5) working days of receipt of determination to file an appeal restating the basis of the protest and the grounds of the appeal. In the appeal, the Protester shall only be permitted to raise factual information previously provided in the protest or discovered subsequent to the Assistant General Manager's decision and directly related to the grounds of the protest. The Board of Directors has the authority to make a final determination and the Board of Director's decision shall constitute the DISTRICT's final administrative remedy.

In the event the protestor is not satisfied with the DISTRICT's final administrative determination, they may proceed within 90 days of the final decision to State Court for judicial relief. The Superior Court of the State of California for the County of Santa Cruz is the appropriate judicial authority having jurisdiction over Bid Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Bidder may withdraw its protest or appeal at any time before the DISTRICT issues a final decision.

Should the DISTRICT postpone the date of bid submission owing to a protest or appeal of the solicitation specifications, addenda, dates or any other issue relating to this procurement, the DISTRICT shall notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that an appeal/protest had been filed, and the due date for bid submission shall be postponed until the DISTRICT has issued its final decision.

A letter of protest must set forth the grounds for protest and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protestor is responsible for adhering to the DISTRICT's protest procedures.

A Bidder may seek FTA review of the DISTRICT's decision. A protest appeal to the FTA must be filed in accordance with the provisions of FTA circular 4220.1E. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under the DISTRICT's protest procedure. Protest appeals should be filed with:

Federal Transit Administration  
Regional Administrator Region IX  
201 Mission Street, Suite 2210  
San Francisco, CA 94105-1839

# EXHIBIT - B

## PART I

### BID FORM

The undersigned ("Bidder"), upon acceptance by the District, agrees to furnish all labor, freight, transportation, materials, equipment, services, supplies and other work in accordance with the Invitation for Bids entitled Item dated October 26, 2007 at the following prices. The unit bid prices should NOT INCLUDE SALES, USE, EXCISE OR ANY OTHER TAX, they are to be shown in the second column if applicable

| Item No. | Item Description   | Quantity                     | Unit Price (\$/M)    | Tax (8.5 %)          | Extended Price          |
|----------|--|------------------------------|----------------------|----------------------|-------------------------|
| 1        | <b>BASE BID:</b> Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages  | Up to 4 production runs/year | \$172. <sup>47</sup> | \$586. <sup>40</sup> | \$7,485. <sup>20</sup>  |
| 2        | <b>OPTION PRICING:</b> Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink with grey-screen, <b>80 pages (Cost for an additional 8 pages)</b>            | Up to 4 production runs/year | \$185. <sup>16</sup> | \$629. <sup>55</sup> | \$8,035. <sup>95</sup>  |
| 3        | <b>OPTION PRICING:</b> Cost for an <b>Additional 6,000 copies placed after delivery of 40,000 run</b> of 30# recycled newsprint and black soy-based ink with grey-screen, 72 pages | 6 M                          | \$328. <sup>96</sup> | \$167. <sup>77</sup> | \$2,141. <sup>53</sup>  |
| 4        | <b>OPTION PRICING:</b> Run of 40,000, quote price for 30# recycled newsprint and black soy-based ink <b>plus one color (red)</b> with grey-screen, 72 pages                        | Up to 4 production runs/year | \$197. <sup>47</sup> | \$671. <sup>40</sup> | \$8,570. <sup>20</sup>  |
| 5        | Total  |                              |                      |                      | \$26,232. <sup>88</sup> |

The successful bidder obligates him/herself to provide any or all of the bid items at the bid price. District reserves the right to award bid items separately or as a package. District may accept or reject the bid items at its discretion. Award of the bid will be based on totals provided for the Base Bid Items, Option Pricing shall not be used in the determination of low bid. The Board of Directors also reserves the right to reject all bids for any reason.

Bidder has examined and is fully familiar with all terms and conditions of the Invitation for Bids and any addenda issued by the District thereto, and Bidder unconditionally submits this bid in strict accordance with said Invitation for Bids. Bidder has carefully checked all words and figures shown on this Bid Form and has carefully reviewed the accuracy of all documents, representations, manufacturer's literature, and statements submitted with this bid.

Bidder understands that this bid constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of bid opening. If awarded the contract, bidder agrees to deliver to the District executed copies of the final contract and required insurance certificates within ten (10) calendar days of the date of the District Notice of Award. Said Notice of Award shall be deemed duly given to Bidder upon delivery if delivered by hand, or three (3) calendar days after posting if sent by mail to Bidder's address.

Bidder understands that no partial, conditional or qualified bids shall be accepted for any bid item. Bidder further understands the right of the District Board of Directors to accept or reject any or all bids received for any reason. The District reserves the right to waive minor irregularities.

Bidder has included manufacturers' brochures describing the equipment bid under this IFB. Any proposed deviation from any item in the IFB specifications has been delineated on said brochures or on a separate attachment included with the bid. Bidder represents that the equipment and other work bid meets the specifications in all respects unless clearly noted to the contrary in the bid submittal.

The contract, if awarded, will be to the lowest responsive, responsible bidder. Bidder understands that the "lowest responsible bidder" is the lowest bidder whose offer best responds in quality, fitness and capacity to the requirements of the Invitation for Bids. The District reserves the right to award to other than the lowest bidder if the District finds that the lowest bidder is not responsible.

Bidder acknowledges receipt of the following addenda to the Invitation for Bids. All cost adjustments or other requirements resulting from said addenda have been taken into consideration by the bidder and included in the bid.

Addenda No.'s \_\_\_\_\_

Bidder has submitted the following documents with the bid:

1. Exceptions, if any, taken to the specifications or other sections of the IFB (Warning: Substantive exceptions will be cause for bid rejection.)
2. Copy of any standard warranties in accordance with the Specifications.
3. Manufacturer's specifications, description, promotional material describing the item bid.
4. Fully executed copy of the "Lobbying Certification" listed as Page I-4 of the Bid, if applicable
5. Fully executed copy of the "Buy America Provision Certification" listed as Page I-5 of the Bid, if applicable

Bidder understands that bids shall be placed in a sealed envelope marked as indicated below and delivered to the Purchasing Office of the Santa Cruz Metropolitan Transit District, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 prior to the time of bid opening. Bids postmarked before bid opening but delivered afterward shall be rejected.

**IFB No. 08-12**  
**"Printing of HEADWAYS"**  
**Bid Opening 2:00 p.m., November 27, 2007**

Bidder has full power and authority to enter into and perform the work described in the Invitation for Bids on behalf of the company noted below.

FRICKE - PARKS PRESS  
Company Name

Indicate:

Sole Proprietorship      Partnership      Corporation

Joint Venture with \_\_\_\_\_  
33250 TRANSIT AVE.  
Street Address  
UNION CITY, CALIFORNIA 94587  
City, State, Zip Code

[Signature]  
Signature of authorized company official  
ROBERT C. PARKS CHAIRMAN  
Typewritten name of above and title

CARLOS ARMENTA SALES MANAGER CARLOSA@FRICKE-PARKS.COM  
Name, title, and email address of person to whom correspondence should be directed

510-489-6543      510-489-7124  
Telephone Number      FAX Number  
11-26-07      94-2175544  
Date      Federal Tax ID No.

The Santa Cruz Metropolitan Transit District is a special purpose District and is a subdivision of the State of California.

Listing of major subcontractors proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

N/A

**CERTIFICATION OF PROPOSED CONTRACTOR REGARDING DEBARMENT,  
SUSPENSION AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION**

(Contractor) FRICKE-PARKS PRESS certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

Have not within a three year period preceding this bid had one or more public transactions (Federal, State or local) terminated for cause or default

If the Proposed Subcontractor is unable to certify to any of the statements in this certification, it shall attach an explanation to this certification.

(Contractor) FRICKE-PARKS PRESS CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 ET. SEQ. ARE APPLICABLE THERETO.



Signature and Title of Authorized Official

**LOBBYING CERTIFICATION**  
(Only for Contracts above \$100,000)

**Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--ILL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed Reg 1413 (1/19/96)
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C. A 3801, et. seq apply to this certification and disclosure, if any.

Firm Name FRICKE - PARKS PRESS  
Signature of Authorized Official [Signature]  
Name and Title of Authorized Official ROBERT C. PARKS CHAIRMAN  
Date 11-26-07

**BUY AMERICA PROVISION  
(Only for Contracts above \$100,000)**

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

**BUY AMERICA CERTIFICATE**

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Company Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Company Name: \_\_\_\_\_  
Title: \_\_\_\_\_





# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Robyn Slater, Human Resources Manager  
**SUBJECT: PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

- None.

## III. DISCUSSION

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

## IV. FINANCIAL CONSIDERATIONS

None.

## V. ATTACHMENTS

**Attachment A:** Employee Recognition List

6.1

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
EMPLOYEE RECOGNITION**

**TEN YEARS**

Leslie R. White, General Manager

**FIFTEEN YEARS**

None

**TWENTY YEARS**

None

**TWENTY-FIVE YEARS**

None

**THIRTY YEARS**

None

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Finance Manager  
**SUBJECT:** MONTHLY BUDGET STATUS REPORTS FOR JULY 2007, AUGUST 2007, AND SEPTEMBER 2007.

## I. RECOMMENDED ACTION

**Staff recommends that the Board of Directors approve the budget status reports for July 2007, August 2007, and September 2007.**

## II. SUMMARY OF ISSUES

- **Operating Revenues** for the 1<sup>st</sup> Qtr of FY08 were \$4,367K or 4% under the amount of revenue expected.
- **Operating Expenses** for the 1<sup>st</sup> Qtr of FY08 were \$1,646K or 17% under budget.
- **Capital Budget** spending for the 1<sup>st</sup> Qtr of FY08 was \$4,870K or 14% of the Capital budget.

## III. DISCUSSION

An analysis of the District's budget status is prepared monthly in order to apprise the Board of Directors of the District's actual revenues, expenses and capital in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue, expense and capital reports represent the status of the District's FY08 operating and capital budgets versus actual expenditures for the month.

A new format is being introduced to clearly show, on an ongoing basis, the status of the District's revenue, expenses, and capital on a monthly, year to date, and year over year basis with dollar and percent columns to show variances clearly. This distinct view will allow limited budget transfers to balance individual departments instead of each line item within the department.

The fiscal year has elapsed 25%.

7.1

**A. Operating Revenue**

For the 1<sup>st</sup> Qtr of FY08, revenue was \$4,367K or 4% under the amount of revenue expected. The majority of this variance was due to the FTA Sec 5307 – Op Asst money of \$3,877K coming in later than budgeted. This will correct itself in October when the money was received. Other revenue variances are explained in the notes at the end of the revenue report.

**B. Operating Expense by Department**

Total Operating Expense by Department for the 1<sup>st</sup> Qtr of FY08 was \$1,646K or 17% under budget; 4% below where we were in FY07. Majority of the variance is due to not being up to full complement in Facilities, Paratransit, Operations, Bus Operators and Fleet Maintenance. Fuel costs have been below estimates in Fleet and equipment contracts have come in below budget in Facilities.

**C. Consolidated Operating Expenses**

Consolidated Operating Expenses for the 1<sup>st</sup> Qtr of FY08 were \$1,646K or 17% under budget. Personnel Expenses, Prof & Tech Fees, Temp Help, Security Services, Repair-Equipment, Fuels & Lube Rev Veh, Insurance – PL & PD, and Contr/Paratransit all contributed to the variance. Further explanation of these accounts is contained in the notes following the report.

**D. Capital Budget**

A total of \$4,870K or 14% has been expended in the Capital Budget YTD. Of this, \$672K or 7% has been spent of the MetroBase line item, while \$3,995K or 57% has been spent of the 110 Vernon Purchase & Renovation line item.

**IV. FINANCIAL CONSIDERATIONS**

None

**IV. ATTACHMENTS**

**Attachment A:** FY08 Operating Revenue for the month ending – 07/31/07  
FY08 Operating Expenses by Department for the month ending – 07/31/07  
FY08 Consolidated Operating Expenses for the month ending – 07/31/07  
FY08 Capital Budget Reports for the month ending – 07/31/07

**Attachment B:** FY08 Operating Revenue for the month ending – 08/31/07  
FY08 Operating Expenses by Department for the month ending – 08/31/07  
FY08 Consolidated Operating Expenses for the month ending – 08/31/07  
FY08 Capital Budget Reports for the month ending – 08/31/07

**Attachment C:** FY08 Operating Revenue for the month ending – 09/30/07  
FY08 Operating Expenses by Department for the month ending – 09/30/07  
FY08 Consolidated Operating Expenses for the month ending – 09/30/07  
FY08 Capital Budget Reports for the month ending – 09/30/07

**FY2008**  
**Operating Revenue**  
**For the month ending - July 31, 2007**

Percent of Year Elapsed - 8%

| Revenue Source                    | Current Period      |                     |                     |             | Year to Date        |                     |                     |             | YTD Year over Year Comparison |                       |                  |            | Notes    |
|-----------------------------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|-------------------------------|-----------------------|------------------|------------|----------|
|                                   | Actual              | Budget              | \$ Var              | % Var       | Actual              | Budget              | \$ Var              | % Var       | Actual                        |                       | \$ Var           | % Var      |          |
|                                   |                     |                     |                     |             |                     |                     |                     |             | FY08                          | FY07                  |                  |            |          |
| Passenger Fares                   | \$ 315,969          | \$ 287,507          | \$ 28,462           | 10%         | \$ 315,969          | \$ 287,507          | \$ 28,462           | 10%         | \$ 315,969                    | \$ 273,576            | \$ 42,393        | 15%        |          |
| Paratransit Fares                 | \$ 15,403           | \$ 20,800           | \$ (5,397)          | -26%        | \$ 15,403           | \$ 20,800           | \$ (5,397)          | -26%        | \$ 15,403                     | \$ 19,931             | \$ (4,528)       | -23%       |          |
| Special Transit Fares             | \$ 67,521           | \$ 235,271          | \$ (167,750)        | -71%        | \$ 67,521           | \$ 235,271          | \$ (167,750)        | -71%        | \$ 67,521                     | \$ 68,895             | \$ (1,374)       | -2%        |          |
| Highway 17 Fares                  | \$ 60,568           | \$ 70,310           | \$ (9,742)          | -14%        | \$ 60,568           | \$ 70,310           | \$ (9,742)          | -14%        | \$ 60,568                     | \$ 57,506             | \$ 3,062         | 5%         |          |
| Highway 17 Payments               | \$ 50,127           | \$ 38,544           | \$ 11,583           | 30%         | \$ 50,127           | \$ 38,544           | \$ 11,583           | 30%         | \$ 50,127                     | \$ 42,040             | \$ 8,087         | 19%        |          |
| <b>Subtotal Passenger Revenue</b> | <b>\$ 509,588</b>   | <b>\$ 652,432</b>   | <b>\$ (142,844)</b> | <b>-22%</b> | <b>\$ 509,588</b>   | <b>\$ 652,432</b>   | <b>\$ (142,844)</b> | <b>-22%</b> | <b>\$ 509,588</b>             | <b>\$ 461,948</b>     | <b>\$ 47,640</b> | <b>10%</b> | <b>1</b> |
| Commissions                       | \$ 694              | \$ 500              | \$ 194              | 39%         | \$ 694              | \$ 500              | \$ 194              | 39%         | \$ 694                        | \$ 563                | \$ 131           | 23%        |          |
| Advertising Income                | \$ 24,261           | \$ 12,083           | \$ 12,178           | 101%        | \$ 24,261           | \$ 12,083           | \$ 12,178           | 101%        | \$ 24,261                     | \$ 26,725             | \$ (2,464)       | -9%        | 2        |
| Rent Income - SC Pacific Station  | \$ 8,137            | \$ 7,087            | \$ 1,050            | 15%         | \$ 8,137            | \$ 7,087            | \$ 1,050            | 15%         | \$ 8,137                      | \$ 8,793              | \$ (656)         | -7%        |          |
| Rent Income - Watsonville TC      | \$ 4,753            | \$ 4,124            | \$ 629              | 15%         | \$ 4,753            | \$ 4,124            | \$ 629              | 15%         | \$ 4,753                      | \$ 5,373              | \$ (620)         | -12%       |          |
| Rent Income - General             | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                          | \$ 1,600              | \$ (1,600)       | -100%      |          |
| Interest Income                   | \$ 106,489          | \$ 89,667           | \$ 16,822           | 19%         | \$ 106,489          | \$ 89,667           | \$ 16,822           | 19%         | \$ 106,489                    | \$ 102,380            | \$ 4,109         | 4%         |          |
| Other Non-Transp Revenue          | \$ 499              | \$ 23,583           | \$ (23,084)         | -98%        | \$ 499              | \$ 23,583           | \$ (23,084)         | -98%        | \$ 499                        | \$ 144,854            | \$ (144,355)     | -100%      | 3        |
| Sales Tax Revenue                 | \$ 1,205,400        | \$ 1,468,704        | \$ (263,304)        | -18%        | \$ 1,205,400        | \$ 1,468,704        | \$ (263,304)        | -18%        | \$ 1,205,400                  | \$ 1,089,400          | \$ 116,000       | 11%        | 4        |
| Transp Dev Act (TDA) - Op Asst    | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -             | 0%         |          |
| FTA Sec 5307 - Op Asst            | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -             | 0%         |          |
| Repay FTA Advance                 | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -             | 0%         |          |
| FTA Sec 5311 - Rural Op Asst      | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -             | 0%         |          |
| Transfer from Capital/Proj Mgr    | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -             | 0%         |          |
| <b>Subtotal Revenue</b>           | <b>\$ 1,859,821</b> | <b>\$ 2,258,180</b> | <b>\$ (398,359)</b> | <b>-18%</b> | <b>\$ 1,859,821</b> | <b>\$ 2,258,180</b> | <b>\$ (398,359)</b> | <b>-18%</b> | <b>\$ 1,859,821</b>           | <b>\$ 1,841,636</b>   | <b>\$ 18,185</b> | <b>1%</b>  |          |
| <b>One-Time Revenue</b>           |                     |                     |                     |             |                     |                     |                     |             |                               |                       |                  |            |          |
| Carryover from Previous Year      | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -             | 0%         |          |
| Transfer from Insurance Reserves  | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -             | 0%         |          |
| FTA Sec 5317 - Op Assistance      | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -             | 0%         |          |
| AMBAG Funding                     | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -             | 0%         |          |
| <b>Subtotal One-Time Revenue</b>  | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>0%</b>   | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>0%</b>   | <b>\$ -</b>                   | <b>\$ -</b>           | <b>\$ -</b>      | <b>0%</b>  |          |
| <b>Total Operating Revenue</b>    | <b>\$ 1,859,821</b> | <b>\$ 2,258,180</b> | <b>\$ (398,359)</b> | <b>-18%</b> | <b>\$ 1,859,821</b> | <b>\$ 2,258,180</b> | <b>\$ (398,359)</b> | <b>-18%</b> | <b>\$ 1,859,821</b>           | <b>\$ 1,841,636</b>   | <b>\$ 18,185</b> | <b>1%</b>  |          |
| <b>Total Operating Expenses</b>   | <b>\$ 2,542,220</b> |                     |                     |             | <b>\$ 2,542,220</b> |                     |                     |             | <b>\$ 2,542,220</b>           | <b>\$ 2,947,572</b>   |                  |            |          |
| <b>Variance</b>                   | <b>\$ (682,399)</b> |                     |                     |             | <b>\$ (682,399)</b> |                     |                     |             | <b>\$ (682,399)</b>           | <b>\$ (1,105,936)</b> |                  |            |          |

**Current Period Notes:**

- 1) Passenger Revenue is below budget for the month and YTD due to straight lining of the budget and school being out. YTD Year over Year comparison shows a 15% increase.
- 2) Advertising Income is over budget for the month and YTD due to more ad revenue than budgeted.
- 3) Other Non-Transp Revenue is behind for the month and YTD due to UTU PERS reimbursement from the County which is collected on a qtrly basis.
- 4) Sales Tax Revenue is below budget for the month and YTD due to lower collections than County estimated. YTD Year over year, we are 11% ahead of FY07 collections.

7.02

**FY2008**  
**Operating Expenses by Department**  
**For the month ending - July 31, 2007**

|  | Current Period      |                     |                     |             | Year to Date        |                     |                     |             | Year to Date        |                     |                     |             | Notes |
|--|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|-------|
|  | Actual              | Budget              | \$ Var              | % Var       | Actual              | Budget              | \$ Var              | % Var       | Actual FY08         | FY07                | \$ Var              | % Var       |       |
| <b>Departmental Personnel Expenses</b>     |                     |                     |                     |             |                     |                     |                     |             |                     |                     |                     |             |       |
| 700 - SCCIC                                | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          |       |
| 1100 - Administration                      | \$ 69,361           | \$ 86,009           | \$ (16,648)         | -19%        | \$ 69,361           | \$ 86,009           | \$ (16,648)         | -19%        | \$ 69,361           | \$ 75,017           | \$ (5,656)          | -8%         |       |
| 1200 - Finance                             | \$ 43,227           | \$ 51,760           | \$ (8,533)          | -16%        | \$ 43,227           | \$ 51,760           | \$ (8,533)          | -16%        | \$ 43,227           | \$ 34,337           | \$ 8,890            | 26%         |       |
| 1300 - Customer Service                    | \$ 33,565           | \$ 43,127           | \$ (9,562)          | -22%        | \$ 33,565           | \$ 43,127           | \$ (9,562)          | -22%        | \$ 33,565           | \$ 35,592           | \$ (2,027)          | -6%         |       |
| 1400 - Human Resources                     | \$ 41,213           | \$ 49,317           | \$ (8,104)          | -16%        | \$ 41,213           | \$ 49,317           | \$ (8,104)          | -16%        | \$ 41,213           | \$ 35,846           | \$ 5,367            | 15%         |       |
| 1500 - Information Technology              | \$ 38,366           | \$ 41,121           | \$ (2,755)          | -7%         | \$ 38,366           | \$ 41,121           | \$ (2,755)          | -7%         | \$ 38,366           | \$ 39,162           | \$ (796)            | -2%         |       |
| 1700 - District Counsel                    | \$ 28,696           | \$ 38,234           | \$ (9,538)          | -25%        | \$ 28,696           | \$ 38,234           | \$ (9,538)          | -25%        | \$ 28,696           | \$ 31,880           | \$ (3,184)          | -10%        |       |
| 1800 - Risk Management                     | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          |       |
| 2200 - Facilities Maintenance              | \$ 68,791           | \$ 85,692           | \$ (16,901)         | -20%        | \$ 68,791           | \$ 85,692           | \$ (16,901)         | -20%        | \$ 68,791           | \$ 82,265           | \$ (13,474)         | -16%        |       |
| 3100 - Paratransit Program                 | \$ 215,842          | \$ 251,796          | \$ (35,954)         | -14%        | \$ 215,842          | \$ 251,796          | \$ (35,954)         | -14%        | \$ 215,842          | \$ 247,991          | \$ (32,149)         | -13%        |       |
| 3200 - Operations                          | \$ 155,254          | \$ 178,655          | \$ (23,401)         | -13%        | \$ 155,254          | \$ 178,655          | \$ (23,401)         | -13%        | \$ 155,254          | \$ 194,213          | \$ (38,959)         | -20%        |       |
| 3300 - Bus Operators                       | \$ 938,887          | \$ 1,153,142        | \$ (214,255)        | -19%        | \$ 938,887          | \$ 1,153,142        | \$ (214,255)        | -19%        | \$ 938,887          | \$ 1,109,038        | \$ (170,151)        | -15%        |       |
| 4100 - Fleet Maintenance                   | \$ 305,088          | \$ 347,444          | \$ (42,356)         | -12%        | \$ 305,088          | \$ 347,444          | \$ (42,356)         | -12%        | \$ 305,088          | \$ 311,294          | \$ (6,206)          | -2%         |       |
| 9001 - Cobra Benefits                      | \$ 1,525            | \$ -                | \$ 1,525            | 0%          | \$ 1,525            | \$ -                | \$ 1,525            | 0%          | \$ 1,525            | \$ 177              | \$ 1,348            | 762%        |       |
| 9005 - Retired Employee Benefits           | \$ 118,536          | \$ 144,500          | \$ (25,964)         | -18%        | \$ 118,536          | \$ 144,500          | \$ (25,964)         | -18%        | \$ 118,536          | \$ 187,130          | \$ (68,594)         | -37%        |       |
| Additional Operating Programs              | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          |       |
| <b>Subtotal Personnel Expenses</b>         | <b>\$ 2,058,351</b> | <b>\$ 2,470,797</b> | <b>\$ (412,446)</b> | <b>-17%</b> | <b>\$ 2,058,351</b> | <b>\$ 2,470,797</b> | <b>\$ (412,446)</b> | <b>-17%</b> | <b>\$ 2,058,351</b> | <b>\$ 2,383,942</b> | <b>\$ (325,591)</b> | <b>-14%</b> |       |
| <b>Departmental Non-Personnel Expenses</b> |                     |                     |                     |             |                     |                     |                     |             |                     |                     |                     |             |       |
| 700 - SCCIC                                | \$ -                | \$ 42               | \$ (42)             | -100%       | \$ -                | \$ 42               | \$ (42)             | -100%       | \$ -                | \$ 20               | \$ (20)             | -100%       |       |
| 1100 - Administration                      | \$ 45,651           | \$ 72,853           | \$ (27,202)         | -37%        | \$ 45,651           | \$ 72,853           | \$ (27,202)         | -37%        | \$ 45,651           | \$ 87,934           | \$ (42,283)         | -48%        |       |
| 1200 - Finance                             | \$ 44,698           | \$ 68,287           | \$ (23,589)         | -35%        | \$ 44,698           | \$ 68,287           | \$ (23,589)         | -35%        | \$ 44,698           | \$ 49,688           | \$ (4,990)          | -10%        |       |
| 1300 - Customer Service                    | \$ 1,135            | \$ 9,726            | \$ (8,591)          | -88%        | \$ 1,135            | \$ 9,726            | \$ (8,591)          | -88%        | \$ 1,135            | \$ 1,137            | \$ (2)              | 0%          |       |
| 1400 - Human Resources                     | \$ 6,728            | \$ 8,131            | \$ (1,403)          | -17%        | \$ 6,728            | \$ 8,131            | \$ (1,403)          | -17%        | \$ 6,728            | \$ 10,152           | \$ (3,424)          | -34%        |       |
| 1500 - Information Technology              | \$ 11,587           | \$ 13,268           | \$ (1,681)          | -13%        | \$ 11,587           | \$ 13,268           | \$ (1,681)          | -13%        | \$ 11,587           | \$ 15,782           | \$ (4,195)          | -27%        |       |
| 1700 - District Counsel                    | \$ 2,805            | \$ 1,512            | \$ 1,293            | 86%         | \$ 2,805            | \$ 1,512            | \$ 1,293            | 86%         | \$ 2,805            | \$ 1,583            | \$ 1,222            | 77%         |       |
| 1800 - Risk Management                     | \$ 4,841            | \$ 20,656           | \$ (15,815)         | -77%        | \$ 4,841            | \$ 20,656           | \$ (15,815)         | -77%        | \$ 4,841            | \$ 4,733            | \$ 108              | 2%          |       |
| 2200 - Facilities Maintenance              | \$ 29,752           | \$ 44,532           | \$ (14,780)         | -33%        | \$ 29,752           | \$ 44,532           | \$ (14,780)         | -33%        | \$ 29,752           | \$ 29,485           | \$ 267              | 1%          |       |
| 3100 - Paratransit Program                 | \$ 52,032           | \$ 64,048           | \$ (12,016)         | -19%        | \$ 52,032           | \$ 64,048           | \$ (12,016)         | -19%        | \$ 52,032           | \$ 58,941           | \$ (6,909)          | -12%        |       |
| 3200 - Operations                          | \$ 37,247           | \$ 53,692           | \$ (16,445)         | -31%        | \$ 37,247           | \$ 53,692           | \$ (16,445)         | -31%        | \$ 37,247           | \$ 46,472           | \$ (9,225)          | -20%        |       |
| 3300 - Bus Operators                       | \$ -                | \$ 750              | \$ (750)            | -100%       | \$ -                | \$ 750              | \$ (750)            | -100%       | \$ -                | \$ -                | \$ -                | 0%          |       |
| 4100 - Fleet Maintenance                   | \$ 247,392          | \$ 403,205          | \$ (155,813)        | -39%        | \$ 247,392          | \$ 403,205          | \$ (155,813)        | -39%        | \$ 247,392          | \$ 257,701          | \$ (10,309)         | -4%         |       |
| 9001 - Cobra Benefits                      | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          |       |
| 9005 - Retired Employee Benefits           | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          |       |
| Additional Operating Programs              | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          |       |
| <b>Subtotal Non-Personnel Expenses</b>     | <b>\$ 483,868</b>   | <b>\$ 760,702</b>   | <b>\$ (276,834)</b> | <b>-36%</b> | <b>\$ 483,868</b>   | <b>\$ 760,702</b>   | <b>\$ (276,834)</b> | <b>-36%</b> | <b>\$ 483,868</b>   | <b>\$ 563,628</b>   | <b>\$ (79,760)</b>  | <b>-14%</b> |       |

**FY2008**  
**Operating Expenses by Department**  
**For the month ending - July 31, 2007**

|                                    | Current Period      |                     |                     |             | Year to Date        |                     |                     |             | Year to Date        |                     |                     |             | Notes |  |
|------------------------------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|-------|--|
|                                    | Actual              | Budget              | \$ Var              | % Var       | Actual              | Budget              | \$ Var              | % Var       | Actual<br>FY08      | FY07                | \$ Var              | % Var       |       |  |
| <b>Total Departmental Expenses</b> |                     |                     |                     |             |                     |                     |                     |             |                     |                     |                     |             |       |  |
| 700 - SCCIC                        | \$ -                | \$ 42               | \$ (42)             | -100%       | \$ -                | \$ 42               | \$ (42)             | -100%       | \$ -                | \$ 20               | \$ (20)             | -100%       |       |  |
| 1100 - Administration              | \$ 115,012          | \$ 158,862          | \$ (43,850)         | -28%        | \$ 115,012          | \$ 158,862          | \$ (43,850)         | -28%        | \$ 115,012          | \$ 162,951          | \$ (47,939)         | -29%        |       |  |
| 1200 - Finance                     | \$ 87,925           | \$ 120,047          | \$ (32,122)         | -27%        | \$ 87,925           | \$ 120,047          | \$ (32,122)         | -27%        | \$ 87,925           | \$ 84,025           | \$ 3,900            | 5%          |       |  |
| 1300 - Customer Service            | \$ 34,700           | \$ 52,853           | \$ (18,153)         | -34%        | \$ 34,700           | \$ 52,853           | \$ (18,153)         | -34%        | \$ 34,700           | \$ 36,729           | \$ (2,029)          | -6%         |       |  |
| 1400 - Human Resources             | \$ 47,941           | \$ 57,448           | \$ (9,507)          | -17%        | \$ 47,941           | \$ 57,448           | \$ (9,507)          | -17%        | \$ 47,941           | \$ 45,998           | \$ 1,943            | 4%          |       |  |
| 1500 - Information Technology      | \$ 49,953           | \$ 54,389           | \$ (4,436)          | -8%         | \$ 49,953           | \$ 54,389           | \$ (4,436)          | -8%         | \$ 49,953           | \$ 54,944           | \$ (4,991)          | -9%         |       |  |
| 1700 - District Counsel            | \$ 31,501           | \$ 39,746           | \$ (8,245)          | -21%        | \$ 31,501           | \$ 39,746           | \$ (8,245)          | -21%        | \$ 31,501           | \$ 33,463           | \$ (1,962)          | -6%         |       |  |
| 1800 - Risk Management             | \$ 4,841            | \$ 20,656           | \$ (15,815)         | -77%        | \$ 4,841            | \$ 20,656           | \$ (15,815)         | -77%        | \$ 4,841            | \$ 4,733            | \$ 108              | 2%          |       |  |
| 2200 - Facilities Maintenance      | \$ 98,543           | \$ 130,224          | \$ (31,681)         | -24%        | \$ 98,543           | \$ 130,224          | \$ (31,681)         | -24%        | \$ 98,543           | \$ 111,750          | \$ (13,207)         | -12%        |       |  |
| 3100 - Paratransit Program         | \$ 267,874          | \$ 315,844          | \$ (47,970)         | -15%        | \$ 267,874          | \$ 315,844          | \$ (47,970)         | -15%        | \$ 267,874          | \$ 306,932          | \$ (39,058)         | -13%        |       |  |
| 3200 - Operations                  | \$ 192,501          | \$ 232,347          | \$ (39,846)         | -17%        | \$ 192,501          | \$ 232,347          | \$ (39,846)         | -17%        | \$ 192,501          | \$ 240,685          | \$ (48,184)         | -20%        |       |  |
| 3300 - Bus Operators               | \$ 938,887          | \$ 1,153,892        | \$ (215,005)        | -19%        | \$ 938,887          | \$ 1,153,892        | \$ (215,005)        | -19%        | \$ 938,887          | \$ 1,109,038        | \$ (170,151)        | -15%        | 1     |  |
| 4100 - Fleet Maintenance           | \$ 552,480          | \$ 750,649          | \$ (198,169)        | -26%        | \$ 552,480          | \$ 750,649          | \$ (198,169)        | -26%        | \$ 552,480          | \$ 568,995          | \$ (16,515)         | -3%         | 2     |  |
| 9001 - Cobra Benefits              | \$ 1,525            | \$ -                | \$ 1,525            | 0%          | \$ 1,525            | \$ -                | \$ 1,525            | 0%          | \$ 1,525            | \$ 177              | \$ 1,348            | 762%        |       |  |
| 9005 - Retired Employee Benefits   | \$ 118,536          | \$ 144,500          | \$ (25,964)         | -18%        | \$ 118,536          | \$ 144,500          | \$ (25,964)         | -18%        | \$ 118,536          | \$ 187,130          | \$ (68,594)         | -37%        |       |  |
| Additional Operating Programs      | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          |       |  |
| <b>Total Operating Expenses</b>    | <b>\$ 2,542,219</b> | <b>\$ 3,231,499</b> | <b>\$ (689,280)</b> | <b>-21%</b> | <b>\$ 2,542,219</b> | <b>\$ 3,231,499</b> | <b>\$ (689,280)</b> | <b>-21%</b> | <b>\$ 2,542,219</b> | <b>\$ 2,947,570</b> | <b>\$ (405,351)</b> | <b>-14%</b> |       |  |

**Current Period Notes:**

- 1) Bus Operators is under budget due to not being at full complement.
- 2) Fleet Maintenance is under budget due to not being at full complement and fuel costs below estimates.

7.23

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - July 31, 2007**

|                                   | Current Period      |                     |                     |             | Year to Date        |                     |                     |             | Year to Date        |                     |                     |             | Notes    |
|-----------------------------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|----------|
|                                   | Actual              | Budget              | \$ Var              | % Var       | Actual              | Budget              | \$ Var              | % Var       | Actual<br>FY08      | FY07                | \$ Var              | % Var       |          |
| <b>LABOR</b>                      |                     |                     |                     |             |                     |                     |                     |             |                     |                     |                     |             |          |
| 501011 Bus Operator Pay           | \$ 578,778          | \$ 687,597          | \$ (108,819)        | -16%        | \$ 578,778          | \$ 687,597          | \$ (108,819)        | -16%        | \$ 578,778          | \$ 532,459          | \$ 46,319           | 9%          |          |
| 501013 Bus Operator Overtime      | \$ 59,511           | \$ 102,083          | \$ (42,572)         | -42%        | \$ 59,511           | \$ 102,083          | \$ (42,572)         | -42%        | \$ 59,511           | \$ 87,409           | \$ (27,898)         | -32%        |          |
| 501021 Other Salaries             | \$ 479,357          | \$ 541,357          | \$ (62,000)         | -11%        | \$ 479,357          | \$ 541,357          | \$ (62,000)         | -11%        | \$ 479,357          | \$ 434,219          | \$ 45,138           | 10%         |          |
| 501023 Other Overtime             | \$ 17,789           | \$ 19,684           | \$ (1,895)          | -10%        | \$ 17,789           | \$ 19,684           | \$ (1,895)          | -10%        | \$ 17,789           | \$ 13,290           | \$ 4,499            | 34%         |          |
| <b>Total Labor -</b>              | <b>\$ 1,135,435</b> | <b>\$ 1,350,721</b> | <b>\$ (215,286)</b> | <b>-16%</b> | <b>\$ 1,135,435</b> | <b>\$ 1,350,721</b> | <b>\$ (215,286)</b> | <b>-16%</b> | <b>\$ 1,135,435</b> | <b>\$ 1,067,377</b> | <b>\$ 68,058</b>    | <b>6%</b>   |          |
| <b>FRINGE BENEFITS</b>            |                     |                     |                     |             |                     |                     |                     |             |                     |                     |                     |             |          |
| 502011 Medicare/Soc. Sec.         | \$ 16,160           | \$ 20,139           | \$ (3,979)          | -20%        | \$ 16,160           | \$ 20,139           | \$ (3,979)          | -20%        | \$ 16,160           | \$ 14,273           | \$ 1,887            | 13%         |          |
| 502021 Retirement                 | \$ 166,280          | \$ 185,973          | \$ (19,693)         | -11%        | \$ 166,280          | \$ 185,973          | \$ (19,693)         | -11%        | \$ 166,280          | \$ 140,123          | \$ 26,157           | 19%         |          |
| 502031 Medical Insurance          | \$ 370,240          | \$ 438,530          | \$ (68,290)         | -16%        | \$ 370,240          | \$ 438,530          | \$ (68,290)         | -16%        | \$ 370,240          | \$ 651,237          | \$ (280,997)        | -43%        |          |
| 502041 Dental Insurance           | \$ 38,219           | \$ 40,928           | \$ (2,709)          | -7%         | \$ 38,219           | \$ 40,928           | \$ (2,709)          | -7%         | \$ 38,219           | \$ 36,837           | \$ 1,382            | 4%          |          |
| 502045 Vision Insurance           | \$ 10,684           | \$ 11,336           | \$ (652)            | -6%         | \$ 10,684           | \$ 11,336           | \$ (652)            | -6%         | \$ 10,684           | \$ 11,711           | \$ (1,027)          | -9%         |          |
| 502051 Life Insurance             | \$ -                | \$ 4,414            | \$ (4,414)          | -100%       | \$ -                | \$ 4,414            | \$ (4,414)          | -100%       | \$ -                | \$ 3,720            | \$ (3,720)          | -100%       |          |
| 502060 State Disability           | \$ 9,738            | \$ 30,599           | \$ (20,861)         | -68%        | \$ 9,738            | \$ 30,599           | \$ (20,861)         | -68%        | \$ 9,738            | \$ 16,003           | \$ (6,265)          | -39%        |          |
| 502061 Disability Insurance       | \$ 16,840           | \$ 15,926           | \$ 914              | 6%          | \$ 16,840           | \$ 15,926           | \$ 914              | 6%          | \$ 16,840           | \$ 14,816           | \$ 2,024            | 14%         |          |
| 502071 State Unemp. Ins           | \$ 295              | \$ 8,019            | \$ (7,724)          | -96%        | \$ 295              | \$ 8,019            | \$ (7,724)          | -96%        | \$ 295              | \$ 643              | \$ (348)            | -54%        |          |
| 502081 Worker's Comp Ins          | \$ 33,335           | \$ 116,390          | \$ (83,055)         | -71%        | \$ 33,335           | \$ 116,390          | \$ (83,055)         | -71%        | \$ 33,335           | \$ 139,229          | \$ (105,894)        | -76%        |          |
| 502083 Worker's Comp IBNR         | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          |          |
| 502101 Holiday Pay                | \$ 23,811           | \$ 28,652           | \$ (4,841)          | -17%        | \$ 23,811           | \$ 28,652           | \$ (4,841)          | -17%        | \$ 23,811           | \$ 22,544           | \$ 1,267            | 6%          |          |
| 502103 Floating Holiday           | \$ 1,990            | \$ 5,467            | \$ (3,477)          | -64%        | \$ 1,990            | \$ 5,467            | \$ (3,477)          | -64%        | \$ 1,990            | \$ 5,923            | \$ (3,933)          | -66%        |          |
| 502109 Sick Leave                 | \$ 48,370           | \$ 63,400           | \$ (15,030)         | -24%        | \$ 48,370           | \$ 63,400           | \$ (15,030)         | -24%        | \$ 48,370           | \$ 26,720           | \$ 21,650           | 81%         |          |
| 502111 Annual Leave               | \$ 166,471          | \$ 125,133          | \$ 41,338           | 33%         | \$ 166,471          | \$ 125,133          | \$ 41,338           | 33%         | \$ 166,471          | \$ 212,856          | \$ (46,385)         | -22%        |          |
| 502121 Other Paid Absence         | \$ 7,347            | \$ 13,692           | \$ (6,345)          | -46%        | \$ 7,347            | \$ 13,692           | \$ (6,345)          | -46%        | \$ 7,347            | \$ 15,734           | \$ (8,387)          | -53%        |          |
| 502251 Physical Exams             | \$ 198              | \$ 3,019            | \$ (2,821)          | -93%        | \$ 198              | \$ 3,019            | \$ (2,821)          | -93%        | \$ 198              | \$ 2,310            | \$ (2,112)          | -91%        |          |
| 502253 Driver Lic Renewal         | \$ 236              | \$ 433              | \$ (197)            | -45%        | \$ 236              | \$ 433              | \$ (197)            | -45%        | \$ 236              | \$ 163              | \$ 73               | 45%         |          |
| 502999 Other Fringe Benefits      | \$ 12,702           | \$ 8,027            | \$ 4,675            | 58%         | \$ 12,702           | \$ 8,027            | \$ 4,675            | 58%         | \$ 12,702           | \$ 1,721            | \$ 10,981           | 638%        |          |
| <b>Total Fringe Benefits -</b>    | <b>\$ 922,916</b>   | <b>\$ 1,120,077</b> | <b>\$ (197,161)</b> | <b>-18%</b> | <b>\$ 922,916</b>   | <b>\$ 1,120,077</b> | <b>\$ (197,161)</b> | <b>-18%</b> | <b>\$ 922,916</b>   | <b>\$ 1,316,563</b> | <b>\$ (393,647)</b> | <b>-30%</b> |          |
| <b>Total Personnel Expenses -</b> | <b>\$ 2,058,351</b> | <b>\$ 2,470,798</b> | <b>\$ (412,447)</b> | <b>-17%</b> | <b>\$ 2,058,351</b> | <b>\$ 2,470,798</b> | <b>\$ (412,447)</b> | <b>-17%</b> | <b>\$ 2,058,351</b> | <b>\$ 2,383,940</b> | <b>\$ (325,589)</b> | <b>-14%</b> | <b>1</b> |

7.04

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - July 31, 2007**

|  | Current Period    |                   |                     |             | Year to Date      |                   |                     |             | Year to Date      |                   |                    |             | Notes |
|--|-------------------|-------------------|---------------------|-------------|-------------------|-------------------|---------------------|-------------|-------------------|-------------------|--------------------|-------------|-------|
|  | Actual            | Budget            | \$ Var              | % Var       | Actual            | Budget            | \$ Var              | % Var       | Actual<br>FY08    | FY07              | \$ Var             | % Var       |       |
| <b>SERVICES</b>                                |                   |                   |                     |             |                   |                   |                     |             |                   |                   |                    |             |       |
| 503011 Acctg & Audit Fees                      | \$ 2,760          | \$ 8,354          | \$ (5,594)          | -67%        | \$ 2,760          | \$ 8,354          | \$ (5,594)          | -67%        | \$ 2,760          | \$ -              | \$ 2,760           | 0%          |       |
| 503012 Admin & Bank Fees                       | \$ 618            | \$ 19,669         | \$ (19,051)         | -97%        | \$ 618            | \$ 19,669         | \$ (19,051)         | -97%        | \$ 618            | \$ 199            | \$ 419             | 211%        | 2     |
| 503031 Prof & Tech Fees                        | \$ 5,643          | \$ 32,126         | \$ (26,483)         | -82%        | \$ 5,643          | \$ 32,126         | \$ (26,483)         | -82%        | \$ 5,643          | \$ 21,680         | \$ (16,037)        | -74%        | 3     |
| 503032 Legislative Services                    | \$ 7,970          | \$ 8,084          | \$ (114)            | -1%         | \$ 7,970          | \$ 8,084          | \$ (114)            | -1%         | \$ 7,970          | \$ 8,275          | \$ (305)           | -4%         |       |
| 503033 Legal Services                          | \$ -              | \$ 4,306          | \$ (4,306)          | -100%       | \$ -              | \$ 4,306          | \$ (4,306)          | -100%       | \$ -              | \$ 884            | \$ (884)           | -100%       |       |
| 503034 Pre-Employ Exams                        | \$ 1,497          | \$ 2,083          | \$ (586)            | -28%        | \$ 1,497          | \$ 2,083          | \$ (586)            | -28%        | \$ 1,497          | \$ 1,720          | \$ (223)           | -13%        |       |
| 503041 Temp Help                               | \$ 4,650          | \$ 1,375          | \$ 3,275            | 238%        | \$ 4,650          | \$ 1,375          | \$ 3,275            | 238%        | \$ 4,650          | \$ 6,705          | \$ (2,055)         | -31%        | 4     |
| 503161 Custodial Services                      | \$ 5,039          | \$ 6,120          | \$ (1,081)          | -18%        | \$ 5,039          | \$ 6,120          | \$ (1,081)          | -18%        | \$ 5,039          | \$ 3,839          | \$ 1,200           | 31%         |       |
| 503162 Uniform & Laundry                       | \$ 2,843          | \$ 3,743          | \$ (900)            | -24%        | \$ 2,843          | \$ 3,743          | \$ (900)            | -24%        | \$ 2,843          | \$ 2,049          | \$ 794             | 39%         |       |
| 503171 Security Services                       | \$ 24,524         | \$ 36,994         | \$ (12,470)         | -34%        | \$ 24,524         | \$ 36,994         | \$ (12,470)         | -34%        | \$ 24,524         | \$ 28,780         | \$ (4,256)         | -15%        | 5     |
| 503221 Classified/Legal Ads                    | \$ 1,356          | \$ 2,383          | \$ (1,027)          | -43%        | \$ 1,356          | \$ 2,383          | \$ (1,027)          | -43%        | \$ 1,356          | \$ 1,060          | \$ 296             | 28%         |       |
| 503222 Legal Advertising                       | \$ -              | \$ -              | \$ -                | 0%          | \$ -              | \$ -              | \$ -                | 0%          | \$ -              | \$ -              | \$ -               | 0%          |       |
| 503225 Graphic Services                        | \$ -              | \$ 1,717          | \$ (1,717)          | -100%       | \$ -              | \$ 1,717          | \$ (1,717)          | -100%       | \$ -              | \$ -              | \$ -               | 0%          |       |
| 503351 Repair - Bldg & Impr                    | \$ 3,409          | \$ 3,542          | \$ (133)            | -4%         | \$ 3,409          | \$ 3,542          | \$ (133)            | -4%         | \$ 3,409          | \$ 5,117          | \$ (1,708)         | -33%        |       |
| 503352 Repair - Equipment                      | \$ 14,858         | \$ 26,236         | \$ (11,378)         | -43%        | \$ 14,858         | \$ 26,236         | \$ (11,378)         | -43%        | \$ 14,858         | \$ 16,974         | \$ (2,116)         | -12%        |       |
| 503353 Repair - Rev Vehicle                    | \$ 29,868         | \$ 24,255         | \$ 5,613            | 23%         | \$ 29,868         | \$ 24,255         | \$ 5,613            | 23%         | \$ 29,868         | \$ 34,429         | \$ (4,561)         | -13%        |       |
| 503354 Repair - Non Rev Vehicle                | \$ 30             | \$ 4,652          | \$ (4,622)          | -99%        | \$ 30             | \$ 4,652          | \$ (4,622)          | -99%        | \$ 30             | \$ 7,100          | \$ (7,070)         | -100%       |       |
| 503363 Haz Mat Disposal                        | \$ 1,565          | \$ 2,042          | \$ (477)            | -23%        | \$ 1,565          | \$ 2,042          | \$ (477)            | -23%        | \$ 1,565          | \$ 480            | \$ 1,085           | 226%        |       |
| <b>Total Services -</b>                        | <b>\$ 106,630</b> | <b>\$ 187,681</b> | <b>\$ (81,051)</b>  | <b>-43%</b> | <b>\$ 106,630</b> | <b>\$ 187,681</b> | <b>\$ (81,051)</b>  | <b>-43%</b> | <b>\$ 106,630</b> | <b>\$ 139,291</b> | <b>\$ (32,661)</b> | <b>-23%</b> |       |
| <b>MOBILE MATERIALS AND SUPPLIES</b>           |                   |                   |                     |             |                   |                   |                     |             |                   |                   |                    |             |       |
| 504011 Fuels & Lube Non Rev Veh                | \$ 5,606          | \$ 10,226         | \$ (4,620)          | -45%        | \$ 5,606          | \$ 10,226         | \$ (4,620)          | -45%        | \$ 5,606          | \$ 7,556          | \$ (1,950)         | -26%        |       |
| 504012 Fuels & Lube Rev Veh                    | \$ 135,236        | \$ 269,649        | \$ (134,413)        | -50%        | \$ 135,236        | \$ 269,649        | \$ (134,413)        | -50%        | \$ 135,236        | \$ 167,970        | \$ (32,734)        | -19%        | 6     |
| 504021 Tires & Tubes                           | \$ 17,940         | \$ 18,700         | \$ (760)            | -4%         | \$ 17,940         | \$ 18,700         | \$ (760)            | -4%         | \$ 17,940         | \$ 13,829         | \$ 4,111           | 30%         |       |
| 504161 Other Mobile Supplies                   | \$ 510            | \$ 667            | \$ (157)            | -24%        | \$ 510            | \$ 667            | \$ (157)            | -24%        | \$ 510            | \$ 70,535         | \$ (70,025)        | -99%        |       |
| 504191 Rev Vehicle Parts                       | \$ 39,756         | \$ 56,800         | \$ (17,044)         | -30%        | \$ 39,756         | \$ 56,800         | \$ (17,044)         | -30%        | \$ 39,756         | \$ 39,756         | \$ -               | 0%          |       |
| <b>Total Mobile Materials &amp; Supplies -</b> | <b>\$ 199,048</b> | <b>\$ 356,042</b> | <b>\$ (156,994)</b> | <b>-44%</b> | <b>\$ 199,048</b> | <b>\$ 356,042</b> | <b>\$ (156,994)</b> | <b>-44%</b> | <b>\$ 199,048</b> | <b>\$ 259,890</b> | <b>\$ (60,842)</b> | <b>-23%</b> |       |

7.25

7.26

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - July 31, 2007**

|   | Current Period   |                  |                    |             | Year to Date     |                  |                    |             | Year to Date     |                    |                   |              | Notes |
|---|------------------|------------------|--------------------|-------------|------------------|------------------|--------------------|-------------|------------------|--------------------|-------------------|--------------|-------|
|   | Actual           | Budget           | \$ Var             | % Var       | Actual           | Budget           | \$ Var             | % Var       | Actual<br>FY08   | FY07               | \$ Var            | % Var        |       |
| <b>OTHER MATERIALS &amp; SUPPLIES</b>         |                  |                  |                    |             |                  |                  |                    |             |                  |                    |                   |              |       |
| 504205 Freight Out                            | \$ (97)          | \$ 412           | \$ (509)           | -124%       | \$ (97)          | \$ 412           | \$ (509)           | -124%       | \$ (97)          | \$ 501             | \$ (598)          | -119%        |       |
| 504211 Postage & Mailing                      | \$ 1,635         | \$ 1,867         | \$ (232)           | -12%        | \$ 1,635         | \$ 1,867         | \$ (232)           | -12%        | \$ 1,635         | \$ 1,423           | \$ 212            | 15%          |       |
| 504214 Promotional Items                      | \$ -             | \$ 2             | \$ (2)             | -100%       | \$ -             | \$ 2             | \$ (2)             | -100%       | \$ -             | \$ -               | \$ -              | 0%           |       |
| 504215 Printing                               | \$ 45            | \$ 7,401         | \$ (7,356)         | -99%        | \$ 45            | \$ 7,401         | \$ (7,356)         | -99%        | \$ 45            | \$ 98              | \$ (53)           | -54%         | 7     |
| 504217 Photo Supply/Processing                | \$ 60            | \$ 754           | \$ (694)           | -92%        | \$ 60            | \$ 754           | \$ (694)           | -92%        | \$ 60            | \$ 203             | \$ (143)          | -70%         |       |
| 504311 Office Supplies                        | \$ 8,245         | \$ 7,184         | \$ 1,061           | 15%         | \$ 8,245         | \$ 7,184         | \$ 1,061           | 15%         | \$ 8,245         | \$ 9,978           | \$ (1,733)        | -17%         |       |
| 504315 Safety Supplies                        | \$ 1,626         | \$ 1,521         | \$ 105             | 7%          | \$ 1,626         | \$ 1,521         | \$ 105             | 7%          | \$ 1,626         | \$ 347             | \$ 1,279          | 369%         |       |
| 504317 Cleaning Supplies                      | \$ 2,079         | \$ 4,090         | \$ (2,011)         | -49%        | \$ 2,079         | \$ 4,090         | \$ (2,011)         | -49%        | \$ 2,079         | \$ 2,607           | \$ (528)          | -20%         |       |
| 504409 Repair/Maint Supplies                  | \$ 2,022         | \$ 3,750         | \$ (1,728)         | -46%        | \$ 2,022         | \$ 3,750         | \$ (1,728)         | -46%        | \$ 2,022         | \$ 3,667           | \$ (1,645)        | -45%         |       |
| 504421 Non-Inventory Parts                    | \$ 3,345         | \$ 3,605         | \$ (260)           | -7%         | \$ 3,345         | \$ 3,605         | \$ (260)           | -7%         | \$ 3,345         | \$ 1,887           | \$ 1,458          | 77%          |       |
| 504511 Small Tools                            | \$ 145           | \$ 824           | \$ (679)           | -82%        | \$ 145           | \$ 824           | \$ (679)           | -82%        | \$ 145           | \$ 178             | \$ (33)           | -19%         |       |
| 504515 Employee Tool Rpicmt                   | \$ 86            | \$ 215           | \$ (129)           | -60%        | \$ 86            | \$ 215           | \$ (129)           | -60%        | \$ 86            | \$ 383             | \$ (297)          | -78%         |       |
| <b>Total Other Materials &amp; Supplies -</b> | <b>\$ 19,191</b> | <b>\$ 31,625</b> | <b>\$ (12,434)</b> | <b>-39%</b> | <b>\$ 19,191</b> | <b>\$ 31,625</b> | <b>\$ (12,434)</b> | <b>-39%</b> | <b>\$ 19,191</b> | <b>\$ 21,272</b>   | <b>\$ (2,081)</b> | <b>-10%</b>  |       |
| <b>UTILITIES</b>                              |                  |                  |                    |             |                  |                  |                    |             |                  |                    |                   |              |       |
| 505011 Gas & Electric                         | \$ 4,573         | \$ 15,151        | \$ (10,578)        | -70%        | \$ 4,573         | \$ 15,151        | \$ (10,578)        | -70%        | \$ 4,573         | \$ 7,203           | \$ (2,630)        | -37%         | 8     |
| 505021 Water & Garbage                        | \$ 13,168        | \$ 9,274         | \$ 3,894           | 42%         | \$ 13,168        | \$ 9,274         | \$ 3,894           | 42%         | \$ 13,168        | \$ 10,015          | \$ 3,153          | 31%          |       |
| 505031 Telecommunications                     | \$ 4,474         | \$ 8,021         | \$ (3,547)         | -44%        | \$ 4,474         | \$ 8,021         | \$ (3,547)         | -44%        | \$ 4,474         | \$ 5,460           | \$ (986)          | -18%         |       |
| <b>Total Utilities -</b>                      | <b>\$ 22,215</b> | <b>\$ 32,446</b> | <b>\$ (10,231)</b> | <b>-32%</b> | <b>\$ 22,215</b> | <b>\$ 32,446</b> | <b>\$ (10,231)</b> | <b>-32%</b> | <b>\$ 22,215</b> | <b>\$ 22,678</b>   | <b>\$ (463)</b>   | <b>-2%</b>   |       |
| <b>CASUALTY &amp; LIABILITY</b>               |                  |                  |                    |             |                  |                  |                    |             |                  |                    |                   |              |       |
| 506011 Insurance - Property                   | \$ 3,828         | \$ 4,678         | \$ (850)           | -18%        | \$ 3,828         | \$ 4,678         | \$ (850)           | -18%        | \$ 3,828         | \$ 3,291           | \$ 537            | 16%          |       |
| 506015 Insurance - PL & PD                    | \$ 34,362        | \$ 35,000        | \$ (638)           | -2%         | \$ 34,362        | \$ 35,000        | \$ (638)           | -2%         | \$ 34,362        | \$ 42,108          | \$ (7,746)        | -18%         |       |
| 506021 Insurance - Other                      | \$ 59            | \$ 151           | \$ (92)            | -61%        | \$ 59            | \$ 151           | \$ (92)            | -61%        | \$ 59            | \$ 59              | \$ -              | 0%           |       |
| 506123 Settlement Costs                       | \$ 4,772         | \$ 12,500        | \$ (7,728)         | -62%        | \$ 4,772         | \$ 12,500        | \$ (7,728)         | -62%        | \$ 4,772         | \$ 2,084           | \$ 2,688          | 129%         |       |
| 506127 Repairs - Dist Prop                    | \$ (2,052)       | \$ -             | \$ (2,052)         | 0%          | \$ (2,052)       | \$ -             | \$ (2,052)         | 0%          | \$ (2,052)       | \$ (68,350)        | \$ 66,298         | -97%         |       |
| <b>Total Casualty &amp; Liability -</b>       | <b>\$ 40,969</b> | <b>\$ 52,329</b> | <b>\$ (11,360)</b> | <b>-22%</b> | <b>\$ 40,969</b> | <b>\$ 52,329</b> | <b>\$ (11,360)</b> | <b>-22%</b> | <b>\$ 40,969</b> | <b>\$ (20,808)</b> | <b>\$ 61,777</b>  | <b>-297%</b> |       |
| <b>TAXES</b>                                  |                  |                  |                    |             |                  |                  |                    |             |                  |                    |                   |              |       |
| 507051 Fuel Tax                               | \$ 1,671         | \$ 888           | \$ 783             | 88%         | \$ 1,671         | \$ 888           | \$ 783             | 88%         | \$ 1,671         | \$ 1,926           | \$ (255)          | -13%         |       |
| 507201 Licenses & permits                     | \$ 1,274         | \$ 980           | \$ 294             | 30%         | \$ 1,274         | \$ 980           | \$ 294             | 30%         | \$ 1,274         | \$ -               | \$ 1,274          | 0%           |       |
| 507999 Other Taxes                            | \$ 1,211         | \$ 2,058         | \$ (847)           | -41%        | \$ 1,211         | \$ 2,058         | \$ (847)           | -41%        | \$ 1,211         | \$ 2,485           | \$ (1,274)        | -51%         |       |
| <b>Total Utilities -</b>                      | <b>\$ 4,156</b>  | <b>\$ 3,926</b>  | <b>\$ 230</b>      | <b>6%</b>   | <b>\$ 4,156</b>  | <b>\$ 3,926</b>  | <b>\$ 230</b>      | <b>6%</b>   | <b>\$ 4,156</b>  | <b>\$ 4,411</b>    | <b>\$ (255)</b>   | <b>-6%</b>   |       |

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - July 31, 2007**

|  | Current Period      |                     |                     |             | Year to Date        |                     |                     |             | Year to Date        |                     |                     |             | Notes |
|--|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|-------|
|  | Actual              | Budget              | \$ Var              | % Var       | Actual              | Budget              | \$ Var              | % Var       | Actual<br>FY08      | FY07                | \$ Var              | % Var       |       |
| <b><u>PURCHASED TRANSPORTATION</u></b> |                     |                     |                     |             |                     |                     |                     |             |                     |                     |                     |             |       |
| 503406 Contr/Paratrans                 | \$ 13,791           | \$ 16,667           | \$ (2,876)          | -17%        | \$ 13,791           | \$ 16,667           | \$ (2,876)          | -17%        | \$ 13,791           | \$ 18,523           | \$ (4,732)          | -26%        |       |
| Total Purchased Transportation -       | \$ 13,791           | \$ 16,667           | \$ (2,876)          | -17%        | \$ 13,791           | \$ 16,667           | \$ (2,876)          | -17%        | \$ 13,791           | \$ 18,523           | \$ (4,732)          | -26%        |       |
| <b><u>MISC</u></b>                     |                     |                     |                     |             |                     |                     |                     |             |                     |                     |                     |             |       |
| 509011 Dues & Subscriptions            | \$ 2,414            | \$ 4,768            | \$ (2,354)          | -49%        | \$ 2,414            | \$ 4,768            | \$ (2,354)          | -49%        | \$ 2,414            | \$ 38,291           | \$ (35,877)         | -94%        |       |
| 509085 Advertising - Rev Product       | \$ -                | \$ 1,250            | \$ (1,250)          | -100%       | \$ -                | \$ 1,250            | \$ (1,250)          | -100%       | \$ -                | \$ -                | \$ -                | 0%          |       |
| 509101 Emp Incentive Prog              | \$ 135              | \$ 485              | \$ (350)            | -72%        | \$ 135              | \$ 485              | \$ (350)            | -72%        | \$ 135              | \$ 67               | \$ 68               | 101%        |       |
| 509124 Employee Training               | \$ 1,909            | \$ 1,625            | \$ 284              | 17%         | \$ 1,909            | \$ 1,625            | \$ 284              | 17%         | \$ 1,909            | \$ (105)            | \$ 2,014            | -1918%      |       |
| 509123 Travel                          | \$ 2,346            | \$ 4,348            | \$ (2,002)          | -46%        | \$ 2,346            | \$ 4,348            | \$ (2,002)          | -46%        | \$ 2,346            | \$ 86               | \$ 2,260            | 2628%       |       |
| 509125 Local Meeting Exp               | \$ 227              | \$ 529              | \$ (302)            | -57%        | \$ 227              | \$ 529              | \$ (302)            | -57%        | \$ 227              | \$ 222              | \$ 5                | 2%          |       |
| 509127 Board Director Fees             | \$ 1,800            | \$ 1,100            | \$ 700              | 64%         | \$ 1,800            | \$ 1,100            | \$ 700              | 64%         | \$ 1,800            | \$ 1,000            | \$ 800              | 80%         |       |
| 509150 Contributions                   | \$ 98               | \$ 54               | \$ 44               | 81%         | \$ 98               | \$ 54               | \$ 44               | 81%         | \$ 98               | \$ -                | \$ 98               | 0%          |       |
| 509197 Sales Tax Expense               | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ (477)            | \$ 477              | -100%       |       |
| 509198 Cash Over/Short                 | \$ (14)             | \$ -                | \$ (14)             | 0%          | \$ (14)             | \$ -                | \$ (14)             | 0%          | \$ (14)             | \$ (131)            | \$ 117              | -89%        |       |
| Total Misc -                           | \$ 8,915            | \$ 14,159           | \$ (5,244)          | -37%        | \$ 8,915            | \$ 14,159           | \$ (5,244)          | -37%        | \$ 8,915            | \$ 38,953           | \$ (30,038)         | -77%        |       |
| <b><u>LEASES &amp; RENTALS</u></b>     |                     |                     |                     |             |                     |                     |                     |             |                     |                     |                     |             |       |
| 512011 Facility Rentals                | \$ 63,452           | \$ 59,560           | \$ 3,892            | 7%          | \$ 63,452           | \$ 59,560           | \$ 3,892            | 7%          | \$ 63,452           | \$ 68,758           | \$ (5,306)          | -8%         |       |
| 512061 Equipment Rentals               | \$ 5,502            | \$ 6,273            | \$ (771)            | -12%        | \$ 5,502            | \$ 6,273            | \$ (771)            | -12%        | \$ 5,502            | \$ 10,664           | \$ (5,162)          | -48%        |       |
| Total Leases & Rentals -               | \$ 68,954           | \$ 65,833           | \$ 3,121            | 5%          | \$ 68,954           | \$ 65,833           | \$ 3,121            | 5%          | \$ 68,954           | \$ 79,422           | \$ (10,468)         | -13%        |       |
| Total Non-Personnel Expenses -         | \$ 483,869          | \$ 760,708          | \$ (276,839)        | -36%        | \$ 483,869          | \$ 760,708          | \$ (276,839)        | -36%        | \$ 483,869          | \$ 563,632          | \$ (79,763)         | -14%        |       |
| <b>TOTAL OPERATING EXPENSE -</b>       | <b>\$ 2,542,220</b> | <b>\$ 3,231,506</b> | <b>\$ (689,286)</b> | <b>-21%</b> | <b>\$ 2,542,220</b> | <b>\$ 3,231,506</b> | <b>\$ (689,286)</b> | <b>-21%</b> | <b>\$ 2,542,220</b> | <b>\$ 2,947,572</b> | <b>\$ (405,352)</b> | <b>-14%</b> |       |

**Current Period Notes:**

- 1) **Total Personnel Expenses** are below budget due to not being at full complement.
- 2) **Admin & Bank Fees** are below budget due to BOE Sales Tax Admin fee being paid qtrly and the budget spread on 12 even months.

7.27

**FY2008**  
**Consolidated Operating Expenses**  
*For the month ending - July 31, 2007*

|                           | Current Period |        |        |       | Year to Date |        |        |       | Year to Date   |      |        |       | Notes |  |
|---------------------------|----------------|--------|--------|-------|--------------|--------|--------|-------|----------------|------|--------|-------|-------|--|
|                           | Actual         | Budget | \$ Var | % Var | Actual       | Budget | \$ Var | % Var | Actual<br>FY08 | FY07 | \$ Var | % Var |       |  |
| 3) Prof & Tech Fees       |                |        |        |       |              |        |        |       |                |      |        |       |       | are below budget. Negotiations for the year will not start until the March 2009 time frame.  |
| 4) Temp Help              |                |        |        |       |              |        |        |       |                |      |        |       |       | is over budget due to vacancies and workloads. This item is only budgeted in Admin.  |
| 5) Security Services      |                |        |        |       |              |        |        |       |                |      |        |       |       | are under budget due to the budget being straight lined and not knowing when additional security will be needed throughout the year. |
| 6) Fuels & Lube Rev Vehis |                |        |        |       |              |        |        |       |                |      |        |       |       | under budget. The budget was built on anticipating increased fuel prices for the year.   |
| 7) Printing               |                |        |        |       |              |        |        |       |                |      |        |       |       | is under budget due to the Headways publications being printed qtrly and the budget being straight lined for FY08.                   |
| 8) Gas & Electric         |                |        |        |       |              |        |        |       |                |      |        |       |       | is under budget. Bills did not come in until August.   |

7.08

**FY2008**  
**CAPITAL BUDGET**  
For the month ending - July 31, 2007

|  | <u>YTD Actual</u> | <u>FY08 Budget</u>   | <u>Remaining Budget</u> | <u>% Spent YTD</u> |
|--|-------------------|----------------------|-------------------------|--------------------|
| <b><u>Grant-Funded Projects</u></b>                      |                   |                      |                         |                    |
| MetroBase  | \$ 2,685          | \$ 10,300,000        | \$ 10,297,315           | 0%                 |
| Purchase 1217 River Street                               | \$ -              | \$ 1,237,500         | \$ 1,237,500            | 0%                 |
| Purchase 1211 River Street                               | \$ -              | \$ 775,000           | \$ 775,000              | 0%                 |
| CNG Bus Conversions (40 Buses)                           | \$ -              | \$ 6,800,000         | \$ 6,800,000            | 0%                 |
| Local Bus Replacement (8)                                | \$ -              | \$ 3,400,000         | \$ 3,400,000            | 0%                 |
| Pacific Station Project                                  | \$ 1,748          | \$ 2,729,494         | \$ 2,727,746            | 0%                 |
| H17 Bus Replacement (5)                                  | \$ -              | \$ 2,262,000         | \$ 2,262,000            | 0%                 |
| Hwy 17 Wireless (Air District)                           | \$ -              | \$ 42,500            | \$ 42,500               | 0%                 |
| Transmission   | \$ -              | \$ 15,000            | \$ 15,000               | 0%                 |
| <b>Subtotal Grant Funded Projects</b>                    | <b>\$ 4,432</b>   | <b>\$ 27,561,494</b> | <b>\$ 27,557,062</b>    | <b>0%</b>          |
| <b><u>District Funded Projects</u></b>                   |                   |                      |                         |                    |
| <b><u>IT Projects</u></b>                                |                   |                      |                         |                    |
| ATP - Hastus Run Time Analysis Program - IT/OPS          | \$ -              | \$ 40,000            | \$ 40,000               | 0%                 |
| Qquest Time Clocks                                       | \$ -              | \$ 9,000             | \$ 9,000                | 0%                 |
| ABS Financial System & Modules                           | \$ -              | \$ 8,000             | \$ 8,000                | 0%                 |
| ABS Laser Printer & Software for Checks                  | \$ -              | \$ 7,200             | \$ 7,200                | 0%                 |
| Laptops (2) Fleet & Finance                              | \$ -              | \$ 4,000             | \$ 4,000                | 0%                 |
| FAS - Fixed Asset Mgmt. Software                         | \$ -              | \$ 4,000             | \$ 4,000                | 0%                 |
| Web Access Control Appliance                             | \$ -              | \$ 3,000             | \$ 3,000                | 0%                 |
| Printer - Ops  | \$ -              | \$ 1,800             | \$ 1,800                | 0%                 |
| <b><u>Facilities Repair &amp; Improvements</u></b>       |                   |                      |                         |                    |
| Bus Stop Improvements (20 total)                         | \$ -              | \$ 164,251           | \$ 164,251              | 0%                 |
| Bus Stop Improvements (China Grade Turnout) **           | \$ -              | \$ 121,000           | \$ 121,000              | 0%                 |
| Bus Shelters - LNI                                       | \$ -              | \$ 45,000            | \$ 45,000               | 0%                 |
| 2-way Radio & Telephone Recording System (Exacom System) | \$ -              | \$ 30,000            | \$ 30,000               | 0%                 |
| Reseal Operations Facility Roof                          | \$ -              | \$ 25,600            | \$ 25,600               | 0%                 |
| ParaCruz Vehicle Hoist                                   | \$ -              | \$ 17,500            | \$ 17,500               | 0%                 |
| Replace HVAC at ParaCruz Facility                        | \$ -              | \$ 14,500            | \$ 14,500               | 0%                 |
| Repair Parking Lots (Greyhound, Soquel Park & Ride)      | \$ -              | \$ 5,000             | \$ 5,000                | 0%                 |
| Repair Sidewalks & Bus Lanes (Pacific Station)           | \$ -              | \$ 5,000             | \$ 5,000                | 0%                 |
| Cubicle Walls (ParaCruz)                                 | \$ -              | \$ 10,000            | \$ 10,000               | 0%                 |
| Digital ID Card Processing Equip. for Pacific Station    | \$ -              | \$ 15,000            | \$ 15,000               | 0%                 |
| Replace Toilets at Pacific Station & (1) Waterless       | \$ -              | \$ 9,600             | \$ 9,600                | 0%                 |
| Bus Operators Lockers                                    | \$ -              | \$ 4,800             | \$ 4,800                | 0%                 |
| Two-way Radio Portable Radio Hand-paks (4)               | \$ -              | \$ 3,500             | \$ 3,500                | 0%                 |
| Coin Machine Replacement - Pacific Station               | \$ -              | \$ 5,000             | \$ 5,000                | 0%                 |
| Money Counting Program - OPS                             | \$ -              | \$ 2,500             | \$ 2,500                | 0%                 |

7.29

**FY2008**  
**CAPITAL BUDGET**  
*For the month ending - July 31, 2007*

|   | <u>YTD Actual</u>   | <u>FY08 Budget</u>   | <u>Remaining Budget</u> | <u>% Spent YTD</u> |
|---|---------------------|----------------------|-------------------------|--------------------|
| <b><u>Revenue Vehicle Replacement</u></b>     |                     |                      |                         |                    |
| Purchase ParaCruz Vans (3)                    | \$ -                | \$ 216,303           | \$ 216,303              | 0%                 |
| Rebuild Bus Engines (16 remaining) 1998 Fleet | \$ -                | \$ 168,000           | \$ 168,000              | 0%                 |
| New John Deere Engines (2)                    | \$ -                | \$ 76,435            | \$ 76,435               | 0%                 |
| <b><u>Non-Revenue Vehicle Replacement</u></b> |                     |                      |                         |                    |
| ParaCruz Staff Car                            | \$ -                | \$ 20,000            | \$ 20,000               | 0%                 |
| Facility Service Body Truck (2)               | \$ -                | \$ 60,000            | \$ 60,000               | 0%                 |
| Pickup for Fleet (2)                          | \$ -                | \$ 35,000            | \$ 35,000               | 0%                 |
| Hybrid - Admin                                | \$ -                | \$ 30,500            | \$ 30,500               | 0%                 |
| Supervisor Vehicle                            | \$ -                | \$ 29,500            | \$ 29,500               | 0%                 |
| Shuttle Van                                   | \$ -                | \$ 27,500            | \$ 27,500               | 0%                 |
| <b><u>Maint Equipment</u></b>                 |                     |                      |                         |                    |
| Replace Repeater - Davenport                  | \$ -                | \$ 15,000            | \$ 15,000               | 0%                 |
| Wire Welder                                   | \$ -                | \$ 2,039             | \$ 2,039                | 0%                 |
| Forklift (Purchased from Casey Printing)      | \$ -                | \$ 1,250             | \$ 1,250                | 0%                 |
| <b><u>Admin</u></b>                           |                     |                      |                         |                    |
| Purchase & Renovation of Vernon Bldg          | \$ 3,878,113        | \$ 6,964,902         | \$ 3,086,789            | 56%                |
| <b>Subtotal District Funded Projects</b>      | <b>\$ 3,878,113</b> | <b>\$ 8,201,680</b>  | <b>\$ 4,323,567</b>     | <b>47%</b>         |
| <b>TOTAL CAPITAL PROJECTS</b>                 | <b>\$ 3,882,546</b> | <b>\$ 35,763,174</b> | <b>\$ 31,880,628</b>    | <b>11%</b>         |

2.0.10

**FY2008**  
**CAPITAL BUDGET**  
*For the month ending - July 31, 2007*

|  | <u>YTD Actual</u>   | <u>FY08 Budget</u>   | <u>Remaining Budget</u> | <u>% Spent YTD</u> |
|--|---------------------|----------------------|-------------------------|--------------------|
| <b><u>CAPITAL FUNDING</u></b>                    |                     |                      |                         |                    |
| Federal Capital Grants                           | \$ 4,432            | \$ 3,798,527         | \$ 3,794,095            | 0%                 |
| State/Other Capital Grants                       | \$ -                | \$ 12,919,865        | \$ 12,919,865           | 0%                 |
| AB 3090  | \$ -                | \$ 6,363,000         | \$ 6,363,000            | 0%                 |
| STA Funding (Current Year & Prior Year Deferred) | \$ 3,878,113        | \$ 7,087,337         | \$ 3,209,224            | 55%                |
| Alternative Fuel Conversion Fund                 | \$ -                | \$ 462,000           | \$ 462,000              | 0%                 |
| Bus Stop Improvement Reserves                    | \$ -                | \$ 100,000           | \$ 100,000              | 0%                 |
| District Reserves                                | \$ -                | \$ 5,032,445         | \$ 5,032,445            | 0%                 |
| <b>TOTAL CAPITAL FUNDING</b>                     | <b>\$ 3,882,546</b> | <b>\$ 35,763,174</b> | <b>\$ 31,880,628</b>    | <b>11%</b>         |

7.2.11

**FY2008**  
**Operating Revenue**  
**For the month ending - August 31, 2007**

Percent of Year Elapsed - 17%

| Revenue Source                    | Current Period      |                     |                     |             | Year to Date          |                     |                     |             | YTD Year over Year Comparison |                       |                   |           | Notes    |
|-----------------------------------|---------------------|---------------------|---------------------|-------------|-----------------------|---------------------|---------------------|-------------|-------------------------------|-----------------------|-------------------|-----------|----------|
|                                   | Actual              | Budget              | \$ Var              | % Var       | Actual                | Budget              | \$ Var              | % Var       | Actual                        |                       | \$ Var            | % Var     |          |
|                                   |                     |                     |                     |             |                       |                     |                     |             | FY08                          | FY07                  |                   |           |          |
| Passenger Fares                   | \$ 315,533          | \$ 287,507          | \$ 28,026           | 10%         | \$ 631,502            | \$ 575,014          | \$ 56,488           | 10%         | \$ 631,502                    | \$ 563,709            | \$ 67,793         | 12%       |          |
| Paratransit Fares                 | \$ 19,472           | \$ 20,800           | \$ (1,328)          | -6%         | \$ 34,875             | \$ 41,600           | \$ (6,725)          | -16%        | \$ 34,875                     | \$ 39,967             | \$ (5,092)        | -13%      |          |
| Special Transit Fares             | \$ 65,908           | \$ 235,271          | \$ (169,363)        | -72%        | \$ 133,429            | \$ 470,542          | \$ (337,113)        | -72%        | \$ 133,429                    | \$ 137,082            | \$ (3,653)        | -3%       |          |
| Highway 17 Fares                  | \$ 64,613           | \$ 70,310           | \$ (5,697)          | -8%         | \$ 125,181            | \$ 140,620          | \$ (15,439)         | -11%        | \$ 125,181                    | \$ 122,217            | \$ 2,964          | 2%        |          |
| Highway 17 Payments               | \$ 46,473           | \$ 38,544           | \$ 7,929            | 21%         | \$ 96,600             | \$ 77,088           | \$ 19,512           | 25%         | \$ 96,600                     | \$ 83,159             | \$ 13,441         | 16%       |          |
| <b>Subtotal Passenger Revenue</b> | <b>\$ 511,999</b>   | <b>\$ 652,432</b>   | <b>\$ (140,433)</b> | <b>-22%</b> | <b>\$ 1,021,587</b>   | <b>\$ 1,304,864</b> | <b>\$ (283,277)</b> | <b>-22%</b> | <b>\$ 1,021,587</b>           | <b>\$ 946,134</b>     | <b>\$ 75,453</b>  | <b>8%</b> | <b>1</b> |
| Commissions                       | \$ 253              | \$ 500              | \$ (247)            | -49%        | \$ 947                | \$ 1,000            | \$ (53)             | -5%         | \$ 947                        | \$ 941                | \$ 6              | 1%        |          |
| Advertising Income                | \$ 22,308           | \$ 12,083           | \$ 10,225           | 85%         | \$ 46,569             | \$ 24,166           | \$ 22,403           | 93%         | \$ 46,569                     | \$ 45,990             | \$ 579            | 1%        | 2        |
| Rent Income - SC Pacific Station  | \$ 6,337            | \$ 7,087            | \$ (750)            | -11%        | \$ 14,474             | \$ 14,174           | \$ 300              | 2%          | \$ 14,474                     | \$ 14,248             | \$ 226            | 2%        |          |
| Rent Income - Watsonville TC      | \$ 4,263            | \$ 4,124            | \$ 139              | 3%          | \$ 9,016              | \$ 8,248            | \$ 768              | 9%          | \$ 9,016                      | \$ 10,138             | \$ (1,122)        | -11%      |          |
| Rent Income - General             | \$ -                | \$ -                | \$ -                | 0%          | \$ -                  | \$ -                | \$ -                | 0%          | \$ -                          | \$ 3,200              | \$ (3,200)        | -100%     |          |
| Interest Income                   | \$ 92,885           | \$ 89,667           | \$ 3,218            | 4%          | \$ 199,374            | \$ 179,334          | \$ 20,040           | 11%         | \$ 199,374                    | \$ 201,909            | \$ (2,535)        | -1%       |          |
| Other Non-Transp Revenue          | \$ 3,039            | \$ 23,583           | \$ (20,544)         | -87%        | \$ 3,538              | \$ 47,166           | \$ (43,628)         | -92%        | \$ 3,538                      | \$ 145,369            | \$ (141,831)      | -98%      | 3        |
| Sales Tax Revenue                 | \$ 1,607,200        | \$ 1,468,704        | \$ 138,496          | 9%          | \$ 2,812,600          | \$ 2,937,408        | \$ (124,808)        | -4%         | \$ 2,812,600                  | \$ 2,541,900          | \$ 270,700        | 11%       |          |
| Transp Dev Act (TDA) - Op Asst    | \$ -                | \$ -                | \$ -                | 0%          | \$ -                  | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -              | 0%        |          |
| FTA Sec 5307 - Op Asst            | \$ -                | \$ -                | \$ -                | 0%          | \$ -                  | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -              | 0%        |          |
| Repay FTA Advance                 | \$ -                | \$ -                | \$ -                | 0%          | \$ -                  | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -              | 0%        |          |
| FTA Sec 5311 - Rural Op Asst      | \$ -                | \$ -                | \$ -                | 0%          | \$ -                  | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -              | 0%        |          |
| Transfer from Capital/Proj Mgr    | \$ -                | \$ -                | \$ -                | 0%          | \$ -                  | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -              | 0%        |          |
| <b>Subtotal Revenue</b>           | <b>\$ 2,248,284</b> | <b>\$ 2,258,180</b> | <b>\$ (9,896)</b>   | <b>0%</b>   | <b>\$ 4,108,105</b>   | <b>\$ 4,516,360</b> | <b>\$ (408,255)</b> | <b>-9%</b>  | <b>\$ 4,108,105</b>           | <b>\$ 3,909,829</b>   | <b>\$ 198,276</b> | <b>5%</b> |          |
| <b>One-Time Revenue</b>           |                     |                     |                     |             |                       |                     |                     |             |                               |                       |                   |           |          |
| Carryover from Previous Year      | \$ -                | \$ -                | \$ -                | 0%          | \$ -                  | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -              | 0%        |          |
| Transfer from Insurance Reserves  | \$ -                | \$ -                | \$ -                | 0%          | \$ -                  | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -              | 0%        |          |
| FTA Sec 5317 - Op Assistance      | \$ -                | \$ -                | \$ -                | 0%          | \$ -                  | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -              | 0%        |          |
| AMBAG Funding                     | \$ -                | \$ -                | \$ -                | 0%          | \$ -                  | \$ -                | \$ -                | 0%          | \$ -                          | \$ -                  | \$ -              | 0%        |          |
| <b>Subtotal One-Time Revenue</b>  | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>0%</b>   | <b>\$ -</b>           | <b>\$ -</b>         | <b>\$ -</b>         | <b>0%</b>   | <b>\$ -</b>                   | <b>\$ -</b>           | <b>\$ -</b>       | <b>0%</b> |          |
| <b>Total Operating Revenue</b>    | <b>\$ 2,248,284</b> | <b>\$ 2,258,180</b> | <b>\$ (9,896)</b>   | <b>0%</b>   | <b>\$ 4,108,105</b>   | <b>\$ 4,516,360</b> | <b>\$ (408,255)</b> | <b>-9%</b>  | <b>\$ 4,108,105</b>           | <b>\$ 3,909,829</b>   | <b>\$ 198,276</b> | <b>5%</b> |          |
| <b>Total Operating Expenses</b>   | <b>\$ 2,974,703</b> |                     |                     |             | <b>\$ 5,516,923</b>   |                     |                     |             | <b>\$ 5,516,923</b>           | <b>\$ 5,765,509</b>   |                   |           |          |
| <b>Variance</b>                   | <b>\$ (726,419)</b> |                     |                     |             | <b>\$ (1,408,818)</b> |                     |                     |             | <b>\$ (1,408,818)</b>         | <b>\$ (1,855,680)</b> |                   |           |          |

**Current Period Notes:**

- 1) Passenger Revenue is below budget for the month and YTD due to straight lining of the budget and school being out. YTD Year over Year comparison shows an 8% increase.
- 2) Advertising Income is over budget for the month and YTD due to more ad revenue than budgeted.
- 3) Other Non-Transp Revenue is behind for the month and YTD due to UTU PERS reimbursement from the County which is collected on a qtrly basis.

7.2  
19.61

7.62

**FY2008**  
**Operating Expenses by Department**  
**For the month ending - August 31, 2007**

|  | Current Period      |                     |                     |            | Year to Date        |                     |                     |             | Year to Date        |                     |                     |            | Notes |
|--|---------------------|---------------------|---------------------|------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|------------|-------|
|  | Actual              | Budget              | \$ Var              | % Var      | Actual              | Budget              | \$ Var              | % Var       | Actual<br>FY08      | Actual<br>FY07      | \$ Var              | % Var      |       |
| <b>Departmental Personnel Expenses</b>     |                     |                     |                     |            |                     |                     |                     |             |                     |                     |                     |            |       |
| 700 - SCCIC                                | \$ -                | \$ -                | \$ -                | 0%         | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%         |       |
| 1100 - Administration                      | \$ 79,118           | \$ 86,009           | \$ (6,891)          | -8%        | \$ 148,479          | \$ 172,018          | \$ (23,539)         | -14%        | \$ 148,479          | \$ 151,685          | \$ (3,206)          | -2%        |       |
| 1200 - Finance                             | \$ 47,350           | \$ 51,760           | \$ (4,410)          | -9%        | \$ 90,577           | \$ 103,520          | \$ (12,943)         | -13%        | \$ 90,577           | \$ 74,665           | \$ 15,912           | 21%        |       |
| 1300 - Customer Service                    | \$ 36,250           | \$ 43,127           | \$ (6,877)          | -16%       | \$ 69,815           | \$ 86,254           | \$ (16,439)         | -19%        | \$ 69,815           | \$ 68,225           | \$ 1,590            | 2%         |       |
| 1400 - Human Resources                     | \$ 39,402           | \$ 49,317           | \$ (9,915)          | -20%       | \$ 80,615           | \$ 98,634           | \$ (18,019)         | -18%        | \$ 80,615           | \$ 71,034           | \$ 9,581            | 13%        |       |
| 1500 - Information Technology              | \$ 40,680           | \$ 41,121           | \$ (441)            | -1%        | \$ 79,046           | \$ 82,242           | \$ (3,196)          | -4%         | \$ 79,046           | \$ 77,121           | \$ 1,925            | 2%         |       |
| 1700 - District Counsel                    | \$ 31,880           | \$ 38,234           | \$ (6,354)          | -17%       | \$ 60,576           | \$ 76,468           | \$ (15,892)         | -21%        | \$ 60,576           | \$ 64,110           | \$ (3,534)          | -6%        |       |
| 1800 - Risk Management                     | \$ -                | \$ -                | \$ -                | 0%         | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%         |       |
| 2200 - Facilities Maintenance              | \$ 75,271           | \$ 85,692           | \$ (10,421)         | -12%       | \$ 144,062          | \$ 171,384          | \$ (27,322)         | -16%        | \$ 144,062          | \$ 160,193          | \$ (16,131)         | -10%       |       |
| 3100 - Paratransit Program                 | \$ 232,100          | \$ 251,796          | \$ (19,696)         | -8%        | \$ 447,942          | \$ 503,592          | \$ (55,650)         | -11%        | \$ 447,942          | \$ 479,537          | \$ (31,595)         | -7%        |       |
| 3200 - Operations                          | \$ 179,900          | \$ 178,655          | \$ 1,245            | 1%         | \$ 335,154          | \$ 357,310          | \$ (22,156)         | -6%         | \$ 335,154          | \$ 356,268          | \$ (21,114)         | -6%        |       |
| 3300 - Bus Operators                       | \$ 1,044,971        | \$ 1,153,142        | \$ (108,171)        | -9%        | \$ 1,983,858        | \$ 2,306,284        | \$ (322,426)        | -14%        | \$ 1,983,858        | \$ 2,158,622        | \$ (174,764)        | -8%        |       |
| 4100 - Fleet Maintenance                   | \$ 333,097          | \$ 347,444          | \$ (14,347)         | -4%        | \$ 638,185          | \$ 694,888          | \$ (56,703)         | -8%         | \$ 638,185          | \$ 606,958          | \$ 31,227           | 5%         |       |
| 9001 - Cobra Benefits                      | \$ 749              | \$ -                | \$ 749              | 0%         | \$ 2,274            | \$ -                | \$ 2,274            | 0%          | \$ 2,274            | \$ (220)            | \$ 2,494            | -1134%     |       |
| 9005 - Retired Employee Benefits           | \$ 119,510          | \$ 144,500          | \$ (24,990)         | -17%       | \$ 238,046          | \$ 289,000          | \$ (50,954)         | -18%        | \$ 238,046          | \$ 314,758          | \$ (76,712)         | -24%       |       |
| Additional Operating Programs              | \$ -                | \$ -                | \$ -                | 0%         | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%         |       |
| <b>Subtotal Personnel Expenses</b>         | <b>\$ 2,260,278</b> | <b>\$ 2,470,797</b> | <b>\$ (210,519)</b> | <b>-9%</b> | <b>\$ 4,318,629</b> | <b>\$ 4,941,594</b> | <b>\$ (622,965)</b> | <b>-13%</b> | <b>\$ 4,318,629</b> | <b>\$ 4,582,956</b> | <b>\$ (264,327)</b> | <b>-6%</b> |       |
| <b>Departmental Non-Personnel Expenses</b> |                     |                     |                     |            |                     |                     |                     |             |                     |                     |                     |            |       |
| 700 - SCCIC                                | \$ -                | \$ 42               | \$ (42)             | -100%      | \$ -                | \$ 84               | \$ (84)             | -100%       | \$ -                | \$ 20               | \$ (20)             | -100%      |       |
| 1100 - Administration                      | \$ 52,091           | \$ 72,853           | \$ (20,762)         | -28%       | \$ 97,742           | \$ 145,706          | \$ (47,964)         | -33%        | \$ 97,742           | \$ 153,844          | \$ (56,102)         | -36%       |       |
| 1200 - Finance                             | \$ 89,919           | \$ 68,287           | \$ 21,632           | 32%        | \$ 134,617          | \$ 136,574          | \$ (1,957)          | -1%         | \$ 134,617          | \$ 11,810           | \$ 122,807          | 1040%      |       |
| 1300 - Customer Service                    | \$ 17,478           | \$ 9,726            | \$ 7,752            | 80%        | \$ 18,613           | \$ 19,452           | \$ (839)            | -4%         | \$ 18,613           | \$ 9,282            | \$ 9,331            | 101%       |       |
| 1400 - Human Resources                     | \$ 2,973            | \$ 8,131            | \$ (5,158)          | -63%       | \$ 9,701            | \$ 16,262           | \$ (6,561)          | -40%        | \$ 9,701            | \$ 25,539           | \$ (15,838)         | -62%       |       |
| 1500 - Information Technology              | \$ 7,550            | \$ 13,268           | \$ (5,718)          | -43%       | \$ 19,137           | \$ 26,536           | \$ (7,399)          | -28%        | \$ 19,137           | \$ 42,038           | \$ (22,901)         | -54%       |       |
| 1700 - District Counsel                    | \$ 1,757            | \$ 1,512            | \$ 245              | 16%        | \$ 4,562            | \$ 3,024            | \$ 1,538            | 51%         | \$ 4,562            | \$ 4,380            | \$ 182              | 4%         |       |
| 1800 - Risk Management                     | \$ 4,114            | \$ 20,656           | \$ (16,542)         | -80%       | \$ 8,955            | \$ 41,312           | \$ (32,357)         | -78%        | \$ 8,955            | \$ 18,130           | \$ (9,175)          | -51%       |       |
| 2200 - Facilities Maintenance              | \$ 37,736           | \$ 44,532           | \$ (6,796)          | -15%       | \$ 67,488           | \$ 89,064           | \$ (21,576)         | -24%        | \$ 67,488           | \$ 61,451           | \$ 6,037            | 10%        |       |
| 3100 - Paratransit Program                 | \$ 79,255           | \$ 64,048           | \$ 15,207           | 24%        | \$ 131,287          | \$ 128,096          | \$ 3,191            | 2%          | \$ 131,287          | \$ 103,744          | \$ 27,543           | 27%        |       |
| 3200 - Operations                          | \$ 43,247           | \$ 53,692           | \$ (10,445)         | -19%       | \$ 80,494           | \$ 107,384          | \$ (26,890)         | -25%        | \$ 80,494           | \$ 98,243           | \$ (17,749)         | -18%       |       |
| 3300 - Bus Operators                       | \$ 23               | \$ 750              | \$ (727)            | -97%       | \$ 23               | \$ 1,500            | \$ (1,477)          | -98%        | \$ 23               | \$ 474              | \$ (451)            | -95%       |       |
| 4100 - Fleet Maintenance                   | \$ 378,855          | \$ 403,205          | \$ (24,350)         | -6%        | \$ 626,247          | \$ 806,410          | \$ (180,163)        | -22%        | \$ 626,247          | \$ 653,593          | \$ (27,346)         | -4%        |       |
| 9001 - Cobra Benefits                      | \$ -                | \$ -                | \$ -                | 0%         | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%         |       |
| 9005 - Retired Employee Benefits           | \$ -                | \$ -                | \$ -                | 0%         | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%         |       |
| Additional Operating Programs              | \$ (575)            | \$ -                | \$ (575)            | 0%         | \$ (575)            | \$ -                | \$ (575)            | 0%          | \$ (575)            | \$ -                | \$ (575)            | 0%         |       |
| <b>Subtotal Non-Personnel Expenses</b>     | <b>\$ 714,423</b>   | <b>\$ 760,702</b>   | <b>\$ (46,279)</b>  | <b>-6%</b> | <b>\$ 1,198,291</b> | <b>\$ 1,521,404</b> | <b>\$ (323,113)</b> | <b>-21%</b> | <b>\$ 1,198,291</b> | <b>\$ 1,182,548</b> | <b>\$ 15,743</b>    | <b>1%</b>  |       |

**FY2008**  
**Operating Expenses by Department**  
*For the month ending - August 31, 2007*

|                                    | Current Period      |                     |                     |            | Year to Date        |                     |                     |             | Year to Date        |                     |                     |            | Notes |  |
|------------------------------------|---------------------|---------------------|---------------------|------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|------------|-------|--|
|                                    | Actual              | Budget              | \$ Var              | % Var      | Actual              | Budget              | \$ Var              | % Var       | Actual<br>FY08      | Actual<br>FY07      | \$ Var              | % Var      |       |  |
| <b>Total Departmental Expenses</b> |                     |                     |                     |            |                     |                     |                     |             |                     |                     |                     |            |       |  |
| 700 - SCCIC                        | \$ -                | \$ 42               | \$ (42)             | -100%      | \$ -                | \$ 84               | \$ (84)             | -100%       | \$ -                | \$ 20               | \$ (20)             | -100%      |       |  |
| 1100 - Administration              | \$ 131,209          | \$ 158,862          | \$ (27,653)         | -17%       | \$ 246,221          | \$ 317,724          | \$ (71,503)         | -23%        | \$ 246,221          | \$ 305,529          | \$ (59,308)         | -19%       | 1     |  |
| 1200 - Finance                     | \$ 137,269          | \$ 120,047          | \$ 17,222           | 14%        | \$ 225,194          | \$ 240,094          | \$ (14,900)         | -6%         | \$ 225,194          | \$ 86,475           | \$ 138,719          | 160%       |       |  |
| 1300 - Customer Service            | \$ 53,728           | \$ 52,853           | \$ 875              | 2%         | \$ 88,428           | \$ 105,706          | \$ (17,278)         | -16%        | \$ 88,428           | \$ 77,507           | \$ 10,921           | 14%        |       |  |
| 1400 - Human Resources             | \$ 42,375           | \$ 57,448           | \$ (15,073)         | -26%       | \$ 90,316           | \$ 114,896          | \$ (24,580)         | -21%        | \$ 90,316           | \$ 96,573           | \$ (6,257)          | -6%        |       |  |
| 1500 - Information Technology      | \$ 48,230           | \$ 54,389           | \$ (6,159)          | -11%       | \$ 98,183           | \$ 108,778          | \$ (10,595)         | -10%        | \$ 98,183           | \$ 119,159          | \$ (20,976)         | -18%       |       |  |
| 1700 - District Counsel            | \$ 33,637           | \$ 39,746           | \$ (6,109)          | -15%       | \$ 65,138           | \$ 79,492           | \$ (14,354)         | -18%        | \$ 65,138           | \$ 68,490           | \$ (3,352)          | -5%        |       |  |
| 1800 - Risk Management             | \$ 4,114            | \$ 20,656           | \$ (16,542)         | -80%       | \$ 8,955            | \$ 41,312           | \$ (32,357)         | -78%        | \$ 8,955            | \$ 18,130           | \$ (9,175)          | -51%       |       |  |
| 2200 - Facilities Maintenance      | \$ 113,007          | \$ 130,224          | \$ (17,217)         | -13%       | \$ 211,550          | \$ 260,448          | \$ (48,898)         | -19%        | \$ 211,550          | \$ 221,644          | \$ (10,094)         | -5%        | 2     |  |
| 3100 - Paratransit Program         | \$ 311,355          | \$ 315,844          | \$ (4,489)          | -1%        | \$ 579,229          | \$ 631,688          | \$ (52,459)         | -8%         | \$ 579,229          | \$ 583,281          | \$ (4,052)          | -1%        | 3     |  |
| 3200 - Operations                  | \$ 223,147          | \$ 232,347          | \$ (9,200)          | -4%        | \$ 415,648          | \$ 464,694          | \$ (49,046)         | -11%        | \$ 415,648          | \$ 454,511          | \$ (38,863)         | -9%        | 4     |  |
| 3300 - Bus Operators               | \$ 1,044,994        | \$ 1,153,892        | \$ (108,898)        | -9%        | \$ 1,983,881        | \$ 2,307,784        | \$ (323,903)        | -14%        | \$ 1,983,881        | \$ 2,159,096        | \$ (175,215)        | -8%        | 5     |  |
| 4100 - Fleet Maintenance           | \$ 711,952          | \$ 750,649          | \$ (38,697)         | -5%        | \$ 1,264,432        | \$ 1,501,298        | \$ (236,866)        | -16%        | \$ 1,264,432        | \$ 1,260,551        | \$ 3,881            | 0%         | 6     |  |
| 9001 - Cobra Benefits              | \$ 749              | \$ -                | \$ 749              | 0%         | \$ 2,274            | \$ -                | \$ 2,274            | 0%          | \$ 2,274            | \$ (220)            | \$ 2,494            | -1134%     |       |  |
| 9005 - Retired Employee Benefits   | \$ 119,510          | \$ 144,500          | \$ (24,990)         | -17%       | \$ 238,046          | \$ 289,000          | \$ (50,954)         | -18%        | \$ 238,046          | \$ 314,758          | \$ (76,712)         | -24%       |       |  |
| Additional Operating Programs      | \$ (575)            | \$ -                | \$ (575)            | 0%         | \$ (575)            | \$ -                | \$ (575)            | 0%          | \$ (575)            | \$ -                | \$ (575)            | 0%         |       |  |
| <b>Total Operating Expenses</b>    | <b>\$ 2,974,701</b> | <b>\$ 3,231,499</b> | <b>\$ (256,798)</b> | <b>-8%</b> | <b>\$ 5,516,920</b> | <b>\$ 6,462,998</b> | <b>\$ (946,078)</b> | <b>-15%</b> | <b>\$ 5,516,920</b> | <b>\$ 5,765,504</b> | <b>\$ (248,584)</b> | <b>-4%</b> |       |  |

**Current Period Notes:**

- 1) **Administration** is under budget due an annual contract paid for in FY07 and Labor negotiations not starting until the March 2009 time frame.
- 2) **Facilities Maintenance** is under budget due to not being at full complement, equipment is typically paid qtrly or annually on contracts. The budget was straight lined since we can not anticipate when these repair costs will be incurred.
- 3) **Paratransit Program** is under budget due to not being at full complement and not incurring services from the Orthopedic Hospital Recertification.
- 4) **Operations** is under budget due to not being at full complement and security expenses lower than anticipated.
- 5) **Bus Operators** is under budget due to not being at full complement.
- 6) **Fleet Maintenance** is under budget due to not being at full complement, fuel costs below estimates, repairs to district property collected to off set fleet repair expenses, and the return of the Aug 110 Vernon rent check due to us buying the facility effective 08/01/07.

7.63

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - August 31, 2007**

|                                   | Current Period      |                     |                     |            | Year to Date        |                     |                     |             | Year to Date        |                     |                     |             | Notes |
|-----------------------------------|---------------------|---------------------|---------------------|------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|-------|
|                                   | Actual              | Budget              | \$ Var              | % Var      | Actual              | Budget              | \$ Var              | % Var       | Actual<br>FY08      | FY07                | \$ Var              | % Var       |       |
| <b>LABOR</b>                      |                     |                     |                     |            |                     |                     |                     |             |                     |                     |                     |             |       |
| 501011 Bus Operator Pay           | \$ 602,609          | \$ 687,597          | \$ (84,988)         | -12%       | \$ 1,181,387        | \$ 1,375,194        | \$ (193,807)        | -14%        | \$ 1,181,387        | \$ 1,124,260        | \$ 57,127           | 5%          |       |
| 501013 Bus Operator Overtime      | \$ 92,993           | \$ 102,083          | \$ (9,090)          | -9%        | \$ 152,504          | \$ 204,166          | \$ (51,662)         | -25%        | \$ 152,504          | \$ 183,069          | \$ (30,565)         | -17%        |       |
| 501021 Other Salaries             | \$ 503,624          | \$ 541,357          | \$ (37,733)         | -7%        | \$ 982,981          | \$ 1,082,714        | \$ (99,733)         | -9%         | \$ 982,981          | \$ 912,920          | \$ 70,061           | 8%          |       |
| 501023 Other Overtime             | \$ 32,386           | \$ 19,684           | \$ 12,702           | 65%        | \$ 50,175           | \$ 39,368           | \$ 10,807           | 27%         | \$ 50,175           | \$ 36,580           | \$ 13,595           | 37%         |       |
| <b>Total Labor -</b>              | <b>\$ 1,231,612</b> | <b>\$ 1,350,721</b> | <b>\$ (119,109)</b> | <b>-9%</b> | <b>\$ 2,367,047</b> | <b>\$ 2,701,442</b> | <b>\$ (334,395)</b> | <b>-12%</b> | <b>\$ 2,367,047</b> | <b>\$ 2,256,829</b> | <b>\$ 110,218</b>   | <b>5%</b>   |       |
| <b>FRINGE BENEFITS</b>            |                     |                     |                     |            |                     |                     |                     |             |                     |                     |                     |             |       |
| 502011 Medicare/Soc. Sec.         | \$ 17,121           | \$ 20,139           | \$ (3,018)          | -15%       | \$ 33,281           | \$ 40,278           | \$ (6,997)          | -17%        | \$ 33,281           | \$ 30,369           | \$ 2,912            | 10%         |       |
| 502021 Retirement                 | \$ 171,093          | \$ 185,973          | \$ (14,880)         | -8%        | \$ 337,373          | \$ 371,946          | \$ (34,573)         | -9%         | \$ 337,373          | \$ 293,830          | \$ 43,543           | 15%         |       |
| 502031 Medical Insurance          | \$ 367,465          | \$ 438,530          | \$ (71,065)         | -16%       | \$ 737,705          | \$ 877,060          | \$ (139,355)        | -16%        | \$ 737,705          | \$ 998,890          | \$ (261,185)        | -26%        |       |
| 502041 Dental Insurance           | \$ 36,437           | \$ 40,928           | \$ (4,491)          | -11%       | \$ 74,656           | \$ 81,856           | \$ (7,200)          | -9%         | \$ 74,656           | \$ 74,267           | \$ 389              | 1%          |       |
| 502045 Vision Insurance           | \$ 10,777           | \$ 11,336           | \$ (559)            | -5%        | \$ 21,461           | \$ 22,672           | \$ (1,211)          | -5%         | \$ 21,461           | \$ 32,652           | \$ (11,191)         | -34%        |       |
| 502051 Life Insurance             | \$ 3,811            | \$ 4,414            | \$ (603)            | -14%       | \$ 3,811            | \$ 8,828            | \$ (5,017)          | -57%        | \$ 3,811            | \$ 9,115            | \$ (5,304)          | -58%        |       |
| 502060 State Disability           | \$ 8,553            | \$ 30,599           | \$ (22,046)         | -72%       | \$ 18,291           | \$ 61,198           | \$ (42,907)         | -70%        | \$ 18,291           | \$ 32,566           | \$ (14,275)         | -44%        |       |
| 502061 Disability Insurance       | \$ 16,840           | \$ 15,926           | \$ 914              | 6%         | \$ 33,680           | \$ 31,852           | \$ 1,828            | 6%          | \$ 33,680           | \$ 29,400           | \$ 4,280            | 15%         |       |
| 502071 State Unemp. Ins           | \$ 438              | \$ 8,019            | \$ (7,581)          | -95%       | \$ 733              | \$ 16,038           | \$ (15,305)         | -95%        | \$ 733              | \$ 1,239            | \$ (506)            | -41%        |       |
| 502081 Worker's Comp Ins          | \$ 136,718          | \$ 116,390          | \$ 20,328           | 17%        | \$ 170,053          | \$ 232,780          | \$ (62,727)         | -27%        | \$ 170,053          | \$ 275,031          | \$ (104,978)        | -38%        |       |
| 502083 Worker's Comp IBNR         | \$ -                | \$ -                | \$ -                | 0%         | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          |       |
| 502101 Holiday Pay                | \$ 19,002           | \$ 28,652           | \$ (9,650)          | -34%       | \$ 42,813           | \$ 57,304           | \$ (14,491)         | -25%        | \$ 42,813           | \$ 39,183           | \$ 3,630            | 9%          |       |
| 502103 Floating Holiday           | \$ 4,970            | \$ 5,467            | \$ (497)            | -9%        | \$ 6,960            | \$ 10,934           | \$ (3,974)          | -36%        | \$ 6,960            | \$ 6,796            | \$ 164              | 2%          |       |
| 502109 Sick Leave                 | \$ 54,738           | \$ 63,400           | \$ (8,662)          | -14%       | \$ 103,108          | \$ 126,800          | \$ (23,692)         | -19%        | \$ 103,108          | \$ 59,395           | \$ 43,713           | 74%         |       |
| 502111 Annual Leave               | \$ 167,015          | \$ 125,133          | \$ 41,882           | 33%        | \$ 333,486          | \$ 250,266          | \$ 83,220           | 33%         | \$ 333,486          | \$ 404,115          | \$ (70,629)         | -17%        |       |
| 502121 Other Paid Absence         | \$ 5,827            | \$ 13,692           | \$ (7,865)          | -57%       | \$ 13,174           | \$ 27,384           | \$ (14,210)         | -52%        | \$ 13,174           | \$ 32,895           | \$ (19,721)         | -60%        |       |
| 502251 Physical Exams             | \$ -                | \$ 3,019            | \$ (3,019)          | -100%      | \$ 198              | \$ 6,038            | \$ (5,840)          | -97%        | \$ 198              | \$ 2,310            | \$ (2,112)          | -91%        |       |
| 502253 Driver Lic. Renewal        | \$ 60               | \$ 433              | \$ (373)            | -86%       | \$ 296              | \$ 866              | \$ (570)            | -66%        | \$ 296              | \$ 395              | \$ (99)             | -25%        |       |
| 502999 Other Fringe Benefits      | \$ 7,802            | \$ 8,027            | \$ (225)            | -3%        | \$ 20,504           | \$ 16,054           | \$ 4,450            | 28%         | \$ 20,504           | \$ 3,680            | \$ 16,824           | 457%        |       |
| <b>Total Fringe Benefits -</b>    | <b>\$ 1,028,667</b> | <b>\$ 1,120,077</b> | <b>\$ (91,410)</b>  | <b>-8%</b> | <b>\$ 1,951,583</b> | <b>\$ 2,240,154</b> | <b>\$ (288,571)</b> | <b>-13%</b> | <b>\$ 1,951,583</b> | <b>\$ 2,326,128</b> | <b>\$ (374,545)</b> | <b>-16%</b> |       |
| <b>Total Personnel Expenses -</b> | <b>\$ 2,260,279</b> | <b>\$ 2,470,798</b> | <b>\$ (210,519)</b> | <b>-9%</b> | <b>\$ 4,318,630</b> | <b>\$ 4,941,596</b> | <b>\$ (622,966)</b> | <b>-13%</b> | <b>\$ 4,318,630</b> | <b>\$ 4,582,957</b> | <b>\$ (264,327)</b> | <b>-6%</b>  |       |

7.84

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - August 31, 2007**

|  | Current Period    |                   |                    |             | Year to Date      |                   |                     |             | Year to Date      |                   |                    |             | Notes |
|--|-------------------|-------------------|--------------------|-------------|-------------------|-------------------|---------------------|-------------|-------------------|-------------------|--------------------|-------------|-------|
|  | Actual            | Budget            | \$ Var             | % Var       | Actual            | Budget            | \$ Var              | % Var       | Actual<br>FY08    | FY07              | \$ Var             | % Var       |       |
| <b>SERVICES</b>                                |                   |                   |                    |             |                   |                   |                     |             |                   |                   |                    |             |       |
| 503011 Acctg & Audit Fees                      | \$ 17,500         | \$ 8,354          | \$ 9,146           | 109%        | \$ 20,260         | \$ 16,708         | \$ 3,552            | 21%         | \$ 20,260         | \$ 1,000          | \$ 19,260          | 1926%       |       |
| 503012 Admin & Bank Fees                       | \$ 916            | \$ 19,669         | \$ (18,753)        | -95%        | \$ 1,534          | \$ 39,338         | \$ (37,804)         | -96%        | \$ 1,534          | \$ 472            | \$ 1,062           | 225%        |       |
| 503031 Prof & Tech Fees                        | \$ 1,920          | \$ 32,126         | \$ (30,206)        | -94%        | \$ 7,563          | \$ 64,252         | \$ (56,689)         | -88%        | \$ 7,563          | \$ 59,328         | \$ (51,765)        | -87%        |       |
| 503032 Legislative Services                    | \$ 7,500          | \$ 8,084          | \$ (584)           | -7%         | \$ 15,470         | \$ 16,168         | \$ (698)            | -4%         | \$ 15,470         | \$ 15,775         | \$ (305)           | -2%         |       |
| 503033 Legal Services                          | \$ -              | \$ 4,306          | \$ (4,306)         | -100%       | \$ -              | \$ 8,612          | \$ (8,612)          | -100%       | \$ -              | \$ 884            | \$ (884)           | -100%       |       |
| 503034 Pre-Employ Exams                        | \$ 862            | \$ 2,083          | \$ (1,221)         | -59%        | \$ 2,359          | \$ 4,166          | \$ (1,807)          | -43%        | \$ 2,359          | \$ 3,930          | \$ (1,571)         | -40%        |       |
| 503041 Temp Help                               | \$ 29,820         | \$ 1,375          | \$ 28,445          | 2069%       | \$ 34,470         | \$ 2,750          | \$ 31,720           | 1153%       | \$ 34,470         | \$ 14,631         | \$ 19,839          | 136%        | 2     |
| 503161 Custodial Services                      | \$ 4,889          | \$ 6,120          | \$ (1,231)         | -20%        | \$ 9,928          | \$ 12,240         | \$ (2,312)          | -19%        | \$ 9,928          | \$ 11,047         | \$ (1,119)         | -10%        |       |
| 503162 Uniform & Laundry                       | \$ 3,472          | \$ 3,743          | \$ (271)           | -7%         | \$ 6,315          | \$ 7,486          | \$ (1,171)          | -16%        | \$ 6,315          | \$ 5,876          | \$ 439             | 7%          |       |
| 503171 Security Services                       | \$ 28,882         | \$ 36,994         | \$ (8,112)         | -22%        | \$ 53,406         | \$ 73,988         | \$ (20,582)         | -28%        | \$ 53,406         | \$ 67,637         | \$ (14,231)        | -21%        | 3     |
| 503221 Classified/Legal Ads                    | \$ 2,210          | \$ 2,383          | \$ (173)           | -7%         | \$ 3,566          | \$ 4,766          | \$ (1,200)          | -25%        | \$ 3,566          | \$ 4,642          | \$ (1,076)         | -23%        |       |
| 503222 Legal Advertising                       | \$ -              | \$ -              | \$ -               | 0%          | \$ -              | \$ -              | \$ -                | 0%          | \$ -              | \$ 33             | \$ (33)            | -100%       |       |
| 503225 Graphic Services                        | \$ -              | \$ 1,717          | \$ (1,717)         | -100%       | \$ -              | \$ 3,434          | \$ (3,434)          | -100%       | \$ -              | \$ -              | \$ -               | 0%          |       |
| 503351 Repair - Bldg & Impr                    | \$ 7,025          | \$ 3,542          | \$ 3,483           | 98%         | \$ 10,434         | \$ 7,084          | \$ 3,350            | 47%         | \$ 10,434         | \$ 7,979          | \$ 2,455           | 31%         |       |
| 503352 Repair - Equipment                      | \$ 5,396          | \$ 26,236         | \$ (20,840)        | -79%        | \$ 20,254         | \$ 52,472         | \$ (32,218)         | -61%        | \$ 20,254         | \$ 38,819         | \$ (18,565)        | -48%        | 4     |
| 503353 Repair - Rev Vehicle                    | \$ 31,931         | \$ 24,255         | \$ 7,676           | 32%         | \$ 61,799         | \$ 48,510         | \$ 13,289           | 27%         | \$ 61,799         | \$ 54,075         | \$ 7,724           | 14%         |       |
| 503354 Repair - Non Rev Vehicle                | \$ -              | \$ 4,652          | \$ (4,652)         | -100%       | \$ 30             | \$ 9,304          | \$ (9,274)          | -100%       | \$ 30             | \$ 9,717          | \$ (9,687)         | -100%       |       |
| 503363 Haz Mat Disposal                        | \$ 2,222          | \$ 2,042          | \$ 180             | 9%          | \$ 3,787          | \$ 4,084          | \$ (297)            | -7%         | \$ 3,787          | \$ 5,135          | \$ (1,348)         | -26%        |       |
| <b>Total Services -</b>                        | <b>\$ 144,545</b> | <b>\$ 187,681</b> | <b>\$ (43,136)</b> | <b>-23%</b> | <b>\$ 251,175</b> | <b>\$ 375,362</b> | <b>\$ (124,187)</b> | <b>-33%</b> | <b>\$ 251,175</b> | <b>\$ 300,980</b> | <b>\$ (49,805)</b> | <b>-17%</b> |       |
| <b>MOBILE MATERIALS AND SUPPLIES</b>           |                   |                   |                    |             |                   |                   |                     |             |                   |                   |                    |             |       |
| 504011 Fuels & Lube Non Rev Veh                | \$ 24,721         | \$ 10,226         | \$ 14,495          | 142%        | \$ 30,327         | \$ 20,452         | \$ 9,875            | 48%         | \$ 30,327         | \$ 12,849         | \$ 17,478          | 136%        |       |
| 504012 Fuels & Lube Rev Veh                    | \$ 195,831        | \$ 269,649        | \$ (73,818)        | -27%        | \$ 331,067        | \$ 539,298        | \$ (208,231)        | -39%        | \$ 331,067        | \$ 343,345        | \$ (12,278)        | -4%         | 5     |
| 504021 Tires & Tubes                           | \$ 24,796         | \$ 18,700         | \$ 6,096           | 33%         | \$ 42,736         | \$ 37,400         | \$ 5,336            | 14%         | \$ 42,736         | \$ 35,987         | \$ 6,749           | 19%         |       |
| 504161 Other Mobile Supplies                   | \$ 138            | \$ 667            | \$ (529)           | -79%        | \$ 648            | \$ 1,334          | \$ (686)            | -51%        | \$ 648            | \$ 3,288          | \$ (2,640)         | -80%        |       |
| 504191 Rev Vehicle Parts                       | \$ 94,829         | \$ 56,800         | \$ 38,029          | 67%         | \$ 134,585        | \$ 113,600        | \$ 20,985           | 18%         | \$ 134,585        | \$ 126,107        | \$ 8,478           | 7%          | 6     |
| <b>Total Mobile Materials &amp; Supplies -</b> | <b>\$ 340,315</b> | <b>\$ 356,042</b> | <b>\$ (15,727)</b> | <b>-4%</b>  | <b>\$ 539,363</b> | <b>\$ 712,084</b> | <b>\$ (172,721)</b> | <b>-24%</b> | <b>\$ 539,363</b> | <b>\$ 521,576</b> | <b>\$ 17,787</b>   | <b>3%</b>   |       |

7.95

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - August 31, 2007**

|   | Current Period   |                  |                    |              | Year to Date     |                   |                    |             | Year to Date     |                  |                  |             | Notes |
|---|------------------|------------------|--------------------|--------------|------------------|-------------------|--------------------|-------------|------------------|------------------|------------------|-------------|-------|
|   | Actual           | Budget           | \$ Var             | % Var        | Actual           | Budget            | \$ Var             | % Var       | Actual<br>FY08   | FY07             | \$ Var           | % Var       |       |
| <b>OTHER MATERIALS &amp; SUPPLIES</b>         |                  |                  |                    |              |                  |                   |                    |             |                  |                  |                  |             |       |
| 504205 Freight Out                            | \$ 140           | \$ 412           | \$ (272)           | -66%         | \$ 43            | \$ 824            | \$ (781)           | -95%        | \$ 43            | \$ 644           | \$ (601)         | -93%        |       |
| 504211 Postage & Mailing                      | \$ 2,284         | \$ 1,867         | \$ 417             | 22%          | \$ 3,919         | \$ 3,734          | \$ 185             | 5%          | \$ 3,919         | \$ 1,697         | \$ 2,222         | 131%        |       |
| 504214 Promotional Items                      | \$ -             | \$ 2             | \$ (2)             | -100%        | \$ -             | \$ 4              | \$ (4)             | -100%       | \$ -             | \$ -             | \$ -             | 0%          |       |
| 504215 Printing                               | \$ 17,405        | \$ 7,401         | \$ 10,004          | 135%         | \$ 17,450        | \$ 14,802         | \$ 2,648           | 18%         | \$ 17,450        | \$ 8,261         | \$ 9,189         | 111%        |       |
| 504217 Photo Supply/Processing                | \$ (16)          | \$ 754           | \$ (770)           | -102%        | \$ 44            | \$ 1,508          | \$ (1,464)         | -97%        | \$ 44            | \$ 616           | \$ (572)         | -93%        |       |
| 504311 Office Supplies                        | \$ 9,403         | \$ 7,184         | \$ 2,219           | 31%          | \$ 17,648        | \$ 14,368         | \$ 3,280           | 23%         | \$ 17,648        | \$ 17,344        | \$ 304           | 2%          |       |
| 504315 Safety Supplies                        | \$ 3,867         | \$ 1,521         | \$ 2,346           | 154%         | \$ 5,493         | \$ 3,042          | \$ 2,451           | 81%         | \$ 5,493         | \$ 1,714         | \$ 3,779         | 220%        |       |
| 504317 Cleaning Supplies                      | \$ 6,558         | \$ 4,090         | \$ 2,468           | 60%          | \$ 8,637         | \$ 8,180          | \$ 457             | 6%          | \$ 8,637         | \$ 3,282         | \$ 5,355         | 163%        |       |
| 504409 Repair/Maint Supplies                  | \$ 5,160         | \$ 3,750         | \$ 1,410           | 38%          | \$ 7,182         | \$ 7,500          | \$ (318)           | -4%         | \$ 7,182         | \$ 6,961         | \$ 221           | 3%          |       |
| 504421 Non-Inventory Parts                    | \$ 3,376         | \$ 3,605         | \$ (229)           | -6%          | \$ 6,721         | \$ 7,210          | \$ (489)           | -7%         | \$ 6,721         | \$ 7,897         | \$ (1,176)       | -15%        |       |
| 504511 Small Tools                            | \$ 508           | \$ 824           | \$ (316)           | -38%         | \$ 653           | \$ 1,648          | \$ (995)           | -60%        | \$ 653           | \$ 1,331         | \$ (678)         | -51%        |       |
| 504515 Employee Tool Rplcmt                   | \$ 22            | \$ 215           | \$ (193)           | -90%         | \$ 108           | \$ 430            | \$ (322)           | -75%        | \$ 108           | \$ 383           | \$ (275)         | -72%        |       |
| <b>Total Other Materials &amp; Supplies -</b> | <b>\$ 48,707</b> | <b>\$ 31,625</b> | <b>\$ 17,082</b>   | <b>54%</b>   | <b>\$ 67,898</b> | <b>\$ 63,250</b>  | <b>\$ 4,648</b>    | <b>7%</b>   | <b>\$ 67,898</b> | <b>\$ 50,130</b> | <b>\$ 17,768</b> | <b>35%</b>  |       |
| <b>UTILITIES</b>                              |                  |                  |                    |              |                  |                   |                    |             |                  |                  |                  |             |       |
| 505011 Gas & Electric                         | \$ 23,625        | \$ 15,151        | \$ 8,474           | 56%          | \$ 28,198        | \$ 30,302         | \$ (2,104)         | -7%         | \$ 28,198        | \$ 31,598        | \$ (3,400)       | -11%        |       |
| 505021 Water & Garbage                        | \$ 9,978         | \$ 9,274         | \$ 704             | 8%           | \$ 23,146        | \$ 18,548         | \$ 4,598           | 25%         | \$ 23,146        | \$ 19,269        | \$ 3,877         | 20%         |       |
| 505031 Telecommunications                     | \$ 10,086        | \$ 8,021         | \$ 2,065           | 26%          | \$ 14,560        | \$ 16,042         | \$ (1,482)         | -9%         | \$ 14,560        | \$ 10,981        | \$ 3,579         | 33%         |       |
| <b>Total Utilities -</b>                      | <b>\$ 43,689</b> | <b>\$ 32,446</b> | <b>\$ 11,243</b>   | <b>35%</b>   | <b>\$ 65,904</b> | <b>\$ 64,892</b>  | <b>\$ 1,012</b>    | <b>2%</b>   | <b>\$ 65,904</b> | <b>\$ 61,848</b> | <b>\$ 4,056</b>  | <b>7%</b>   |       |
| <b>CASUALTY &amp; LIABILITY</b>               |                  |                  |                    |              |                  |                   |                    |             |                  |                  |                  |             |       |
| 506011 Insurance - Property                   | \$ 3,828         | \$ 4,678         | \$ (850)           | -18%         | \$ 7,656         | \$ 9,356          | \$ (1,700)         | -18%        | \$ 7,656         | \$ 6,738         | \$ 918           | 14%         |       |
| 506015 Insurance - PL & PD                    | \$ 34,362        | \$ 35,000        | \$ (638)           | -2%          | \$ 68,724        | \$ 70,000         | \$ (1,276)         | -2%         | \$ 68,724        | \$ 84,216        | \$ (15,492)      | -18%        |       |
| 506021 Insurance - Other                      | \$ 59            | \$ 151           | \$ (92)            | -61%         | \$ 118           | \$ 302            | \$ (184)           | -61%        | \$ 118           | \$ 119           | \$ (1)           | -1%         |       |
| 506123 Settlement Costs                       | \$ 4,114         | \$ 12,500        | \$ (8,386)         | -67%         | \$ 8,886         | \$ 25,000         | \$ (16,114)        | -64%        | \$ 8,886         | \$ 4,033         | \$ 4,853         | 120%        |       |
| 506127 Repairs - Dist Prop                    | \$ (1,464)       | \$ -             | \$ (1,464)         | 0%           | \$ (3,516)       | \$ -              | \$ (3,516)         | 0%          | \$ (3,516)       | \$ (87,178)      | \$ 83,662        | -96%        |       |
| <b>Total Casualty &amp; Liability -</b>       | <b>\$ 40,899</b> | <b>\$ 52,329</b> | <b>\$ (11,430)</b> | <b>-22%</b>  | <b>\$ 81,868</b> | <b>\$ 104,658</b> | <b>\$ (22,790)</b> | <b>-22%</b> | <b>\$ 81,868</b> | <b>\$ 7,928</b>  | <b>\$ 73,940</b> | <b>933%</b> |       |
| <b>TAXES</b>                                  |                  |                  |                    |              |                  |                   |                    |             |                  |                  |                  |             |       |
| 507051 Fuel Tax                               | \$ -             | \$ 888           | \$ (888)           | -100%        | \$ 1,671         | \$ 1,776          | \$ (105)           | -6%         | \$ 1,671         | \$ 1,926         | \$ (255)         | -13%        |       |
| 507201 Licenses & permits                     | \$ 5             | \$ 980           | \$ (975)           | -99%         | \$ 1,279         | \$ 1,960          | \$ (681)           | -35%        | \$ 1,279         | \$ -             | \$ 1,279         | 0%          |       |
| 507999 Other Taxes                            | \$ -             | \$ 2,058         | \$ (2,058)         | -100%        | \$ 1,211         | \$ 4,116          | \$ (2,905)         | -71%        | \$ 1,211         | \$ 2,485         | \$ (1,274)       | -51%        |       |
| <b>Total Utilities -</b>                      | <b>\$ 5</b>      | <b>\$ 3,926</b>  | <b>\$ (3,921)</b>  | <b>-100%</b> | <b>\$ 4,161</b>  | <b>\$ 7,852</b>   | <b>\$ (3,691)</b>  | <b>-47%</b> | <b>\$ 4,161</b>  | <b>\$ 4,411</b>  | <b>\$ (250)</b>  | <b>-6%</b>  |       |

756

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - August 31, 2007**

|  | Current Period |              |              |       | Year to Date |              |              |       | Year to Date   |              |              |       | Notes |
|--|----------------|--------------|--------------|-------|--------------|--------------|--------------|-------|----------------|--------------|--------------|-------|-------|
|  | Actual         | Budget       | \$ Var       | % Var | Actual       | Budget       | \$ Var       | % Var | Actual<br>FY08 | FY07         | \$ Var       | % Var |       |
| <b><u>PURCHASED TRANSPORTATION</u></b> |                |              |              |       |              |              |              |       |                |              |              |       |       |
| 5093406 Contr/Paratrans                | \$ 37,102      | \$ 16,667    | \$ 20,435    | 123%  | \$ 50,893    | \$ 33,334    | \$ 17,559    | 53%   | \$ 50,893      | \$ 37,577    | \$ 13,316    | 35%   | 7     |
| Total Purchased Transportation -       | \$ 37,102      | \$ 16,667    | \$ 20,435    | 123%  | \$ 50,893    | \$ 33,334    | \$ 17,559    | 53%   | \$ 50,893      | \$ 37,577    | \$ 13,316    | 35%   |       |
| <b><u>MISC</u></b>                     |                |              |              |       |              |              |              |       |                |              |              |       |       |
| 509011 Dues & Subscriptions            | \$ 1,984       | \$ 4,768     | \$ (2,784)   | -58%  | \$ 4,398     | \$ 9,536     | \$ (5,138)   | -54%  | \$ 4,398       | \$ 41,016    | \$ (36,618)  | -89%  |       |
| 509085 Advertising - Rev Product       | \$ -           | \$ 1,250     | \$ (1,250)   | -100% | \$ -         | \$ 2,500     | \$ (2,500)   | -100% | \$ -           | \$ -         | \$ -         | 0%    |       |
| 509101 Emp Incentive Prog              | \$ 78          | \$ 485       | \$ (407)     | -84%  | \$ 213       | \$ 970       | \$ (757)     | -78%  | \$ 213         | \$ 146       | \$ 67        | 46%   |       |
| 509121 Employee Training               | \$ 1,711       | \$ 1,625     | \$ 86        | 5%    | \$ 3,620     | \$ 3,250     | \$ 370       | 11%   | \$ 3,620       | \$ 9,779     | \$ (6,159)   | -63%  |       |
| 509123 Travel                          | \$ 4,880       | \$ 4,348     | \$ 532       | 12%   | \$ 7,226     | \$ 8,696     | \$ (1,470)   | -17%  | \$ 7,226       | \$ 231       | \$ 6,995     | 3028% |       |
| 509125 Local Meeting Exp               | \$ 286         | \$ 529       | \$ (243)     | -46%  | \$ 513       | \$ 1,058     | \$ (545)     | -52%  | \$ 513         | \$ 418       | \$ 95        | 23%   |       |
| 509127 Board Director Fees             | \$ 1,050       | \$ 1,100     | \$ (50)      | -5%   | \$ 2,850     | \$ 2,200     | \$ 650       | 30%   | \$ 2,850       | \$ 1,900     | \$ 950       | 50%   |       |
| 509150 Contributions                   | \$ -           | \$ 54        | \$ (54)      | -100% | \$ 98        | \$ 108       | \$ (10)      | -9%   | \$ 98          | \$ -         | \$ 98        | 0%    |       |
| 509197 Sales Tax Expense               | \$ -           | \$ -         | \$ -         | 0%    | \$ -         | \$ -         | \$ -         | 0%    | \$ -           | \$ (2,867)   | \$ 2,867     | -100% |       |
| 509198 Cash Over/Short                 | \$ 86          | \$ -         | \$ 86        | 0%    | \$ 72        | \$ -         | \$ 72        | 0%    | \$ 72          | \$ (224)     | \$ 296       | -132% |       |
| Total Misc -                           | \$ 10,075      | \$ 14,159    | \$ (4,084)   | -29%  | \$ 18,990    | \$ 28,318    | \$ (9,328)   | -33%  | \$ 18,990      | \$ 50,399    | \$ (31,409)  | -62%  |       |
| <b><u>LEASES &amp; RENTALS</u></b>     |                |              |              |       |              |              |              |       |                |              |              |       |       |
| 512011 Facility Rentals                | \$ 48,159      | \$ 59,560    | \$ (11,401)  | -19%  | \$ 111,611   | \$ 119,120   | \$ (7,509)   | -6%   | \$ 111,611     | \$ 129,598   | \$ (17,987)  | -14%  |       |
| 512061 Equipment Rentals               | \$ 928         | \$ 6,273     | \$ (5,345)   | -85%  | \$ 6,430     | \$ 12,546    | \$ (6,116)   | -49%  | \$ 6,430       | \$ 18,105    | \$ (11,675)  | -64%  |       |
| Total Leases & Rentals -               | \$ 49,087      | \$ 65,833    | \$ (16,746)  | -25%  | \$ 118,041   | \$ 131,666   | \$ (13,625)  | -10%  | \$ 118,041     | \$ 147,703   | \$ (29,662)  | -20%  |       |
| Total Non-Personnel Expenses -         | \$ 714,424     | \$ 760,708   | \$ (46,284)  | -6%   | \$ 1,198,293 | \$ 1,521,416 | \$ (323,123) | -21%  | \$ 1,198,293   | \$ 1,182,552 | \$ 15,741    | 1%    |       |
| TOTAL OPERATING EXPENSE -              | \$ 2,974,703   | \$ 3,231,506 | \$ (256,803) | -8%   | \$ 5,516,923 | \$ 6,463,012 | \$ (946,089) | -15%  | \$ 5,516,923   | \$ 5,765,509 | \$ (248,586) | -4%   |       |

**Current Period Notes:**

- 1) Total Personnel Expenses are below budget due to not being at full complement.
- 2) Temp Help is over budget due to vacancies and work loads. This item is only budgeted in Admin.
- 3) Security Services are under budget due to the budget being straight lined and not knowing when additional security will be needed throughout the year.

7.67

**FY2008**  
**Consolidated Operating Expenses**  
*For the month ending - August 31, 2007*

| Current Period |               |               |              | Year to Date  |               |               |              | Year to Date |             |               |              |              |
|----------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|--------------|-------------|---------------|--------------|--------------|
| <u>Actual</u>  | <u>Budget</u> | <u>\$ Var</u> | <u>% Var</u> | <u>Actual</u> | <u>Budget</u> | <u>\$ Var</u> | <u>% Var</u> | <u>FY08</u>  | <u>FY07</u> | <u>\$ Var</u> | <u>% Var</u> | <u>Notes</u> |

- 4) **Repair - Equipment** is typically paid qtrly or annually on contracts. The budget was straight lined since we can not anticipate when these costs will be incurred.
- 5) **Fuels & Lube Rev Veh** is under budget. The budget was built on anticipating increased fuel prices for the year.
- 6) **Rev Vehicle Parts** is over budget. The Daimler Chrysler, Orion Liquidated Damages prepaid parts credit was cleared and appeared as a final booked expense entry for \$36K.
- 7) **Contr/Paratrans** is over budget. More than budgeted rides were needed for the month.

7.68

**FY2008**  
**CAPITAL BUDGET**  
*For the month ending - August 31, 2007*

|  | <u>YTD Actual</u> | <u>FY08 Budget</u>   | <u>Remaining Budget</u> | <u>% Spent YTD</u> |
|--|-------------------|----------------------|-------------------------|--------------------|
| <b><u>Grant-Funded Projects</u></b>                      |                   |                      |                         |                    |
| MetroBase  | \$ 489,260        | \$ 10,300,000        | \$ 9,810,740            | 5%                 |
| Purchase 1217 River Street                               | \$ -              | \$ 1,237,500         | \$ 1,237,500            | 0%                 |
| Purchase 1211 River Street                               | \$ -              | \$ 775,000           | \$ 775,000              | 0%                 |
| CNG Bus Conversions (40 Buses)                           | \$ -              | \$ 6,800,000         | \$ 6,800,000            | 0%                 |
| Local Bus Replacement (8)                                | \$ -              | \$ 3,400,000         | \$ 3,400,000            | 0%                 |
| Pacific Station Project                                  | \$ 1,940          | \$ 2,729,494         | \$ 2,727,554            | 0%                 |
| H17 Bus Replacement (5)                                  | \$ -              | \$ 2,262,000         | \$ 2,262,000            | 0%                 |
| Hwy 17 Wireless (Air District)                           | \$ -              | \$ 42,500            | \$ 42,500               | 0%                 |
| Transmission   | \$ -              | \$ 15,000            | \$ 15,000               | 0%                 |
| <b>Subtotal Grant Funded Projects</b>                    | <b>\$ 491,200</b> | <b>\$ 27,561,494</b> | <b>\$ 27,070,294</b>    | <b>2%</b>          |
| <b><u>District Funded Projects</u></b>                   |                   |                      |                         |                    |
| <b><u>IT Projects</u></b>                                |                   |                      |                         |                    |
| ATP - Hastus Run Time Analysis Program - IT/OPS          | \$ -              | \$ 40,000            | \$ 40,000               | 0%                 |
| Qqest Time Clocks  | \$ -              | \$ 9,000             | \$ 9,000                | 0%                 |
| ABS Financial System & Modules                           | \$ -              | \$ 8,000             | \$ 8,000                | 0%                 |
| ABS Laser Printer & Software for Checks                  | \$ -              | \$ 7,200             | \$ 7,200                | 0%                 |
| Laptops (2) Fleet & Finance                              | \$ 1,269          | \$ 4,000             | \$ 2,731                | 32%                |
| FAS - Fixed Asset Mgmt. Software                         | \$ -              | \$ 4,000             | \$ 4,000                | 0%                 |
| Web Access Control Appliance                             | \$ -              | \$ 3,000             | \$ 3,000                | 0%                 |
| Printer - Ops  | \$ -              | \$ 1,800             | \$ 1,800                | 0%                 |
| <b><u>Facilities Repair &amp; Improvements</u></b>       |                   |                      |                         |                    |
| Bus Stop Improvements (20 total)                         | \$ -              | \$ 164,251           | \$ 164,251              | 0%                 |
| Bus Stop Improvements (China Grade Turnout) **           | \$ 42,670         | \$ 121,000           | \$ 78,330               | 35%                |
| Bus Shelters - LNI                                       | \$ -              | \$ 45,000            | \$ 45,000               | 0%                 |
| 2-way Radio & Telephone Recording System (Exacom System) | \$ -              | \$ 30,000            | \$ 30,000               | 0%                 |
| Reseal Operations Facility Roof                          | \$ -              | \$ 25,600            | \$ 25,600               | 0%                 |
| ParaCruz Vehicle Hoist                                   | \$ -              | \$ 17,500            | \$ 17,500               | 0%                 |
| Replace HVAC at ParaCruz Facility                        | \$ -              | \$ 14,500            | \$ 14,500               | 0%                 |
| Repair Parking Lots (Greyhound, Soquel Park & Ride)      | \$ -              | \$ 5,000             | \$ 5,000                | 0%                 |
| Repair Sidewalks & Bus Lanes (Pacific Station)           | \$ -              | \$ 5,000             | \$ 5,000                | 0%                 |
| Cubicle Walls (ParaCruz)                                 | \$ -              | \$ 10,000            | \$ 10,000               | 0%                 |
| Digital ID Card Processing Equip. for Pacific Station    | \$ -              | \$ 15,000            | \$ 15,000               | 0%                 |
| Replace Toilets at Pacific Station & (1) Waterless       | \$ -              | \$ 9,600             | \$ 9,600                | 0%                 |
| Bus Operators Lockers                                    | \$ -              | \$ 4,800             | \$ 4,800                | 0%                 |
| Two-way Radio Portable Radio Hand-paks (4)               | \$ -              | \$ 3,500             | \$ 3,500                | 0%                 |
| Coin Machine Replacement - Pacific Station               | \$ -              | \$ 5,000             | \$ 5,000                | 0%                 |
| Money Counting Program - OPS                             | \$ -              | \$ 2,500             | \$ 2,500                | 0%                 |

7.69

**FY2008**  
**CAPITAL BUDGET**  
*For the month ending - August 31, 2007*

|   | <u>YTD Actual</u>   |           | <u>FY08 Budget</u> |           | <u>Remaining Budget</u> | <u>% Spent YTD</u> |
|---|---------------------|-----------|--------------------|-----------|-------------------------|--------------------|
| <b><u>Revenue Vehicle Replacement</u></b>     |                     |           |                    |           |                         |                    |
| Purchase ParaCruz Vans (3)                    | \$ -                | \$        | 216,303            | \$        | 216,303                 | 0%                 |
| Rebuild Bus Engines (16 remaining) 1998 Fleet | \$ -                | \$        | 168,000            | \$        | 168,000                 | 0%                 |
| New John Deere Engines (2)                    | \$ -                | \$        | 76,435             | \$        | 76,435                  | 0%                 |
| <b><u>Non-Revenue Vehicle Replacement</u></b> |                     |           |                    |           |                         |                    |
| ParaCruz Staff Car                            | \$ -                | \$        | 20,000             | \$        | 20,000                  | 0%                 |
| Facility Service Body Truck (2)               | \$ -                | \$        | 60,000             | \$        | 60,000                  | 0%                 |
| Pickup for Fleet (2)                          | \$ -                | \$        | 35,000             | \$        | 35,000                  | 0%                 |
| Hybrid - Admin                                | \$ -                | \$        | 30,500             | \$        | 30,500                  | 0%                 |
| Supervisor Vehicle                            | \$ -                | \$        | 29,500             | \$        | 29,500                  | 0%                 |
| Shuttle Van                                   | \$ -                | \$        | 27,500             | \$        | 27,500                  | 0%                 |
| <b><u>Maint Equipment</u></b>                 |                     |           |                    |           |                         |                    |
| Replace Repeater - Davenport                  | \$ -                | \$        | 15,000             | \$        | 15,000                  | 0%                 |
| Wire Welder                                   | \$ -                | \$        | 2,039              | \$        | 2,039                   | 0%                 |
| Forklift (Purchased from Casey Printing)      | \$ -                | \$        | 1,250              | \$        | 1,250                   | 0%                 |
| <b><u>Admin</u></b>                           |                     |           |                    |           |                         |                    |
| Purchase & Renovation of Vernon Bldg          | \$ 3,878,385        | \$        | 6,964,902          | \$        | 3,086,517               | 56%                |
| <hr/>   |                     |           |                    |           |                         |                    |
| Subtotal District Funded Projects             | \$ 3,922,324        | \$        | 8,201,680          | \$        | 4,279,356               | 48%                |
| <hr/>   |                     |           |                    |           |                         |                    |
| <b>TOTAL CAPITAL PROJECTS</b>                 | <b>\$ 4,413,524</b> | <b>\$</b> | <b>35,763,174</b>  | <b>\$</b> | <b>31,349,650</b>       | <b>12%</b>         |

7.610

**FY2008**  
**CAPITAL BUDGET**  
*For the month ending - August 31, 2007*

|  | <u>YTD Actual</u>   | <u>FY08 Budget</u>   | <u>Remaining Budget</u> | <u>% Spent YTD</u> |
|--|---------------------|----------------------|-------------------------|--------------------|
| <b><u>CAPITAL FUNDING</u></b>                    |                     |                      |                         |                    |
| Federal Capital Grants                           | \$ 491,200          | \$ 3,798,527         | \$ 3,307,327            | 13%                |
| State/Other Capital Grants                       | \$ -                | \$ 12,919,865        | \$ 12,919,865           | 0%                 |
| AB 3090  | \$ -                | \$ 6,363,000         | \$ 6,363,000            | 0%                 |
| STA Funding (Current Year & Prior Year Deferred) | \$ 3,922,324        | \$ 7,087,337         | \$ 3,165,013            | 55%                |
| Alternative Fuel Conversion Fund                 | \$ -                | \$ 462,000           | \$ 462,000              | 0%                 |
| Bus Stop Improvement Reserves                    | \$ -                | \$ 100,000           | \$ 100,000              | 0%                 |
| District Reserves                                | \$ -                | \$ 5,032,445         | \$ 5,032,445            | 0%                 |
| <b>TOTAL CAPITAL FUNDING</b>                     | <b>\$ 4,413,524</b> | <b>\$ 35,763,174</b> | <b>\$ 31,349,650</b>    | <b>12%</b>         |

7.6.11

**FY2008  
Operating Revenue**

*For the month ending - September 30, 2007*

Percent of Year Elapsed - 25%

| Revenue Source                    | Current Period      |                     |                       |             | Year to Date        |                      |                       |             | YTD Year over Year Comparison |                     |                   |           | Notes    |
|-----------------------------------|---------------------|---------------------|-----------------------|-------------|---------------------|----------------------|-----------------------|-------------|-------------------------------|---------------------|-------------------|-----------|----------|
|                                   | Actual              | Budget              | \$ Var                | % Var       | Actual              | Budget               | \$ Var                | % Var       | FY08 Actual                   | FY07                | \$ Var            | % Var     |          |
| Passenger Fares                   | \$ 287,648          | \$ 287,507          | \$ 141                | 0%          | \$ 919,150          | \$ 862,521           | \$ 56,629             | 7%          | \$ 919,150                    | \$ 853,391          | \$ 65,759         | 8%        |          |
| Paratransit Fares                 | \$ 19,578           | \$ 20,800           | \$ (1,222)            | -6%         | \$ 54,453           | \$ 62,400            | \$ (7,947)            | -13%        | \$ 54,453                     | \$ 55,888           | \$ (1,435)        | -3%       |          |
| Special Transit Fares             | \$ 158,077          | \$ 235,271          | \$ (77,194)           | -33%        | \$ 291,506          | \$ 705,813           | \$ (414,307)          | -59%        | \$ 291,506                    | \$ 354,205          | \$ (62,699)       | -18%      |          |
| Highway 17 Fares                  | \$ 61,607           | \$ 70,310           | \$ (8,703)            | -12%        | \$ 186,788          | \$ 210,930           | \$ (24,142)           | -11%        | \$ 186,788                    | \$ 194,645          | \$ (7,857)        | -4%       |          |
| Highway 17 Payments               | \$ 29,580           | \$ 38,544           | \$ (8,964)            | -23%        | \$ 126,180          | \$ 115,632           | \$ 10,548             | 9%          | \$ 126,180                    | \$ 116,732          | \$ 9,448          | 8%        |          |
| <b>Subtotal Passenger Revenue</b> | <b>\$ 556,490</b>   | <b>\$ 652,432</b>   | <b>\$ (95,942)</b>    | <b>-15%</b> | <b>\$ 1,578,077</b> | <b>\$ 1,957,296</b>  | <b>\$ (379,219)</b>   | <b>-19%</b> | <b>\$ 1,578,077</b>           | <b>\$ 1,574,861</b> | <b>\$ 3,216</b>   | <b>0%</b> | <b>1</b> |
| Commissions                       | \$ 514              | \$ 500              | \$ 14                 | 3%          | \$ 1,461            | \$ 1,500             | \$ (39)               | -3%         | \$ 1,461                      | \$ 1,483            | \$ (22)           | -1%       |          |
| Advertising Income                | \$ 18,600           | \$ 12,083           | \$ 6,517              | 54%         | \$ 65,169           | \$ 36,249            | \$ 28,920             | 80%         | \$ 65,169                     | \$ 66,775           | \$ (1,606)        | -2%       | 2        |
| Rent Income - SC Pacific Station  | \$ 1,558            | \$ 7,087            | \$ (5,529)            | -78%        | \$ 16,032           | \$ 21,261            | \$ (5,229)            | -25%        | \$ 16,032                     | \$ 22,590           | \$ (6,558)        | -29%      | 3        |
| Rent Income - Watsonville TC      | \$ 3,393            | \$ 4,124            | \$ (731)              | -18%        | \$ 12,409           | \$ 12,372            | \$ 37                 | 0%          | \$ 12,409                     | \$ 13,469           | \$ (1,060)        | -8%       |          |
| Rent Income - General             | \$ -                | \$ -                | \$ -                  | 0%          | \$ -                | \$ -                 | \$ -                  | 0%          | \$ -                          | \$ 4,800            | \$ (4,800)        | -100%     |          |
| Interest Income                   | \$ 87,763           | \$ 89,667           | \$ (1,904)            | -2%         | \$ 287,137          | \$ 269,001           | \$ 18,136             | 7%          | \$ 287,137                    | \$ 315,377          | \$ (28,240)       | -9%       |          |
| Other Non-Transp Revenue          | \$ 47,368           | \$ 23,583           | \$ 23,785             | 101%        | \$ 50,906           | \$ 70,749            | \$ (19,843)           | -28%        | \$ 50,906                     | \$ 145,429          | \$ (94,523)       | -65%      | 4        |
| Sales Tax Revenue                 | \$ 1,634,840        | \$ 1,468,704        | \$ 166,136            | 11%         | \$ 4,447,440        | \$ 4,406,112         | \$ 41,328             | 1%          | \$ 4,447,440                  | \$ 4,319,691        | \$ 127,749        | 3%        | 5        |
| Transp Dev Act (TDA) - Op Asst    | \$ 1,590,509        | \$ 1,615,509        | \$ (25,000)           | -2%         | \$ 1,590,509        | \$ 1,615,509         | \$ (25,000)           | -2%         | \$ 1,590,509                  | \$ 1,470,209        | \$ 120,300        | 8%        |          |
| FTA Sec 5307 - Op Asst            | \$ -                | \$ 3,877,000        | \$ (3,877,000)        | -100%       | \$ -                | \$ 3,877,000         | \$ (3,877,000)        | -100%       | \$ -                          | \$ -                | \$ -              | 0%        | 6        |
| Repay FTA Advance                 | \$ -                | \$ -                | \$ -                  | 0%          | \$ -                | \$ -                 | \$ -                  | 0%          | \$ -                          | \$ -                | \$ -              | 0%        |          |
| FTA Sec 5311 - Rural Op Asst      | \$ -                | \$ 149,335          | \$ (149,335)          | -100%       | \$ -                | \$ 149,335           | \$ (149,335)          | -100%       | \$ -                          | \$ -                | \$ -              | 0%        | 7        |
| Transfer from Capital/Proj Mgr    | \$ -                | \$ -                | \$ -                  | 0%          | \$ -                | \$ -                 | \$ -                  | 0%          | \$ -                          | \$ -                | \$ -              | 0%        |          |
| <b>Subtotal Revenue</b>           | <b>\$ 3,941,035</b> | <b>\$ 7,900,024</b> | <b>\$ (3,958,989)</b> | <b>-50%</b> | <b>\$ 8,049,140</b> | <b>\$ 12,416,384</b> | <b>\$ (4,367,244)</b> | <b>-35%</b> | <b>\$ 8,049,140</b>           | <b>\$ 7,934,684</b> | <b>\$ 114,456</b> | <b>1%</b> |          |
| <b>One-Time Revenue</b>           |                     |                     |                       |             |                     |                      |                       |             |                               |                     |                   |           |          |
| Carryover from Previous Year      |                     |                     | \$ -                  | 0%          | \$ -                | \$ -                 | \$ -                  | 0%          | \$ -                          | \$ -                | \$ -              | 0%        |          |
| Transfer from Insurance Reserves  |                     |                     | \$ -                  | 0%          | \$ -                | \$ -                 | \$ -                  | 0%          | \$ -                          | \$ -                | \$ -              | 0%        |          |
| FTA Sec 5317 - Op Assistance      |                     |                     | \$ -                  | 0%          | \$ -                | \$ -                 | \$ -                  | 0%          | \$ -                          | \$ -                | \$ -              | 0%        |          |
| AMBAG Funding                     |                     |                     | \$ -                  | 0%          | \$ -                | \$ -                 | \$ -                  | 0%          | \$ -                          | \$ -                | \$ -              | 0%        |          |
| <b>Subtotal One-Time Revenue</b>  | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>           | <b>0%</b>   | <b>\$ -</b>         | <b>\$ -</b>          | <b>\$ -</b>           | <b>0%</b>   | <b>\$ -</b>                   | <b>\$ -</b>         | <b>\$ -</b>       | <b>0%</b> |          |
| <b>Total Operating Revenue</b>    | <b>\$ 3,941,035</b> | <b>\$ 7,900,024</b> | <b>\$ (3,958,989)</b> | <b>-50%</b> | <b>\$ 8,049,140</b> | <b>\$ 12,416,384</b> | <b>\$ (4,367,244)</b> | <b>-35%</b> | <b>\$ 8,049,140</b>           | <b>\$ 7,934,684</b> | <b>\$ 114,456</b> | <b>1%</b> |          |
| <b>Total Operating Expenses</b>   | <b>\$ 2,531,857</b> |                     |                       |             | <b>\$ 8,048,780</b> |                      |                       |             | <b>\$ 8,048,780</b>           | <b>\$ 8,384,829</b> |                   |           |          |
| <b>Variance</b>                   | <b>\$ 1,409,178</b> |                     |                       |             | <b>\$ 360</b>       |                      |                       |             | <b>\$ 360</b>                 | <b>\$ (450,145)</b> |                   |           |          |

**Current Period Notes:**

- 1) **Passenger Revenue** is below budget for the month and YTD due to straight lining of the budget and school being out. YTD Year over Year Comparison is on task.
- 2) **Advertising Income** is over budget for the month and YTD due to more ad revenue than budgeted.
- 3) **Rent Income** - is below budget. Rents are currently billed and received on a cash basis. (Rents for September were paid in August). We will switch to an accrual basis in December which will help even out actuals against budget.
- 4) **Other Non-Transp Revenue** is behind for the month and YTD due to UTU PERS reimbursement from the County which is collected on a qtrly basis.

7.21

**FY2008**  
**Operating Revenue**  
*For the month ending - September 30, 2007*

Percent of Year Elapsed - 25%

| <u>Revenue Source</u> | <u>Current Period</u> |               |               |              | <u>Year to Date</u> |               |               |              | <u>YTD Year over Year Comparison</u> |             |             |               |              |
|-----------------------|-----------------------|---------------|---------------|--------------|---------------------|---------------|---------------|--------------|--------------------------------------|-------------|-------------|---------------|--------------|
|                       | <u>Actual</u>         | <u>Budget</u> | <u>\$ Var</u> | <u>% Var</u> | <u>Actual</u>       | <u>Budget</u> | <u>\$ Var</u> | <u>% Var</u> | <u>Actual</u>                        | <u>FY08</u> | <u>FY07</u> | <u>\$ Var</u> | <u>% Var</u> |

5) Sales Tax Revenue is above budget for the month due to the qtrly true-up from the State. YTD Year over year, we are 3% ahead of FY07 collections.

6) FTA Sec 5307 - Op Asst is below budget for the month and year to date due to the payments being later than budgeted. Payments came in October.

7) FTA Sec 5311 - Rural Op Asst is below budget for the month and year to date due to delay in application being submitted to CalTrans.

7.02

**FY2008**  
**Operating Expenses by Department**  
**For the month ending - September 30, 2007**

7.23

|  | Current Period      |                     |                     |             | Year to Date        |                     |                       |             | Year to Date        |                     |                     |            | Notes |
|--|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|-----------------------|-------------|---------------------|---------------------|---------------------|------------|-------|
|  | Actual              | Budget              | \$ Var              | % Var       | Actual              | Budget              | \$ Var                | % Var       | Actual<br>FY08      | Actual<br>FY07      | \$ Var              | % Var      |       |
| <b>Departmental Personnel Expenses</b> |                     |                     |                     |             |                     |                     |                       |             |                     |                     |                     |            |       |
| 700 - SCCIC                            | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                  | 0%          | \$ -                | \$ -                | \$ -                | 0%         |       |
| 1100 - Administration                  | \$ 68,037           | \$ 86,009           | \$ (17,972)         | -21%        | \$ 216,516          | \$ 258,027          | \$ (41,511)           | -16%        | \$ 216,516          | \$ 221,057          | \$ (4,541)          | -2%        |       |
| 1200 - Finance                         | \$ 40,914           | \$ 51,760           | \$ (10,846)         | -21%        | \$ 131,491          | \$ 155,280          | \$ (23,789)           | -15%        | \$ 131,491          | \$ 111,427          | \$ 20,064           | 18%        |       |
| 1300 - Customer Service                | \$ 30,982           | \$ 43,127           | \$ (12,145)         | -28%        | \$ 100,797          | \$ 129,381          | \$ (28,584)           | -22%        | \$ 100,797          | \$ 97,396           | \$ 3,401            | 3%         |       |
| 1400 - Human Resources                 | \$ 34,928           | \$ 49,317           | \$ (14,389)         | -29%        | \$ 115,543          | \$ 147,951          | \$ (32,408)           | -22%        | \$ 115,543          | \$ 97,774           | \$ 17,769           | 18%        |       |
| 1500 - Information Technology          | \$ 40,929           | \$ 41,121           | \$ (192)            | 0%          | \$ 119,975          | \$ 123,363          | \$ (3,388)            | -3%         | \$ 119,975          | \$ 111,913          | \$ 8,062            | 7%         |       |
| 1700 - District Counsel                | \$ 30,603           | \$ 38,234           | \$ (7,631)          | -20%        | \$ 91,179           | \$ 114,702          | \$ (23,523)           | -21%        | \$ 91,179           | \$ 95,154           | \$ (3,975)          | -4%        |       |
| 1800 - Risk Management                 | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                  | 0%          | \$ -                | \$ -                | \$ -                | 0%         |       |
| 2200 - Facilities Maintenance          | \$ 63,448           | \$ 85,692           | \$ (22,244)         | -26%        | \$ 207,510          | \$ 257,076          | \$ (49,566)           | -19%        | \$ 207,510          | \$ 228,988          | \$ (21,478)         | -9%        |       |
| 3100 - Paratransit Program             | \$ 200,604          | \$ 251,796          | \$ (51,192)         | -20%        | \$ 648,546          | \$ 755,388          | \$ (106,842)          | -14%        | \$ 648,546          | \$ 681,595          | \$ (33,049)         | -5%        |       |
| 3200 - Operations                      | \$ 144,814          | \$ 178,655          | \$ (33,841)         | -19%        | \$ 479,968          | \$ 535,965          | \$ (55,997)           | -10%        | \$ 479,968          | \$ 494,894          | \$ (14,926)         | -3%        |       |
| 3300 - Bus Operators                   | \$ 925,470          | \$ 1,153,142        | \$ (227,672)        | -20%        | \$ 2,909,328        | \$ 3,459,426        | \$ (550,098)          | -16%        | \$ 2,909,328        | \$ 3,162,189        | \$ (252,861)        | -8%        |       |
| 4100 - Fleet Maintenance               | \$ 291,390          | \$ 347,444          | \$ (56,054)         | -16%        | \$ 929,575          | \$ 1,042,332        | \$ (112,757)          | -11%        | \$ 929,575          | \$ 871,183          | \$ 58,392           | 7%         |       |
| 9001 - Cobra Benefits                  | \$ 736              | \$ -                | \$ 736              | 0%          | \$ 3,010            | \$ -                | \$ 3,010              | 0%          | \$ 3,010            | \$ 333              | \$ 2,677            | 804%       |       |
| 9005 - Retired Employee Benefits       | \$ 120,047          | \$ 144,500          | \$ (24,453)         | -17%        | \$ 358,093          | \$ 433,500          | \$ (75,407)           | -17%        | \$ 358,093          | \$ 418,549          | \$ (60,456)         | -14%       |       |
| Additional Operating Programs          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                  | 0%          | \$ -                | \$ -                | \$ -                | 0%         |       |
| <b>Subtotal Personnel Expenses</b>     | <b>\$ 1,992,902</b> | <b>\$ 2,470,797</b> | <b>\$ (477,895)</b> | <b>-19%</b> | <b>\$ 6,311,531</b> | <b>\$ 7,412,391</b> | <b>\$ (1,100,860)</b> | <b>-15%</b> | <b>\$ 6,311,531</b> | <b>\$ 6,592,452</b> | <b>\$ (280,921)</b> | <b>-4%</b> |       |

|  |                   |                   |                     |             |                     |                     |                     |             |                     |                     |                    |            |  |
|--|-------------------|-------------------|---------------------|-------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|--------------------|------------|--|
| <b>Departmental Non-Personnel Expenses</b> |                   |                   |                     |             |                     |                     |                     |             |                     |                     |                    |            |  |
| 700 - SCCIC                                | \$ 260            | \$ 42             | \$ 218              | 519%        | \$ 260              | \$ 126              | \$ 134              | 106%        | \$ 260              | \$ 20               | \$ 240             | 1200%      |  |
| 1100 - Administration                      | \$ 67,092         | \$ 72,853         | \$ (5,761)          | -8%         | \$ 164,834          | \$ 218,559          | \$ (53,725)         | -25%        | \$ 164,834          | \$ 201,684          | \$ (36,850)        | -18%       |  |
| 1200 - Finance                             | \$ 42,360         | \$ 68,287         | \$ (25,927)         | -38%        | \$ 176,977          | \$ 204,861          | \$ (27,884)         | -14%        | \$ 176,977          | \$ 116,914          | \$ 60,063          | 51%        |  |
| 1300 - Customer Service                    | \$ 348            | \$ 9,726          | \$ (9,378)          | -96%        | \$ 18,961           | \$ 29,178           | \$ (10,217)         | -35%        | \$ 18,961           | \$ 22,638           | \$ (3,677)         | -16%       |  |
| 1400 - Human Resources                     | \$ 1,271          | \$ 8,131          | \$ (6,860)          | -84%        | \$ 10,972           | \$ 24,393           | \$ (13,421)         | -55%        | \$ 10,972           | \$ 29,539           | \$ (18,567)        | -63%       |  |
| 1500 - Information Technology              | \$ 13,992         | \$ 13,268         | \$ 724              | 5%          | \$ 33,129           | \$ 39,804           | \$ (6,675)          | -17%        | \$ 33,129           | \$ 47,125           | \$ (13,996)        | -30%       |  |
| 1700 - District Counsel                    | \$ 2,013          | \$ 1,512          | \$ 501              | 33%         | \$ 6,575            | \$ 4,536            | \$ 2,039            | 45%         | \$ 6,575            | \$ 5,016            | \$ 1,559           | 31%        |  |
| 1800 - Risk Management                     | \$ 2,231          | \$ 20,656         | \$ (18,425)         | -89%        | \$ 11,186           | \$ 61,968           | \$ (50,782)         | -82%        | \$ 11,186           | \$ 26,872           | \$ (15,686)        | -58%       |  |
| 2200 - Facilities Maintenance              | \$ 34,096         | \$ 44,532         | \$ (10,436)         | -23%        | \$ 101,584          | \$ 133,596          | \$ (32,012)         | -24%        | \$ 101,584          | \$ 80,393           | \$ 21,191          | 26%        |  |
| 3100 - Paratransit Program                 | \$ 78,869         | \$ 64,048         | \$ 14,821           | 23%         | \$ 210,156          | \$ 192,144          | \$ 18,012           | 9%          | \$ 210,156          | \$ 146,849          | \$ 63,307          | 43%        |  |
| 3200 - Operations                          | \$ 41,602         | \$ 53,692         | \$ (12,090)         | -23%        | \$ 122,096          | \$ 161,076          | \$ (38,980)         | -24%        | \$ 122,096          | \$ 164,462          | \$ (42,366)        | -26%       |  |
| 3300 - Bus Operators                       | \$ 1,330          | \$ 750            | \$ 580              | 77%         | \$ 1,353            | \$ 2,250            | \$ (897)            | -40%        | \$ 1,353            | \$ 473              | \$ 880             | 186%       |  |
| 4100 - Fleet Maintenance                   | \$ 253,493        | \$ 403,205        | \$ (149,712)        | -37%        | \$ 879,740          | \$ 1,209,615        | \$ (329,875)        | -27%        | \$ 879,740          | \$ 950,388          | \$ (70,648)        | -7%        |  |
| 9001 - Cobra Benefits                      | \$ -              | \$ -              | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -               | 0%         |  |
| 9005 - Retired Employee Benefits           | \$ -              | \$ -              | \$ -                | 0%          | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -               | 0%         |  |
| Additional Operating Programs              | \$ -              | \$ -              | \$ -                | 0%          | \$ (575)            | \$ -                | \$ (575)            | 0%          | \$ (575)            | \$ -                | \$ (575)           | 0%         |  |
| <b>Subtotal Non-Personnel Expenses</b>     | <b>\$ 538,957</b> | <b>\$ 760,702</b> | <b>\$ (221,745)</b> | <b>-29%</b> | <b>\$ 1,737,248</b> | <b>\$ 2,282,106</b> | <b>\$ (544,858)</b> | <b>-24%</b> | <b>\$ 1,737,248</b> | <b>\$ 1,792,373</b> | <b>\$ (55,125)</b> | <b>-3%</b> |  |

**FY2008**  
**Operating Expenses by Department**  
**For the month ending - September 30, 2007**

|                                    | Current Period      |                     |                     |             | Year to Date        |                     |                       |             | Year to Date        |                     |                     |            | Notes |  |
|------------------------------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|-----------------------|-------------|---------------------|---------------------|---------------------|------------|-------|--|
|                                    | Actual              | Budget              | \$ Var              | % Var       | Actual              | Budget              | \$ Var                | % Var       | Actual<br>FY08      | FY07                | \$ Var              | % Var      |       |  |
| <b>Total Departmental Expenses</b> |                     |                     |                     |             |                     |                     |                       |             |                     |                     |                     |            |       |  |
| 700 - SCCIC                        | \$ 260              | \$ 42               | \$ 218              | 519%        | \$ 260              | \$ 126              | \$ 134                | 106%        | \$ 260              | \$ 20               | \$ 240              | 1200%      |       |  |
| 1100 - Administration              | \$ 135,129          | \$ 158,862          | \$ (23,733)         | -15%        | \$ 381,350          | \$ 476,586          | \$ (95,236)           | -20%        | \$ 381,350          | \$ 422,741          | \$ (41,391)         | -10%       | 1     |  |
| 1200 - Finance                     | \$ 83,274           | \$ 120,047          | \$ (36,773)         | -31%        | \$ 308,468          | \$ 360,141          | \$ (51,673)           | -14%        | \$ 308,468          | \$ 228,341          | \$ 80,127           | 35%        |       |  |
| 1300 - Customer Service            | \$ 31,330           | \$ 52,853           | \$ (21,523)         | -41%        | \$ 119,758          | \$ 158,559          | \$ (38,801)           | -24%        | \$ 119,758          | \$ 120,034          | \$ (276)            | 0%         |       |  |
| 1400 - Human Resources             | \$ 36,199           | \$ 57,448           | \$ (21,249)         | -37%        | \$ 126,515          | \$ 172,344          | \$ (45,829)           | -27%        | \$ 126,515          | \$ 127,313          | \$ (798)            | -1%        |       |  |
| 1500 - Information Technology      | \$ 54,921           | \$ 54,389           | \$ 532              | 1%          | \$ 153,104          | \$ 163,167          | \$ (10,063)           | -6%         | \$ 153,104          | \$ 159,038          | \$ (5,934)          | -4%        |       |  |
| 1700 - District Counsel            | \$ 32,616           | \$ 39,746           | \$ (7,130)          | -18%        | \$ 97,754           | \$ 119,238          | \$ (21,484)           | -18%        | \$ 97,754           | \$ 100,170          | \$ (2,416)          | -2%        |       |  |
| 1800 - Risk Management             | \$ 2,231            | \$ 20,656           | \$ (18,425)         | -89%        | \$ 11,186           | \$ 61,968           | \$ (50,782)           | -82%        | \$ 11,186           | \$ 26,872           | \$ (15,686)         | -58%       |       |  |
| 2200 - Facilities Maintenance      | \$ 97,544           | \$ 130,224          | \$ (32,680)         | -25%        | \$ 309,094          | \$ 390,672          | \$ (81,578)           | -21%        | \$ 309,094          | \$ 309,381          | \$ (287)            | 0%         | 2     |  |
| 3100 - Paratransit Program         | \$ 279,473          | \$ 315,844          | \$ (36,371)         | -12%        | \$ 858,702          | \$ 947,532          | \$ (88,830)           | -9%         | \$ 858,702          | \$ 828,444          | \$ 30,258           | 4%         | 3     |  |
| 3200 - Operations                  | \$ 186,416          | \$ 232,347          | \$ (45,931)         | -20%        | \$ 602,064          | \$ 697,041          | \$ (94,977)           | -14%        | \$ 602,064          | \$ 659,356          | \$ (57,292)         | -9%        | 4     |  |
| 3300 - Bus Operators               | \$ 926,800          | \$ 1,153,892        | \$ (227,092)        | -20%        | \$ 2,910,681        | \$ 3,461,676        | \$ (550,995)          | -16%        | \$ 2,910,681        | \$ 3,162,662        | \$ (251,981)        | -8%        | 5     |  |
| 4100 - Fleet Maintenance           | \$ 544,883          | \$ 750,649          | \$ (205,766)        | -27%        | \$ 1,809,315        | \$ 2,251,947        | \$ (442,632)          | -20%        | \$ 1,809,315        | \$ 1,821,571        | \$ (12,256)         | -1%        | 6     |  |
| 9001 - Cobra Benefits              | \$ 736              | \$ -                | \$ 736              | 0%          | \$ 3,010            | \$ -                | \$ 3,010              | 0%          | \$ 3,010            | \$ 333              | \$ 2,677            | 804%       |       |  |
| 9005 - Retired Employee Benefits   | \$ 120,047          | \$ 144,500          | \$ (24,453)         | -17%        | \$ 358,093          | \$ 433,500          | \$ (75,407)           | -17%        | \$ 358,093          | \$ 418,549          | \$ (60,456)         | -14%       |       |  |
| Additional Operating Programs      | \$ -                | \$ -                | \$ -                | 0%          | \$ (575)            | \$ -                | \$ (575)              | 0%          | \$ (575)            | \$ -                | \$ (575)            | 0%         |       |  |
| <b>Total Operating Expenses</b>    | <b>\$ 2,531,859</b> | <b>\$ 3,231,499</b> | <b>\$ (699,640)</b> | <b>-22%</b> | <b>\$ 8,048,779</b> | <b>\$ 9,694,497</b> | <b>\$ (1,645,718)</b> | <b>-17%</b> | <b>\$ 8,048,779</b> | <b>\$ 8,384,825</b> | <b>\$ (336,046)</b> | <b>-4%</b> |       |  |

**Current Period Notes:**

- 1) **Administration** is under budget due an annual contract paid for in FY07 and Labor negotiations not starting until the March 2009 time frame.
- 2) **Facilities Maintenance** is under budget due to not being at full complement, equipment is typically paid qtrly or annually on contracts  
The budget was straight lined since we can not anticipate when these repair costs will be incurred.
- 3) **Paratransit Program** is under budget due to not being at full complement and not incurring services from the Orthopedic Hospital Recertification.
- 4) **Operations** is under budget due to not being at full complement and security expenses lower than anticipated.
- 5) **Bus Operators** is under budget due to not being at full complement.
- 6) **Fleet Maintenance** is under budget due to not being at full complement, fuel costs below estimates, repairs to district property collected to off set fleet repair expenses, and the return of the Aug 110 Vernon rent check due to us buying the facility effective 08/01/07.

702

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - September 30, 2007**

|                                   | Current Period      |                     |                     |             | Year to Date        |                     |                       |             | Year to Date        |                     |                     |             | Notes    |
|-----------------------------------|---------------------|---------------------|---------------------|-------------|---------------------|---------------------|-----------------------|-------------|---------------------|---------------------|---------------------|-------------|----------|
|                                   | Actual              | Budget              | \$ Var              | % Var       | Actual              | Budget              | \$ Var                | % Var       | Actual<br>FY08      | FY07                | \$ Var              | % Var       |          |
| <b>LABOR</b>                      |                     |                     |                     |             |                     |                     |                       |             |                     |                     |                     |             |          |
| 501011 Bus Operator Pay           | \$ 567,477          | \$ 687,597          | \$ (120,120)        | -17%        | \$ 1,748,864        | \$ 2,062,791        | \$ (313,927)          | -15%        | \$ 1,748,864        | \$ 1,716,379        | \$ 32,485           | 2%          |          |
| 501013 Bus Operator Overtime      | \$ 95,214           | \$ 102,083          | \$ (6,869)          | -7%         | \$ 247,718          | \$ 306,249          | \$ (58,531)           | -19%        | \$ 247,718          | \$ 277,933          | \$ (30,215)         | -11%        |          |
| 501021 Other Salaries             | \$ 466,935          | \$ 541,357          | \$ (74,422)         | -14%        | \$ 1,449,916        | \$ 1,624,071        | \$ (174,155)          | -11%        | \$ 1,449,916        | \$ 1,361,631        | \$ 88,285           | 6%          |          |
| 501023 Other Overtime             | \$ 21,012           | \$ 19,684           | \$ 1,328            | 7%          | \$ 71,187           | \$ 59,052           | \$ 12,135             | 21%         | \$ 71,187           | \$ 57,081           | \$ 14,106           | 25%         |          |
| <b>Total Labor -</b>              | <b>\$ 1,150,638</b> | <b>\$ 1,350,721</b> | <b>\$ (200,083)</b> | <b>-15%</b> | <b>\$ 3,517,685</b> | <b>\$ 4,052,163</b> | <b>\$ (534,478)</b>   | <b>-13%</b> | <b>\$ 3,517,685</b> | <b>\$ 3,413,024</b> | <b>\$ 104,661</b>   | <b>3%</b>   |          |
| <b>FRINGE BENEFITS</b>            |                     |                     |                     |             |                     |                     |                       |             |                     |                     |                     |             |          |
| 502011 Medicare/Soc. Sec.         | \$ 15,306           | \$ 20,139           | \$ (4,833)          | -24%        | \$ 48,587           | \$ 60,417           | \$ (11,830)           | -20%        | \$ 48,587           | \$ 45,360           | \$ 3,227            | 7%          |          |
| 502021 Retirement                 | \$ 152,539          | \$ 185,973          | \$ (33,434)         | -18%        | \$ 489,912          | \$ 557,919          | \$ (68,007)           | -12%        | \$ 489,912          | \$ 436,007          | \$ 53,905           | 12%         |          |
| 502031 Medical Insurance          | \$ 386,188          | \$ 438,530          | \$ (52,342)         | -12%        | \$ 1,123,893        | \$ 1,315,590        | \$ (191,697)          | -15%        | \$ 1,123,893        | \$ 1,319,862        | \$ (195,969)        | -15%        |          |
| 502041 Dental Insurance           | \$ 37,948           | \$ 40,928           | \$ (2,980)          | -7%         | \$ 112,604          | \$ 122,784          | \$ (10,180)           | -8%         | \$ 112,604          | \$ 111,148          | \$ 1,456            | 1%          |          |
| 502045 Vision Insurance           | \$ 10,842           | \$ 11,336           | \$ (494)            | -4%         | \$ 32,303           | \$ 34,008           | \$ (1,705)            | -5%         | \$ 32,303           | \$ 32,684           | \$ (381)            | -1%         |          |
| 502051 Life Insurance             | \$ 4,006            | \$ 4,414            | \$ (408)            | -9%         | \$ 7,817            | \$ 13,242           | \$ (5,425)            | -41%        | \$ 7,817            | \$ 12,844           | \$ (5,027)          | -39%        |          |
| 502060 State Disability           | \$ 7,544            | \$ 30,599           | \$ (23,055)         | -75%        | \$ 25,835           | \$ 91,797           | \$ (65,962)           | -72%        | \$ 25,835           | \$ 47,241           | \$ (21,406)         | -45%        |          |
| 502061 Disability Insurance       | \$ 16,868           | \$ 15,926           | \$ 942              | 6%          | \$ 50,548           | \$ 47,778           | \$ 2,770              | 6%          | \$ 50,548           | \$ 44,525           | \$ 6,023            | 14%         |          |
| 502071 State Unemp. Ins           | \$ 750              | \$ 8,019            | \$ (7,269)          | -91%        | \$ 1,483            | \$ 24,057           | \$ (22,574)           | -94%        | \$ 1,483            | \$ 1,696            | \$ (213)            | -13%        |          |
| 502081 Worker's Comp Ins          | \$ 27,497           | \$ 116,390          | \$ (88,893)         | -76%        | \$ 197,550          | \$ 349,170          | \$ (151,620)          | -43%        | \$ 197,550          | \$ 405,671          | \$ (208,121)        | -51%        |          |
| 502083 Worker's Comp IBNR         | \$ -                | \$ -                | \$ -                | 0%          | \$ -                | \$ -                | \$ -                  | 0%          | \$ -                | \$ -                | \$ -                | 0%          |          |
| 502101 Holiday Pay                | \$ 9,368            | \$ 28,652           | \$ (19,284)         | -67%        | \$ 52,181           | \$ 85,956           | \$ (33,775)           | -39%        | \$ 52,181           | \$ 51,026           | \$ 1,155            | 2%          |          |
| 502103 Floating Holiday           | \$ 2,017            | \$ 5,467            | \$ (3,450)          | -63%        | \$ 8,977            | \$ 16,401           | \$ (7,424)            | -45%        | \$ 8,977            | \$ 7,401            | \$ 1,576            | 21%         |          |
| 502109 Sick Leave                 | \$ 46,503           | \$ 63,400           | \$ (16,897)         | -27%        | \$ 149,611          | \$ 190,200          | \$ (40,589)           | -21%        | \$ 149,611          | \$ 91,354           | \$ 58,257           | 64%         |          |
| 502111 Annual Leave               | \$ 106,456          | \$ 125,133          | \$ (18,677)         | -15%        | \$ 439,942          | \$ 375,399          | \$ 64,543             | 17%         | \$ 439,942          | \$ 518,188          | \$ (78,246)         | -15%        |          |
| 502121 Other Paid Absence         | \$ 10,071           | \$ 13,692           | \$ (3,621)          | -26%        | \$ 23,245           | \$ 41,076           | \$ (17,831)           | -43%        | \$ 23,245           | \$ 45,886           | \$ (22,641)         | -49%        |          |
| 502251 Physical Exams             | \$ 792              | \$ 3,019            | \$ (2,227)          | -74%        | \$ 990              | \$ 9,057            | \$ (8,067)            | -89%        | \$ 990              | \$ 2,310            | \$ (1,320)          | -57%        |          |
| 502253 Driver Lic Renewal         | \$ 60               | \$ 433              | \$ (373)            | -86%        | \$ 356              | \$ 1,299            | \$ (943)              | -73%        | \$ 356              | \$ 485              | \$ (129)            | -27%        |          |
| 502999 Other Fringe Benefits      | \$ 7,511            | \$ 8,027            | \$ (516)            | -6%         | \$ 28,015           | \$ 24,081           | \$ 3,934              | 16%         | \$ 28,015           | \$ 5,740            | \$ 22,275           | 388%        |          |
| <b>Total Fringe Benefits -</b>    | <b>\$ 842,266</b>   | <b>\$ 1,120,077</b> | <b>\$ (277,811)</b> | <b>-25%</b> | <b>\$ 2,793,849</b> | <b>\$ 3,360,231</b> | <b>\$ (566,382)</b>   | <b>-17%</b> | <b>\$ 2,793,849</b> | <b>\$ 3,179,428</b> | <b>\$ (385,579)</b> | <b>-12%</b> |          |
| <b>Total Personnel Expenses -</b> | <b>\$ 1,992,904</b> | <b>\$ 2,470,798</b> | <b>\$ (477,894)</b> | <b>-19%</b> | <b>\$ 6,311,534</b> | <b>\$ 7,412,394</b> | <b>\$ (1,100,860)</b> | <b>-15%</b> | <b>\$ 6,311,534</b> | <b>\$ 6,592,452</b> | <b>\$ (280,918)</b> | <b>-4%</b>  | <b>1</b> |

7.65.

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - September 30, 2007**

|  | Current Period    |                   |                     |             | Year to Date      |                     |                     |             | Year to Date      |                   |                    |             | Notes |
|--|-------------------|-------------------|---------------------|-------------|-------------------|---------------------|---------------------|-------------|-------------------|-------------------|--------------------|-------------|-------|
|  | Actual            | Budget            | \$ Var              | % Var       | Actual            | Budget              | \$ Var              | % Var       | Actual<br>FY08    | FY07              | \$ Var             | % Var       |       |
| <b>SERVICES</b>                                |                   |                   |                     |             |                   |                     |                     |             |                   |                   |                    |             |       |
| 503011 Acctg & Audit Fees                      | \$ 1,226          | \$ 8,354          | \$ (7,128)          | -85%        | \$ 21,486         | \$ 25,062           | \$ (3,576)          | -14%        | \$ 21,486         | \$ 17,400         | \$ 4,086           | 23%         |       |
| 503012 Admin & Bank Fees                       | \$ 41,324         | \$ 19,669         | \$ 21,655           | 110%        | \$ 42,858         | \$ 59,007           | \$ (16,149)         | -27%        | \$ 42,858         | \$ 37,520         | \$ 5,338           | 14%         |       |
| 503031 Prof & Tech Fees                        | \$ 24,435         | \$ 32,126         | \$ (7,691)          | -24%        | \$ 31,998         | \$ 96,378           | \$ (64,380)         | -67%        | \$ 31,998         | \$ 68,059         | \$ (36,061)        | -53%        | 2     |
| 503032 Legislative Services                    | \$ 7,500          | \$ 8,084          | \$ (584)            | -7%         | \$ 22,970         | \$ 24,252           | \$ (1,282)          | -5%         | \$ 22,970         | \$ 23,275         | \$ (305)           | -1%         |       |
| 503033 Legal Services                          | \$ 74             | \$ 4,306          | \$ (4,232)          | -98%        | \$ 74             | \$ 12,918           | \$ (12,844)         | -99%        | \$ 74             | \$ 1,061          | \$ (987)           | -93%        |       |
| 503034 Pre-Employ Exams                        | \$ 1,323          | \$ 2,083          | \$ (760)            | -36%        | \$ 3,682          | \$ 6,249            | \$ (2,567)          | -41%        | \$ 3,682          | \$ 5,377          | \$ (1,695)         | -32%        |       |
| 503041 Temp Help                               | \$ 2,542          | \$ 1,375          | \$ 1,167            | 85%         | \$ 37,012         | \$ 4,125            | \$ 32,887           | 797%        | \$ 37,012         | \$ 18,279         | \$ 18,733          | 102%        | 3     |
| 503161 Custodial Services                      | \$ 5,950          | \$ 6,120          | \$ (170)            | -3%         | \$ 15,878         | \$ 18,360           | \$ (2,482)          | -14%        | \$ 15,878         | \$ 16,102         | \$ (224)           | -1%         |       |
| 503162 Uniform & Laundry                       | \$ 4,354          | \$ 3,743          | \$ 611              | 16%         | \$ 10,669         | \$ 11,229           | \$ (560)            | -5%         | \$ 10,669         | \$ 9,696          | \$ 973             | 10%         |       |
| 503171 Security Services                       | \$ 27,688         | \$ 36,994         | \$ (9,306)          | -25%        | \$ 81,094         | \$ 110,982          | \$ (29,888)         | -27%        | \$ 81,094         | \$ 123,521        | \$ (42,427)        | -34%        | 4     |
| 503221 Classified/Legal Ads                    | \$ 114            | \$ 2,383          | \$ (2,269)          | -95%        | \$ 3,680          | \$ 7,149            | \$ (3,469)          | -49%        | \$ 3,680          | \$ 6,046          | \$ (2,366)         | -39%        |       |
| 503222 Legal Advertising                       | \$ -              | \$ -              | \$ -                | 0%          | \$ -              | \$ -                | \$ -                | 0%          | \$ -              | \$ -              | \$ -               | 0%          |       |
| 503225 Graphic Services                        | \$ -              | \$ 1,717          | \$ (1,717)          | -100%       | \$ -              | \$ 5,151            | \$ (5,151)          | -100%       | \$ -              | \$ 7,970          | \$ (7,970)         | -100%       |       |
| 503351 Repair - Bldg & Impr                    | \$ 2,543          | \$ 3,542          | \$ (999)            | -28%        | \$ 12,977         | \$ 10,626           | \$ 2,351            | 22%         | \$ 12,977         | \$ 9,226          | \$ 3,751           | 41%         |       |
| 503352 Repair - Equipment                      | \$ 13,655         | \$ 26,236         | \$ (12,581)         | -48%        | \$ 33,909         | \$ 78,708           | \$ (44,799)         | -57%        | \$ 33,909         | \$ 43,159         | \$ (9,250)         | -21%        | 5     |
| 503353 Repair - Rev Vehicle                    | \$ 15,016         | \$ 24,255         | \$ (9,239)          | -38%        | \$ 76,815         | \$ 72,765           | \$ 4,050            | 6%          | \$ 76,815         | \$ 72,976         | \$ 3,839           | 5%          |       |
| 503354 Repair - Non Rev Vehicle                | \$ 4,103          | \$ 4,652          | \$ (549)            | -12%        | \$ 4,133          | \$ 13,956           | \$ (9,823)          | -70%        | \$ 4,133          | \$ 9,717          | \$ (5,584)         | -57%        |       |
| 503363 Haz Mat Disposal                        | \$ 5,303          | \$ 2,042          | \$ 3,261            | 160%        | \$ 9,090          | \$ 6,126            | \$ 2,964            | 48%         | \$ 9,090          | \$ 10,218         | \$ (1,128)         | -11%        |       |
| <b>Total Services -</b>                        | <b>\$ 157,150</b> | <b>\$ 187,681</b> | <b>\$ (30,531)</b>  | <b>-16%</b> | <b>\$ 408,325</b> | <b>\$ 563,043</b>   | <b>\$ (154,718)</b> | <b>-27%</b> | <b>\$ 408,325</b> | <b>\$ 479,602</b> | <b>\$ (71,277)</b> | <b>-15%</b> |       |
| <b>MOBILE MATERIALS AND SUPPLIES</b>           |                   |                   |                     |             |                   |                     |                     |             |                   |                   |                    |             |       |
| 504011 Fuels & Lube Non Rev Veh                | \$ 7,867          | \$ 10,226         | \$ (2,359)          | -23%        | \$ 38,194         | \$ 30,678           | \$ 7,516            | 24%         | \$ 38,194         | \$ 28,085         | \$ 10,109          | 36%         |       |
| 504012 Fuels & Lube Rev Veh                    | \$ 154,906        | \$ 269,649        | \$ (114,743)        | -43%        | \$ 485,973        | \$ 808,947          | \$ (322,974)        | -40%        | \$ 485,973        | \$ 509,860        | \$ (23,887)        | -5%         | 6     |
| 504021 Tires & Tubes                           | \$ 9,128          | \$ 18,700         | \$ (9,572)          | -51%        | \$ 51,864         | \$ 56,100           | \$ (4,236)          | -8%         | \$ 51,864         | \$ 44,811         | \$ 7,053           | 16%         |       |
| 504161 Other Mobile Supplies                   | \$ 691            | \$ 667            | \$ 24               | 4%          | \$ 1,339          | \$ 2,001            | \$ (662)            | -33%        | \$ 1,339          | \$ 4,353          | \$ (3,014)         | -69%        |       |
| 504191 Rev Vehicle Parts                       | \$ 56,629         | \$ 56,800         | \$ (171)            | 0%          | \$ 191,214        | \$ 170,400          | \$ 20,814           | 12%         | \$ 191,214        | \$ 199,110        | \$ (7,896)         | -4%         |       |
| <b>Total Mobile Materials &amp; Supplies -</b> | <b>\$ 229,221</b> | <b>\$ 356,042</b> | <b>\$ (126,821)</b> | <b>-36%</b> | <b>\$ 768,584</b> | <b>\$ 1,068,126</b> | <b>\$ (299,542)</b> | <b>-28%</b> | <b>\$ 768,584</b> | <b>\$ 786,219</b> | <b>\$ (17,635)</b> | <b>-2%</b>  |       |

7.26

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - September 30, 2007**

|                                       | Current Period |           |             |       | Year to Date |            |             |       | Year to Date   |             |             |        | Notes |
|---------------------------------------|----------------|-----------|-------------|-------|--------------|------------|-------------|-------|----------------|-------------|-------------|--------|-------|
|                                       | Actual         | Budget    | \$ Var      | % Var | Actual       | Budget     | \$ Var      | % Var | Actual<br>FY08 | FY07        | \$ Var      | % Var  |       |
| <b>OTHER MATERIALS &amp; SUPPLIES</b> |                |           |             |       |              |            |             |       |                |             |             |        |       |
| 504205 Freight Out                    | \$ 602         | \$ 412    | \$ 190      | 46%   | \$ 645       | \$ 1,236   | \$ (591)    | -48%  | \$ 645         | \$ 762      | \$ (117)    | -15%   |       |
| 504211 Postage & Mailing              | \$ 590         | \$ 1,867  | \$ (1,277)  | -68%  | \$ 4,509     | \$ 5,601   | \$ (1,092)  | -19%  | \$ 4,509       | \$ 4,159    | \$ 350      | 8%     |       |
| 504214 Promotional Items              | \$ -           | \$ 2      | \$ (2)      | -100% | \$ -         | \$ 6       | \$ (6)      | -100% | \$ -           | \$ -        | \$ -        | 0%     |       |
| 504215 Printing                       | \$ (995)       | \$ 7,401  | \$ (8,396)  | -113% | \$ 16,455    | \$ 22,203  | \$ (5,748)  | -26%  | \$ 16,455      | \$ 12,374   | \$ 4,081    | 33%    |       |
| 504217 Photo Supply/Processing        | \$ 147         | \$ 754    | \$ (607)    | -81%  | \$ 191       | \$ 2,262   | \$ (2,071)  | -92%  | \$ 191         | \$ 2,753    | \$ (2,562)  | -93%   |       |
| 504311 Office Supplies                | \$ 12,708      | \$ 7,184  | \$ 5,524    | 77%   | \$ 30,356    | \$ 21,552  | \$ 8,804    | 41%   | \$ 30,356      | \$ 20,832   | \$ 9,524    | 46%    |       |
| 504315 Safety Supplies                | \$ 2,462       | \$ 1,521  | \$ 941      | 62%   | \$ 7,955     | \$ 4,563   | \$ 3,392    | 74%   | \$ 7,955       | \$ 2,039    | \$ 5,916    | 290%   |       |
| 504317 Cleaning Supplies              | \$ 2,572       | \$ 4,090  | \$ (1,518)  | -37%  | \$ 11,209    | \$ 12,270  | \$ (1,061)  | -9%   | \$ 11,209      | \$ 6,284    | \$ 4,925    | 78%    |       |
| 504409 Repair/Maint Supplies          | \$ 2,186       | \$ 3,750  | \$ (1,564)  | -42%  | \$ 9,368     | \$ 11,250  | \$ (1,882)  | -17%  | \$ 9,368       | \$ 8,771    | \$ 597      | 7%     |       |
| 504421 Non-Inventory Parts            | \$ 4,030       | \$ 3,605  | \$ 425      | 12%   | \$ 10,751    | \$ 10,815  | \$ (64)     | -1%   | \$ 10,751      | \$ 10,229   | \$ 522      | 5%     |       |
| 504511 Small Tools                    | \$ 327         | \$ 824    | \$ (497)    | -60%  | \$ 980       | \$ 2,472   | \$ (1,492)  | -60%  | \$ 980         | \$ 1,504    | \$ (524)    | -35%   |       |
| 504515 Employee Tool Rpicmt           | \$ -           | \$ 215    | \$ (215)    | -100% | \$ 108       | \$ 645     | \$ (537)    | -83%  | \$ 108         | \$ 683      | \$ (575)    | -84%   |       |
| Total Other Materials & Supplies -    | \$ 24,629      | \$ 31,625 | \$ (6,996)  | -22%  | \$ 92,527    | \$ 94,875  | \$ (2,348)  | -2%   | \$ 92,527      | \$ 70,390   | \$ 22,137   | 31%    |       |
| <b>UTILITIES</b>                      |                |           |             |       |              |            |             |       |                |             |             |        |       |
| 505011 Gas & Electric                 | \$ 11,800      | \$ 15,151 | \$ (3,351)  | -22%  | \$ 39,998    | \$ 45,453  | \$ (5,455)  | -12%  | \$ 39,998      | \$ 40,483   | \$ (485)    | -1%    |       |
| 505021 Water & Garbage                | \$ 9,817       | \$ 9,274  | \$ 543      | 6%    | \$ 32,963    | \$ 27,822  | \$ 5,141    | 18%   | \$ 32,963      | \$ 24,675   | \$ 8,288    | 34%    |       |
| 505031 Telecommunications             | \$ 6,665       | \$ 8,021  | \$ (1,356)  | -17%  | \$ 21,225    | \$ 24,063  | \$ (2,838)  | -12%  | \$ 21,225      | \$ 16,898   | \$ 4,327    | 26%    |       |
| Total Utilities -                     | \$ 28,282      | \$ 32,446 | \$ (4,164)  | -13%  | \$ 94,186    | \$ 97,338  | \$ (3,152)  | -3%   | \$ 94,186      | \$ 82,056   | \$ 12,130   | 15%    |       |
| <b>CASUALTY &amp; LIABILITY</b>       |                |           |             |       |              |            |             |       |                |             |             |        |       |
| 506011 Insurance - Property           | \$ (3,120)     | \$ 4,678  | \$ (7,798)  | -167% | \$ 4,536     | \$ 14,034  | \$ (9,498)  | -68%  | \$ 4,536       | \$ 6,401    | \$ (1,865)  | -29%   |       |
| 506015 Insurance - PL & PD            | \$ -           | \$ 35,000 | \$ (35,000) | -100% | \$ 68,724    | \$ 105,000 | \$ (36,276) | -35%  | \$ 68,724      | \$ 126,324  | \$ (57,600) | -46%   | 7     |
| 506021 Insurance - Other              | \$ 711         | \$ 151    | \$ 560      | 371%  | \$ 829       | \$ 453     | \$ 376      | 83%   | \$ 829         | \$ 178      | \$ 651      | 366%   |       |
| 506123 Settlement Costs               | \$ 2,111       | \$ 12,500 | \$ (10,389) | -83%  | \$ 10,997    | \$ 37,500  | \$ (26,503) | -71%  | \$ 10,997      | \$ 8,193    | \$ 2,804    | 34%    |       |
| 506127 Repairs - Dist Prop            | \$ 50          | \$ -      | \$ 50       | 0%    | \$ (3,466)   | \$ -       | \$ (3,466)  | 0%    | \$ (3,466)     | \$ (79,280) | \$ 75,814   | -96%   |       |
| Total Casualty & Liability -          | \$ (248)       | \$ 52,329 | \$ (52,577) | -100% | \$ 81,620    | \$ 156,987 | \$ (75,367) | -48%  | \$ 81,620      | \$ 61,816   | \$ 19,804   | 32%    |       |
| <b>TAXES</b>                          |                |           |             |       |              |            |             |       |                |             |             |        |       |
| 507051 Fuel Tax                       | \$ -           | \$ 888    | \$ (888)    | -100% | \$ 1,671     | \$ 2,664   | \$ (993)    | -37%  | \$ 1,671       | \$ 4,266    | \$ (2,595)  | -61%   |       |
| 507201 Licenses & permits             | \$ -           | \$ 980    | \$ (980)    | -100% | \$ 1,279     | \$ 2,940   | \$ (1,661)  | -56%  | \$ 1,279       | \$ 5        | \$ 1,274    | 25480% |       |
| 507999 Other Taxes                    | \$ -           | \$ 2,058  | \$ (2,058)  | -100% | \$ 1,211     | \$ 6,174   | \$ (4,963)  | -80%  | \$ 1,211       | \$ 2,485    | \$ (1,274)  | -51%   |       |
| Total Utilities -                     | \$ -           | \$ 3,926  | \$ (3,926)  | -100% | \$ 4,161     | \$ 11,778  | \$ (7,617)  | -65%  | \$ 4,161       | \$ 6,756    | \$ (2,595)  | -38%   |       |

7.27

**FY2008**  
**Consolidated Operating Expenses**  
**For the month ending - September 30, 2007**

|  | Current Period |              |              |       | Year to Date |              |                |       | Year to Date   |              |              |       | Notes |
|--|----------------|--------------|--------------|-------|--------------|--------------|----------------|-------|----------------|--------------|--------------|-------|-------|
|  | Actual         | Budget       | \$ Var       | % Var | Actual       | Budget       | \$ Var         | % Var | Actual<br>FY08 | FY07         | \$ Var       | % Var |       |
| <b><u>PURCHASED TRANSPORTATION</u></b> |                |              |              |       |              |              |                |       |                |              |              |       |       |
| 503406 Contr/Paratrans                 | \$ 36,917      | \$ 16,667    | \$ 20,250    | 121%  | \$ 87,810    | \$ 50,001    | \$ 37,809      | 76%   | \$ 87,810      | \$ 36,894    | \$ 50,916    | 138%  | 8     |
| Total Purchased Transportation -       | \$ 36,917      | \$ 16,667    | \$ 20,250    | 121%  | \$ 87,810    | \$ 50,001    | \$ 37,809      | 76%   | \$ 87,810      | \$ 36,894    | \$ 50,916    | 138%  |       |
| <b><u>MISC</u></b>                     |                |              |              |       |              |              |                |       |                |              |              |       |       |
| 509011 Dues & Subscriptions            | \$ 1,364       | \$ 4,768     | \$ (3,404)   | -71%  | \$ 5,762     | \$ 14,304    | \$ (8,542)     | -60%  | \$ 5,762       | \$ 41,623    | \$ (35,861)  | -86%  |       |
| 509085 Advertising - Rev Product       | \$ -           | \$ 1,250     | \$ (1,250)   | -100% | \$ -         | \$ 3,750     | \$ (3,750)     | -100% | \$ -           | \$ -         | \$ -         | 0%    |       |
| 509101 Emp Incentive Prog              | \$ -           | \$ 485       | \$ (485)     | -100% | \$ 213       | \$ 1,455     | \$ (1,242)     | -85%  | \$ 213         | \$ 146       | \$ 67        | 46%   |       |
| 509121 Employee Training               | \$ 1,354       | \$ 1,625     | \$ (271)     | -17%  | \$ 4,974     | \$ 4,875     | \$ 99          | 2%    | \$ 4,974       | \$ 9,973     | \$ (4,999)   | -50%  |       |
| 509123 Travel                          | \$ 1,814       | \$ 4,348     | \$ (2,534)   | -58%  | \$ 9,040     | \$ 13,044    | \$ (4,004)     | -31%  | \$ 9,040       | \$ 3,014     | \$ 6,026     | 200%  |       |
| 509125 Local Meeting Exp               | \$ 418         | \$ 529       | \$ (111)     | -21%  | \$ 931       | \$ 1,587     | \$ (656)       | -41%  | \$ 931         | \$ 768       | \$ 163       | 21%   |       |
| 509127 Board Director Fees             | \$ 950         | \$ 1,100     | \$ (150)     | -14%  | \$ 3,800     | \$ 3,300     | \$ 500         | 15%   | \$ 3,800       | \$ 2,750     | \$ 1,050     | 38%   |       |
| 509150 Contributions                   | \$ -           | \$ 54        | \$ (54)      | -100% | \$ 98        | \$ 162       | \$ (64)        | -40%  | \$ 98          | \$ 240       | \$ (142)     | -59%  |       |
| 509197 Sales Tax Expense               | \$ -           | \$ -         | \$ -         | 0%    | \$ -         | \$ -         | \$ -           | 0%    | \$ -           | \$ (4,813)   | \$ 4,813     | -100% |       |
| 509198 Cash Over/Short                 | \$ (20)        | \$ -         | \$ (20)      | 0%    | \$ 52        | \$ -         | \$ 52          | 0%    | \$ 52          | \$ (236)     | \$ 288       | -122% |       |
| Total Misc -                           | \$ 5,880       | \$ 14,159    | \$ (8,279)   | -58%  | \$ 24,870    | \$ 42,477    | \$ (17,607)    | -41%  | \$ 24,870      | \$ 53,465    | \$ (28,595)  | -53%  |       |
| <b><u>LEASES &amp; RENTALS</u></b>     |                |              |              |       |              |              |                |       |                |              |              |       |       |
| 512011 Facility Rentals                | \$ 55,954      | \$ 59,559    | \$ (3,605)   | -6%   | \$ 167,565   | \$ 178,679   | \$ (11,114)    | -6%   | \$ 167,565     | \$ 191,446   | \$ (23,881)  | -12%  |       |
| 512061 Equipment Rentals               | \$ 1,168       | \$ 6,273     | \$ (5,105)   | -81%  | \$ 7,598     | \$ 18,819    | \$ (11,221)    | -60%  | \$ 7,598       | \$ 23,733    | \$ (16,135)  | -68%  |       |
| Total Leases & Rentals -               | \$ 57,122      | \$ 65,832    | \$ (8,710)   | -13%  | \$ 175,163   | \$ 197,498   | \$ (22,335)    | -11%  | \$ 175,163     | \$ 215,179   | \$ (40,016)  | -19%  |       |
| Total Non-Personnel Expenses -         | \$ 538,953     | \$ 760,707   | \$ (221,754) | -29%  | \$ 1,737,246 | \$ 2,282,123 | \$ (544,877)   | -24%  | \$ 1,737,246   | \$ 1,792,377 | \$ (55,131)  | -3%   |       |
| TOTAL OPERATING EXPENSE -              | \$ 2,531,857   | \$ 3,231,505 | \$ (699,648) | -22%  | \$ 8,048,780 | \$ 9,694,517 | \$ (1,645,737) | -17%  | \$ 8,048,780   | \$ 8,384,829 | \$ (336,049) | -4%   |       |

**Current Period Notes:**

- 1) **Total Personnel Expenses** are below budget due to not being at full complement.
- 2) **Prof & Tech Fees** are below budget. Negotiations for the year will not start until the March 2009 time frame.
- 3) **Temp Help** is over budget due to vacancies and work loads. This item is only budgeted in Admin.

**FY2008**  
**Consolidated Operating Expenses**  
*For the month ending - September 30, 2007*

| Current Period |               |               |              | Year to Date  |               |               |              | Year to Date |             |               |              |              |
|----------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|--------------|-------------|---------------|--------------|--------------|
| <u>Actual</u>  | <u>Budget</u> | <u>\$ Var</u> | <u>% Var</u> | <u>Actual</u> | <u>Budget</u> | <u>\$ Var</u> | <u>% Var</u> | <u>FY08</u>  | <u>FY07</u> | <u>\$ Var</u> | <u>% Var</u> | <u>Notes</u> |

4) **Security Services** are under budget due to the budget being straight lined and not knowing when additional security will be needed throughout the year.

5) **Repair - Equipment** is typically paid qtrly or annually on contracts. The budget was straight lined since we can not anticipate when these costs will be incurred.

6) **Fuels & Lube Rev Veh** is under budget. The budget was built on anticipating increased fuel prices for the year.

7) **Insurance - PL & PD** is under budget. September prepaid insurance entries were inadvertently missed. True-up will happen in October.

8) **Contr/Paratrans** is over budget. More than budgeted rides were needed for the month.

7.09

**FY2008**  
**CAPITAL BUDGET**  
*For the month ending - September 30, 2007*

|  | <u>YTD Actual</u> | <u>FY08 Budget</u>   | <u>Remaining Budget</u> | <u>% Spent YTD</u> |
|--|-------------------|----------------------|-------------------------|--------------------|
| <b><u>Grant-Funded Projects</u></b>                      |                   |                      |                         |                    |
| MetroBase  | \$ 672,194        | \$ 10,300,000        | \$ 9,627,806            | 7%                 |
| Purchase 1217 River Street                               | \$ -              | \$ 1,237,500         | \$ 1,237,500            | 0%                 |
| Purchase 1211 River Street                               | \$ -              | \$ 775,000           | \$ 775,000              | 0%                 |
| CNG Bus Conversions (40 Buses)                           | \$ 154,745        | \$ 6,800,000         | \$ 6,645,255            | 2%                 |
| Local Bus Replacement (8)                                | \$ -              | \$ 3,400,000         | \$ 3,400,000            | 0%                 |
| Pacific Station Project                                  | \$ 2,428          | \$ 2,729,494         | \$ 2,727,066            | 0%                 |
| H17 Bus Replacement (5)                                  | \$ -              | \$ 2,262,000         | \$ 2,262,000            | 0%                 |
| Hwy 17 Wireless (Air District)                           | \$ -              | \$ 42,500            | \$ 42,500               | 0%                 |
| Transmission   | \$ -              | \$ 15,000            | \$ 15,000               | 0%                 |
| <b>Subtotal Grant Funded Projects</b>                    | <b>\$ 829,367</b> | <b>\$ 27,561,494</b> | <b>\$ 26,732,127</b>    | <b>3%</b>          |
| <b><u>District Funded Projects</u></b>                   |                   |                      |                         |                    |
| <b><u>IT Projects</u></b>                                |                   |                      |                         |                    |
| ATP - Hastus Run Time Analysis Program - IT/OPS          | \$ -              | \$ 40,000            | \$ 40,000               | 0%                 |
| Qquest Time Clocks                                       | \$ -              | \$ 9,000             | \$ 9,000                | 0%                 |
| ABS Financial System & Modules                           | \$ -              | \$ 8,000             | \$ 8,000                | 0%                 |
| ABS Laser Printer & Software for Checks                  | \$ -              | \$ 7,200             | \$ 7,200                | 0%                 |
| Laptops (2) Fleet & Finance                              | \$ 1,269          | \$ 4,000             | \$ 2,731                | 32%                |
| FAS - Fixed Asset Mgmt. Software                         | \$ -              | \$ 4,000             | \$ 4,000                | 0%                 |
| Web Access Control Appliance                             | \$ -              | \$ 3,000             | \$ 3,000                | 0%                 |
| Printer - Ops  | \$ -              | \$ 1,800             | \$ 1,800                | 0%                 |
| <b><u>Facilities Repair &amp; Improvements</u></b>       |                   |                      |                         |                    |
| Bus Stop Improvements (20 total)                         | \$ -              | \$ 164,251           | \$ 164,251              | 0%                 |
| Bus Stop Improvements (China Grade Turnout) **           | \$ 42,878         | \$ 121,000           | \$ 78,122               | 35%                |
| Bus Shelters - LNI                                       | \$ -              | \$ 45,000            | \$ 45,000               | 0%                 |
| 2-way Radio & Telephone Recording System (Exacom System) | \$ -              | \$ 30,000            | \$ 30,000               | 0%                 |
| Reseal Operations Facility Roof                          | \$ -              | \$ 25,600            | \$ 25,600               | 0%                 |
| ParaCruz Vehicle Hoist                                   | \$ -              | \$ 17,500            | \$ 17,500               | 0%                 |
| Replace HVAC at ParaCruz Facility                        | \$ -              | \$ 14,500            | \$ 14,500               | 0%                 |
| Repair Parking Lots (Greyhound, Soquel Park & Ride)      | \$ -              | \$ 5,000             | \$ 5,000                | 0%                 |
| Repair Sidewalks & Bus Lanes (Pacific Station)           | \$ -              | \$ 5,000             | \$ 5,000                | 0%                 |
| Cubicle Walls (ParaCruz)                                 | \$ -              | \$ 10,000            | \$ 10,000               | 0%                 |
| Digital ID Card Processing Equip. for Pacific Station    | \$ -              | \$ 15,000            | \$ 15,000               | 0%                 |
| Replace Toilets at Pacific Station & (1) Waterless       | \$ -              | \$ 9,600             | \$ 9,600                | 0%                 |
| Bus Operators Lockers                                    | \$ -              | \$ 4,800             | \$ 4,800                | 0%                 |
| Two-way Radio Portable Radio Hand-paks (4)               | \$ -              | \$ 3,500             | \$ 3,500                | 0%                 |
| Coin Machine Replacement - Pacific Station               | \$ -              | \$ 5,000             | \$ 5,000                | 0%                 |
| Money Counting Program - OPS                             | \$ -              | \$ 2,500             | \$ 2,500                | 0%                 |

7.2.10

**FY2008**  
**CAPITAL BUDGET**  
*For the month ending - September 30, 2007*

|   | <u>YTD Actual</u> |                  | <u>FY08 Budget</u>   |           | <u>Remaining Budget</u> | <u>% Spent YTD</u> |
|---|-------------------|------------------|----------------------|-----------|-------------------------|--------------------|
| <b><u>Revenue Vehicle Replacement</u></b>     |                   |                  |                      |           |                         |                    |
| Purchase ParaCruz Vans (3)                    | \$                | -                | \$ 216,303           | \$        | 216,303                 | 0%                 |
| Rebuild Bus Engines (16 remaining) 1998 Fleet | \$                | -                | \$ 168,000           | \$        | 168,000                 | 0%                 |
| New John Deere Engines (2)                    | \$                | -                | \$ 76,435            | \$        | 76,435                  | 0%                 |
| <b><u>Non-Revenue Vehicle Replacement</u></b> |                   |                  |                      |           |                         |                    |
| ParaCruz Staff Car                            | \$                | -                | \$ 20,000            | \$        | 20,000                  | 0%                 |
| Facility Service Body Truck (2)               | \$                | -                | \$ 60,000            | \$        | 60,000                  | 0%                 |
| Pickup for Fleet (2)                          | \$                | -                | \$ 35,000            | \$        | 35,000                  | 0%                 |
| Hybrid - Admin                                | \$                | -                | \$ 30,500            | \$        | 30,500                  | 0%                 |
| Supervisor Vehicle                            | \$                | -                | \$ 29,500            | \$        | 29,500                  | 0%                 |
| Shuttle Van                                   | \$                | -                | \$ 27,500            | \$        | 27,500                  | 0%                 |
| <b><u>Maint Equipment</u></b>                 |                   |                  |                      |           |                         |                    |
| Replace Repeater - Davenport                  | \$                | -                | \$ 15,000            | \$        | 15,000                  | 0%                 |
| Wire Welder                                   | \$                | -                | \$ 2,039             | \$        | 2,039                   | 0%                 |
| Forklift (Purchased from Casey Printing)      | \$                | 1,250            | \$ 1,250             | \$        | -                       | 100%               |
| <b><u>Admin</u></b>                           |                   |                  |                      |           |                         |                    |
| Purchase & Renovation of Vernon Bldg          | \$                | 3,995,385        | \$ 6,964,902         | \$        | 2,969,517               | 57%                |
| <hr/>   |                   |                  |                      |           |                         |                    |
| <b>Subtotal District Funded Projects</b>      | <b>\$</b>         | <b>4,040,782</b> | <b>\$ 8,201,680</b>  | <b>\$</b> | <b>4,160,898</b>        | <b>49%</b>         |
| <hr/>   |                   |                  |                      |           |                         |                    |
| <b>TOTAL CAPITAL PROJECTS</b>                 | <b>\$</b>         | <b>4,870,149</b> | <b>\$ 35,763,174</b> | <b>\$</b> | <b>30,893,025</b>       | <b>14%</b>         |

7.211

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Finance Manager  
**SUBJECT:** RESOLUTION REVISING FY08 OPERATING AND CAPITAL BUDGET

## I. RECOMMENDED ACTION

**Staff recommends that the Board of Directors adopt the attached resolution revising the FY08 operating and capital budget in accordance with Attachment A.**

## II. SUMMARY OF ISSUES

- An **operating budget** change is necessary as capital revenue was erroneously classified as operating revenue in FY08. This will require:
  - Increasing the FTA Sec 5307 – Operating Assistance by \$198 to reflect actual rates for the year
  - Decreasing the FTA Sec 5307 – Operating Assistance by \$723,646 due to the error
  - Transfer \$723,448 from the capital reserve account to balance the budget.
- There are no changes to the overall budget; it remains the same at \$38,778,000.
- The modifications to the **capital budget** will result in a net increase of \$1,257,880 to fund ten (10) new projects, seven (7) increases in the costs of existing projects, six (6) reductions in projects, and eight (8) removals/deferrals/reallocations of projects. The revised Capital Budget totals \$35,763,175 and will be funded as shown in Attachment C.

## III. DISCUSSION

### A. Operating Budget

The detailed list of changes to the FY08 operating revenues is shown on Attachment B following the budget resolution. The first revenue change is a slight increase of \$198 to reflect actual rates for the year on the FTA Sec 5307 – Operating Assistance and then a \$723,646 decrease in the same FTA Sec 5307 – Operating Assistance. Capital revenue was erroneously budgeted as operating revenue. As a result, a transfer from the capital reserve account of \$723,448 is needed to balance the budget. The operating expenses are expected to remain the same.

**B. Capital Budget**

The two (2) largest new capital projects are the purchase of 1217 and 1211 River Street, which the Board has already approved, amounting to \$1,237,500 and \$775,000 respectively.

**Additions** to the Capital Budget include:

- Scheduling Analysis Module to increase the efficiency of our route scheduling by being able to analyze automated data being collected on the bus run times. This software will automate what two (2) staff members are currently doing by hand.
- Fixed Asset Management Software to replace an in-house database that no longer meets our needs and to fulfill a federal reporting requirement from the Federal Transit Administration Triennial review.
- Bus Shelters to begin to accomplish our shelter replacement plan
- Two (2) Change Machines to replace the aging and broken ones we currently have at Pacific Station
- Coin and Currency Counting equipment for Operations to help curb an increase in cash over and shortages we are seeing in our deposits at the bank due to coin machine malfunctions and the inability for the machines to be mechanically fixed. No replacement parts are available and the new machines will hold a higher volume of coin, which will improve staffing efficiencies.
- ParaCruz Staff vehicle. Currently, staff uses revenue vehicles to go to other locations for meeting and other work related requirements away from their facility in Research Park.
- The purchase of the used forklift from Casey Printing as part of the 110 Vernon Acquisition which the Board has already taken action on.

**Increases** to the Capital budget include:

- Funds for wireless on the Highway 17 buses to supplement the grant to enable all Highway 17 buses to be wi-fi enabled.
- Additional money needed for eight (8) Local Bus Replacements and five (5) Highway 17 Bus Replacements. These vehicles were purchased under an old Culver City contract and there have been both cost increases and regulatory changes. This is a projection at this time as we are awaiting final pricing.
- The bid to reseal the Operations Facility roof came in \$15,600 more than budgeted. The scope of work was increased after the inspection for the bid yielded more damage than was originally estimated.
- Requirements for the Digital ID Card Processing Equipment came in \$5,000 more than the original estimate, which only included ParaCruz and Metro Center. The increase encompasses a Metro wide implementation of Digital ID cards.
- The bid for the ParaCruz vehicle hoist came in \$2,500 more due to a revision in the type of hoist required.
- Pickups for Fleet came in \$2,000 more than budget due to a change in vehicles. Larger vehicles are required to accommodate the work of the Fleet.

8.2

- The budget for the two (2) John Deere replacement engines came in at \$6,435 more than the original budget due to the original estimate not including sales tax. These engines will be used as swing spares, in case of a major failure, or when the convertibles reach engine overhaul mileages. We will have twenty-nine (29) low floor buses and eleven (11) Highway 17 buses using the John Deere engine by the time the CNG conversion is completed. Since the engines are configured slightly differently for the two fleets, and because we will have 40 of them total in the fleet, two spares are needed.

**Reductions** in the capital budget include:

- A lower bid on the China Grade project of \$190,000
- A reduction of \$110,500 on bus stop improvements due to less stops being undertaken.
- Reduction in scope contributed to the Slurry Coat parking lots and the Pacific Station sidewalk repair coming in \$5,000 each under budget.
- The acquisition of 110 Vernon Street occurred in FY07 and project can be reduced by \$32,498.

**Removals, Deferrals or Reallocations** to the capital budget include:

- Reallocation of the use of the Alternative Fuel Conversion Reserve of \$462,000 to increase funding for the eight (8) local bus replacements by \$200,000 and five (5) Highway 17 bus replacements by \$262,000.
- Revenue and non-revenue vehicle replacement, bike racks, an A/C unit for Cavallaro Transit Center, and a diagnostic reader unit were completed and purchased in FY07 at a savings of \$241,181 under budget.
- The phone system upgrade has been deferred until renovations are done at 110 Vernon.
- The Watsonville Transit Center (WTC) and ParaCruz Camera System and Dispatch Console have been deferred awaiting a determination of eligibility for funding under the State Security Bond Program.
- The mobile sweeper and trailer were deleted to fund the bus shelters.
- Due to the delay on the ten (10) bus engine rebuilds, we have deferred \$124,726 to FY09 from this year's capital budget.

Funding for all of these capital projects will be provided through the AB 3090 authorization, (which we will receive reimbursement for in FY09) and additional federal grant funding for the MetroBase Project.

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

- Adoption of the resolution will leave the revised operating budget unchanged at \$38,778,000, and will increase the capital budget by \$1,257,880.

**V. ATTACHMENTS**

**Attachment A:** Resolution Authorizing a Revision to the FY08 Operating & Capital Budget

**Attachment B:** Recommended Operating Budget Revisions

**Attachment C:** Recommended Capital Budget Revisions

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

Resolution No. \_\_\_\_\_

On the Motion of Director \_\_\_\_\_

Duly Seconded by Director \_\_\_\_\_

The following Resolution is adopted:

**A RESOLUTION OF THE  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
AUTHORIZING A REVISION TO THE FY08 BUDGET**

**WHEREAS**, it is necessary to revise the adopted FY08 Budget of the Santa Cruz Metropolitan Transit District to provide for revisions in the operating revenue and capital budget.

**NOW, THEREFORE, BE IT RESOLVED**, the budget is hereby amended per the attached Attachment B.

**PASSED AND ADOPTED** this 21st day of December, 2007, by the following vote:

AYES: Directors -

NOES: Directors -

ABSENT: Directors -

ABSTAIN: Directors -

Approved \_\_\_\_\_

MARCELA TAVANTZIS

Board Chair

**ATTEST** \_\_\_\_\_

LESLIE R. WHITE

General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
MARGARET GALLAGHER

District Counsel

RECOMMENDED OPERATING BUDGET REVISIONS  
FY 08  
DECEMBER 2007

Attachment **B**

|  | AMOUNT       | TOTALS      |
|--|--------------|-------------|
| <u>OPERATING REVENUE</u>   |              |             |
| Increase FTA Sec 5307 to reflect actual rates  | \$ 198       |             |
| Decrease FTA Sec 5307 to reflect Capital Revenue<br>erronously budgeted in Operating Revenue | \$ (723,646) |             |
| Transfer from FY08 Capital Reserves  | \$ 723,448   |             |
| <u>TOTAL</u>   |              | <u>\$ -</u> |

Operating Revenue

8,61

**RECOMMENDED CAPITAL BUDGET REVISIONS**  
**FY 08**  
**DECEMBER 2007**

**Attachment C**

|   | AMOUNT         | TOTALS              |
|---|----------------|---------------------|
| <b><u>CAPITAL FUNDING</u></b>   |                |                     |
| Add AB 3090 Authorization, reimbursement due in FY09  | \$ 6,363,000   |                     |
| Add federal grant funding (net) for MetroBase Project   | \$ 734,181     |                     |
| Reduce federal grant funding for Rev Vehicle Replacement<br>(Project completed in FY07)   | \$ (55,345)    |                     |
| Reduce state funding for Bike Rack Project<br>(Project completed in FY07)   | \$ (6,216)     |                     |
| Reduce use of District Reserves   | \$ (5,777,740) |                     |
| <b>TOTAL</b>  |                | <b>\$ 1,257,880</b> |
| <b><u>CAPITAL PROJECTS</u></b>  |                |                     |
| <i><u>Grant-Funded Projects:</u></i>  |                |                     |
| -Add Purchase 1217 River Street - per Board Action  | \$ 1,237,500   |                     |
| -Add Purchase 1211 River Street - per Board Action  | \$ 775,000     |                     |
| -Reduce CNG Bus Conversions (40 Buses)  | \$ (462,000)   |                     |
| -Increase Local Bus Replacement (8)   | \$ 200,000     |                     |
| -Increase H17 Bus Replacement (5)   | \$ 262,000     |                     |
| -Remove Completed Grant Projects (Rev Veh Repl & Bike Racks)  | \$ (76,088)    |                     |
| -Add funds for Highway 17 wireless  | \$ 5,000       |                     |
| <i><u>IT projects:</u></i>  |                |                     |
| -Add ATP - Hastus Run Time New Analysis Module  | \$ 40,000      |                     |
| -Add Sage/FAS - Fixed Asset Mgmt. Software  | \$ 4,000       |                     |
| <i><u>Facilities Repair &amp; Improvements:</u></i>   |                |                     |
| -Reduce China Grade per current bid from Granite Construction   | \$ (190,000)   |                     |
| -Reduce Bus Stop Improvements   | \$ (110,500)   |                     |
| -Defer Phone System until Vernon Renovation   | \$ (100,000)   |                     |
| -Defer WTC and ParaCruz Camera System and<br>Dispatch Console requests that may be eligible<br>for Homeland Security Grant Programs             | \$ (55,000)    |                     |
| -Add Bus Shelters - LNI   | \$ 45,000      |                     |
| -Increase amount for Operations Facility Roof   | \$ 15,600      |                     |
| -Add Coin Machine Replacement (2) Pacific Station   | \$ 5,000       |                     |
| -Increase amount for Digital ID cards   | \$ 5,000       |                     |
| -Reduce Slurry Coat Parking Lots  | \$ (5,000)     |                     |
| -Reduce Pacific Station Sidewalk Repair   | \$ (5,000)     |                     |
| -Increase amount for ParaCruz Vehicle Hoist   | \$ 2,500       |                     |
| -Add Coin and Currency Counting Program for Ops   | \$ 2,500       |                     |
| -Remove A/C Unit for SVT (Project completed in FY07)  | \$ (2,000)     |                     |
| <i><u>Revenue Vehicle Replacement:</u></i>  |                |                     |
| -Defer Bus Engine Rebuilds (10) until FY09  | \$ (124,726)   |                     |
| -Increase amount for 2 New John Deere Engines   | \$ 6,435       |                     |
| <i><u>Non-Revenue Vehicle Replacement:</u></i>  |                |                     |
| -Reallocate funds from Non Revenue Vehicle<br>Replacement (4) and Shuttle Vehicles for Bus<br>Operator Relief (7) to 1211 River Street Purchase | \$ (160,093)   |                     |
| -Add ParaCruz Staff vehicle   | \$ 20,000      |                     |
| -Increase amount for Pickups for Fleet (2)  | \$ 2,000       |                     |
| <i><u>Maint Equipment:</u></i>  |                |                     |
| -Reallocate funds from Mobile Sweeper and Trailer to<br>Bus Shelters from LNI   | \$ (45,000)    |                     |
| -Remove Diagnostic Reader (Purchased in FY07)   | \$ (3,000)     |                     |
| -Add Used Forklift (Purchased from Casey Printing<br>as part of the 110 Vernon Acquisition)   | \$ 1,250       |                     |
| <i><u>Admin Facility:</u></i>   |                |                     |
| -Reduce 110 Vernon Acquisition (expended in FY07)   | \$ (32,498)    |                     |
| <b>TOTAL</b>  |                | <b>\$ 1,257,880</b> |

**B.C.I**

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Finance Manager  
**SUBJECT: ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDING JUNE 30, 2007**

## I. RECOMMENDED ACTION

**Staff recommends that the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ending June 30, 2007.**

## II. SUMMARY OF ISSUES

- The financial statements and report of the independent certified public accountants (Attachment A) present the District's financial position at June 30, 2007, with a comparison to the position at June 30, 2006. The auditors have found that the District's financial statements present fairly the financial position of the District.
- The auditors found the District to be in compliance with the financial reporting requirements for grants and other financial assistance.
- In the Schedule of Findings and Questioned Costs on page 33, the auditors had no new findings.
- Note 5 -- Available net Assets in the financial statements shows the District's Schedule of Reserve Accounts.
- Four findings from prior years are identified in Attachment C with current year recommendations and management response.

## III. DISCUSSION

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

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

9.1

The District's Total Net Assets are \$63,354,570 at June 30, 2007 (page 4), up \$15,570,850 from the prior year. Total Assets increased primarily due to capital additions to Construction in Progress on the MetroBase Service and Fueling Facility and the purchase of two replacement vehicles for fixed route service. Total Liabilities decreased primarily as the result of an incurred but not reported (IBNR) adjustment to the Worker's Compensation accounts.

**The Statements of Revenues and Expenses** (page 9) indicate a net gain in the amount of \$8,911,455 for the year ending June 30, 2007. Operating Revenue (fares) increased from the prior year by \$1,446,909 due to a 23% increased ridership after the 5-week 2005 UTU strike. All revenues increased from the prior year with the exception of Rental Income due to vacant rental spaces.

**The Statements of Operating Expenses** (page 25) indicate that the District's total operating expenses decreased by \$3,069,140 or 9% from the prior year. The largest change in operating expense was primarily due to an incurred but not reported (IBNR) adjustment to the Worker's Compensation account that was based on the results of an actuarial valuation and review performed by Bickmore Risk Services in June 2007.

**The Statements of Net Assets** (pages 7-8) provide an overall summary of the District's position. To determine the amount of available net assets for cash flow and funding capital projects for the next five years, staff has worked with the auditors to develop the schedule in Note 5 (Page 19). At June 30, 2007, this schedule shows total available net assets of \$23,296,587. This leaves a deficit balance of \$1,100,872 in available net assets, which means the five-year capital improvement program is not fully funded.

In the **Schedule of Findings and Questioned Costs** (pages 33-34), the auditors had no Findings Relating to Financial Statements Required Under GAGAS.

**Attachment B** is a standard letter from Brown Armstrong, which the auditors are required to prepare with information related to the conduct of the audit. The letter defines their responsibilities, significant accounting policies, accounting estimates, and significant audit adjustments, disagreements with management, consultations with other independent accountants, issues discussed prior to retention of independent auditors and difficulties encountered in performing the audit.

**Attachment C** is the Management Letter from Brown Armstrong. The purpose of the management letter is to detail the auditor's findings and make recommendations to increase efficiency, internal controls and/or financial reporting. It should be noted that the findings and recommendations listed as current year, are actually carried over from the prior year. **There are no new findings for FY07.** All prior year findings have been updated with a current year management response.

- Finding #1 – *The District should perform a ticket reconciliation semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported.*
  - Management Response:
    - Meetings have been conducted with the ticketing staff at Metro Center, the Operations Management and the Finance Management. Groundwork and preliminary procedures, forms and policies are being created and tested to insure safeguarding of tickets from receivership from the printing vendor through the sale of the ticket and all aspects in-between. A complete and comprehensive process is anticipated to be in place by Spring of 2008.
  
- Finding #2 – *The District does not have a strict policy on the type of clothing allowed to be worn in the count room. Employees are allowed to wear shirts and pants with pockets. The wearing of inappropriate clothing in the count room could lead to the possible misappropriation of the District's assets.*
  - Management Response:
    - A draft policy was written in Oct 2007 and is currently being reviewed.
  
- Finding #3 – *While reviewing the procedures for counting fare box revenues, we noted that the district has one individual that participates in, and supervises, the counting of cash, prepares the daily deposit and has access to the daily revenue reports. The lack of separation of duties could lead to the possible misappropriation of fare box revenues.*
  - Management Response:
    - Groundwork and preliminary procedures, forms and policies are being created and tested to insure safeguarding of all cash received into the count room. Separate individuals prepare and control appropriate reports and forms. A complete and comprehensive process was in place in October 2007. This area is also anticipating moving into a new building in late 2007.
  
- Finding #4 – *While reviewing the procedures for payroll testing, we noted that the District does not require review of overtime payroll pertaining to the coach operators. The lack of this control could lead to the possible misappropriation of the District's payroll.*
  - Management Response:
    - With the implementation of Qqest (new payroll system), Finance and all timekeeping areas will be able to monitor and pull OT reports on an ongoing, every payroll basis for all departments; including Fixed Route Bus Operators. A copy of this report from the ParaCruz drivers who are currently fully implemented on the Qqest payroll system was given to the auditors this Fall. The department managers receive a copy of this report on an every pay period basis. We are anticipating having all other departments implemented in Qqest by late Spring 2008.

I would like to recognize Debbie Kinslow, Assistant Finance Manager, for her valuable assistance with this year's audit.

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

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

#### **V. ATTACHMENTS**

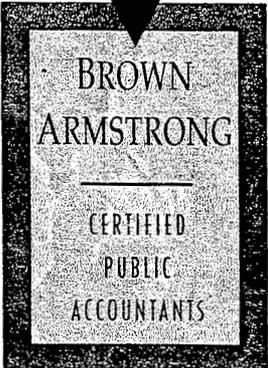
- Attachment A:** Financial Statements with Independent Auditor's Report for the years ending June 30, 2007 and 2006
- Attachment B:** Letter from Brown Armstrong
- Attachment C:** Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls and/or Financial Reporting (Management Letter)

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2007 AND 2006

9.a.1

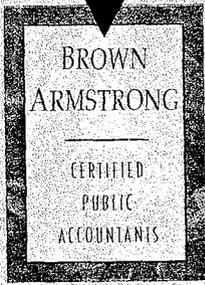


**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
JUNE 30, 2007 AND 2006**

**TABLE OF CONTENTS**

|   | <u>Page</u> |
|---|-------------|
| <u>Financial Section</u>  |             |
| Independent Auditor's Report .....  | 1           |
| Management's Discussion and Analysis .....  | 3           |
| <u>General Purpose Financial Statements</u>   |             |
| Statements of Net Assets .....  | 7           |
| Statements of Revenues, Expenses, and Changes in Fund Net Assets .....  | 9           |
| Statements of Cash Flows .....  | 10          |
| Notes to Financial Statements .....   | 11          |
| <u>Supplementary Information</u>  |             |
| Statements of Operating Expenses .....  | 25          |
| <u>Other Schedules and Reports</u>  |             |
| Schedule of Expenditures of Federal Awards .....  | 26          |
| Notes to Schedule of Expenditures of Federal Awards .....   | 27          |
| Report on Internal Control over Financial Reporting and on Compliance<br>and Other Matters Based on an Audit of Financial Statements Performed<br>in Accordance with Government Auditing Standards and the Rules and<br>Regulations of the Transportation Development Act ..... | 28          |
| Report on Compliance with Requirements Applicable to Each<br>Major Program and Internal Control over Compliance in<br>Accordance with OMB Circular A-133 .....  | 30          |
| Report on Compliance with the Transportation Development Act .....  | 32          |
| <u>Findings and Questioned Costs Section</u>  |             |
| Schedule of Findings and Questioned Costs .....   | 33          |

9.02



**BROWN ARMSTRONG**  
**PAULDEN MCCOWN STARBUCK THORNBURGH & KEETER**  
 CERTIFIED PUBLIC ACCOUNTANTS

■ Main Office  
 4200 Truxtun Ave., Suite 300  
 Bakersfield, California 93309  
 Tel 661-324-4971 Fax 661-324-4997  
 e-mail: info@bacpas.com

■ Shafter Office  
 560 Central Avenue  
 Shafter, California 93263  
 Tel 661-746-2145 Fax 661-746-1218

- Andrew J. Paulden, CPA
- Peter C. Brown, CPA
- Burton H. Armstrong, CPA, MST
- Harvey J. McCown, MBA, CPA
- Steven R. Starbuck, CPA
- Aileen K. Keeter, CPA
- Chris M. Thornburgh, CPA
- Eric H. Xin, MBA, CPA

**INDEPENDENT AUDITOR'S REPORT**

- 
- Lynn R. Krausse, CPA, MST
  - Rosalva Flores, CPA
  - Connie M. Perez, CPA
  - M. Sharon Jones, CPA, MST
  - Diana H. Branthoover, CPA
  - Thomas M. Young, CPA
  - Alicia Montgomery, CPA, MBA
  - Matthew R. Gilligan, CPA
  - Hanna J. Sheppard, CPA
  - Ryan J. Nielsen, CPA
  - Jian Ou-Yang, CPA
  - Ryan S. Johnson, CPA
  - Michael C. Olivares, CPA
  - Jialan Su, CPA
  - Ariadne S. Prunes, CPA

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

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of June 30, 2007 and 2006, as listed in the table of contents. These basic financial statements are the responsibility of the Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Santa Cruz Metropolitan Transit District, as of June 30, 2007 and 2006, and the results of its operations and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2007 on our consideration of the Santa Cruz Metropolitan Transit District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

9.a3

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

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION



Bakersfield, California  
November 5, 2007

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2007 AND 2006**

**Introduction**

This report provides a narrative and analytical overview of the financial activities of the Santa Cruz Metropolitan Transit District (the District) with selected comparative information for the years ended June 30, 2007 and 2006. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

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

**The Financial Statements**

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

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

The Statements of Revenue, Expenses and Changes in Fund Net Assets report the *operating* revenues and expenses, *non-operating* revenues and expenses and *capital grant* revenues. *Capital grant* expenses are listed in the Schedule of Expenditures of Federal Awards and are included in the current year increase in fixed assets.

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

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

**Financial Highlights**

The District is in the final stage of completion on the MetroBase Service and Fueling Facility located at 1122 River Street, Santa Cruz, and is continuing site work on the 120 Golf Club Drive, Santa Cruz property. The MetroBase project will ultimately bring operations, maintenance, and administration into one cluster of buildings on adjacent sites to provide the needed infrastructure to achieve service expansion goals. The project is a necessary component for providing Compressed Natural Gas (CNG) to the District's fleet. Fueling the District's fleet with CNG, a cleaner fuel source, will comply with the California Air Resource Board (CARB) requirements. The MetroBase project is funded with local, state, and federal funds. Capital additions to the project for the year totaled \$10,862,388.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2007 AND 2006**

**Condensed Statement of Net Assets:**

|                   | 2007          | 2006          | Increase/(Decrease) |     |
|-------------------|---------------|---------------|---------------------|-----|
|                   |               |               | Amount              | %   |
| Total Assets      | \$ 85,616,653 | \$ 71,935,684 | \$ 13,680,969       | 19% |
| Total Liabilities | \$ 22,262,083 | \$ 24,151,964 | \$ (1,889,881)      | -8% |
| Total Net Assets  | \$ 63,354,570 | \$ 47,783,720 | \$ 15,570,850       | 33% |

Total Assets increased primarily due to capital additions to Construction in Progress on the MetroBase Service and Fueling Facility. Total Liabilities decreased primarily as the result of an incurred but not reported (IBNR) adjustment to the Worker's Compensation accounts.

An increase or decrease in net assets is an indicator of the financial health of the District. For the fiscal year ended June 30, 2007, the District's net assets increased by \$15,570,850 due to capital additions to Construction in Progress related to construction of the Metrobase Service and Fueling Facility, and the purchase of two replacement vehicles for fixed route service.

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

|                                   | 2007          | 2006         | Increase/(Decrease) |         |
|-----------------------------------|---------------|--------------|---------------------|---------|
|                                   |               |              | Amount              | %       |
| Operating Revenues                | \$ 7,730,499  | \$ 6,283,590 | \$ 1,446,909        | 23%     |
| Operating Expenses                | (31,952,451)  | (35,021,591) | 3,069,140           | -9%     |
| Operating Loss                    | (24,221,952)  | (28,738,001) | 4,516,049           | -16%    |
| Non-operating Revenues            | 33,133,407    | 27,059,329   | 6,074,078           | 22%     |
| Capital Contributions             | 6,659,395     | 1,654,961    | 5,004,434           | 302%    |
| Increase (Decrease) in Net Assets | \$ 15,570,850 | \$ (23,711)  | \$ 15,594,561       | -65769% |

Operating revenue increased 23% due to increased ridership for UC Santa Cruz and Cabrillo College. 2006 Operating Revenue was significantly lower due to the United Transportation Union, Local 23 five-week strike and subsequent loss of riders.

Operating expenses were down 9% primarily due to an incurred but not reported (IBNR) adjustment to the Workers' Compensation account that was based on the results of an actuarial valuation and review performed by Bickmore Risk Services in June 2007. The review concluded that the District's loss rate per \$100 payroll from 1997-98 to 2002-03 ranged between \$6.00 and \$9.00. The projected 2006-07 loss rate of \$3.40 is based on the average of the most recent four years.

Non-operating revenues increased by 22% due to higher sales tax revenue, and more favorable interest income.

Capital contributions are capital grant funds received for purchases of revenue vehicles and facilities improvement. Capital acquisitions were significantly increased by 302% from the prior year due to additions to Construction in Progress related to construction of the MetroBase Service and Fueling Facility, and the purchase of two replacement vehicles for fixed route service.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2007 AND 2006**

**Supplemental Revenue, Expense and Performance Report:  
(based on FTA account grouping guidelines)**

|   | 2007                 | 2006                 | % Change     |
|---|----------------------|----------------------|--------------|
| <b>Revenues</b>   |                      |                      |              |
| Passenger Fares   | \$ 7,730,499         | \$ 6,283,590         | 23.0%        |
| Sales and Use Tax   | 17,652,773           | 16,583,132           | 6.5%         |
| State Operating Assistance                                  | 3,989,033            | -                    | -            |
| Non-Operating Revenues <sup>(1)</sup>                       | 2,032,515            | 1,649,085            | 23.3%        |
| TDA <sup>(2)</sup>  | 6,165,834            | 5,740,612            | 7.4%         |
| Federal Operating Assistance                                | 3,338,212            | 3,087,031            | 8.1%         |
| <b>Total Operating Revenue</b>                              | <b>\$ 40,908,866</b> | <b>\$ 33,343,450</b> | <b>22.7%</b> |
| <b>Expenses</b>   |                      |                      |              |
| Route Operation   | \$ 19,872,415        | \$ 19,010,849        | 4.5%         |
| Vehicle Maintenance   | 4,811,254            | 4,855,236            | -0.9%        |
| Facilities Maintenance                                      | 1,281,359            | 1,227,780            | 4.4%         |
| General Administration                                      | 6,592,585            | 6,152,708            | 7.1%         |
| <b>Total Operating Expense<br/>(excluding depreciation)</b> | <b>\$ 32,557,613</b> | <b>\$ 31,246,573</b> | <b>4.2%</b>  |
| <b>Performance Indicators <sup>(3)</sup></b>                |                      |                      |              |
| Total Passengers  | 5,695,910            | 4,850,405            | 17.4%        |
| Revenue Hours   | 260,099              | 237,645              | 9.4%         |
| Revenue Miles   | 3,685,802            | 3,400,955            | 8.4%         |
| Farebox Recovery Ratio                                      | 23.7%                | 20.1%                | 17.9%        |
| Cost/Passenger  | \$ 5.72              | \$ 6.44              | -11.2%       |
| Cost/Hour   | \$ 125.17            | \$ 131.48            | -4.8%        |
| Cost/Mile   | \$ 8.83              | \$ 9.19              | -3.9%        |
| Full Time Equivalent Employees                              | 318                  | 321                  | -0.9%        |
| Active Fleet - Fixed Route                                  | 115                  | 113                  | 1.8%         |
| Active Fleet - Paratransit                                  | 34                   | 33                   | 3.0%         |

<sup>(1)</sup> Non-Operating Revenues increased in the interest income area in 2007 due to higher interest rates.

<sup>(2)</sup> Transportation Development Act (TDA) funding constitutes a significant percentage of the District's operating revenues. The sales tax revenue the District receives fluctuates annually based on retail sales in the County and by the amount retained by the Santa Cruz County Regional Transportation Commission (SCCRTC) for other county-wide projects and overhead.

<sup>(3)</sup> Farebox Recovery Ratio is a standard transit performance indicator that is calculated by dividing passenger fares by operating expenses and does not include depreciation or current year incurred but not reported (IBNR) Worker's Compensation adjustment.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2007 AND 2006**

**Condensed Statement of Cash Flows:**

|   | 2007                 | 2006                 | Change              |
|---|----------------------|----------------------|---------------------|
| Net Cash (Used) in Operating Activities                                 | \$ (24,793,543)      | \$ (23,524,607)      | \$ (1,268,936)      |
| Net Cash Provided by Non-Capital Financing Activities                   | 32,400,938           | 24,410,619           | 7,990,319           |
| Net Cash Provided by (Used) in Capital and Related Financing Activities | (4,919,921)          | 263,631              | (5,183,552)         |
| Net Cash Provided by Non-Transportation Activities                      | <u>1,469,308</u>     | <u>1,217,371</u>     | <u>251,937</u>      |
| Net Increase (Decrease) in Cash and Cash Equivalents                    | 4,156,782            | 2,367,014            | 1,789,768           |
| Cash and Cash Equivalents, Beginning of Year                            | <u>31,888,780</u>    | <u>29,521,766</u>    | <u>2,367,014</u>    |
| Cash and Cash Equivalents, End of Year                                  | <u>\$ 36,045,562</u> | <u>\$ 31,888,780</u> | <u>\$ 4,156,782</u> |

Cash and cash equivalents held by the District increased by \$4,156,782 or 13% during the year.

**Contacting the District's Financial Management**

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

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF NET ASSETS  
JUNE 30, 2007 AND 2006**

|                                 | 2007                 | 2006                 |
|---------------------------------|----------------------|----------------------|
| <u>ASSETS</u>                   |                      |                      |
| CURRENT ASSETS                  |                      |                      |
| Cash and Cash Equivalents       | \$ 23,924,509        | \$ 20,258,964        |
| Sales Tax and Other Receivables | 5,861,817            | 6,026,987            |
| Inventory                       | 994,550              | 928,026              |
| Prepays                         | 401,478              | 555,353              |
|                                 | 31,182,354           | 27,769,330           |
| RESTRICTED ASSETS               |                      |                      |
| Cash and Cash Equivalents       | 12,121,053           | 11,629,816           |
| PROPERTY AND EQUIPMENT          |                      |                      |
| Building and Improvements       | 10,486,491           | 10,452,483           |
| Revenue Vehicles                | 35,609,181           | 34,649,265           |
| Operations Equipment            | 2,818,470            | 2,687,228            |
| Other Equipment                 | 1,285,123            | 1,285,123            |
| Other Vehicles                  | 1,153,348            | 898,514              |
| Office Equipment                | 1,143,615            | 1,094,759            |
|                                 | 52,496,228           | 51,067,372           |
| Less Accumulated Depreciation   | (32,084,205)         | (30,324,213)         |
|                                 | 20,412,023           | 20,743,159           |
| Construction in Progress        | 15,952,697           | 4,816,956            |
| Land                            | 5,948,526            | 6,976,423            |
| Total Property and Equipment    | 42,313,246           | 32,536,538           |
| <b>TOTAL ASSETS</b>             | <b>\$ 85,616,653</b> | <b>\$ 71,935,684</b> |

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

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**STATEMENTS OF NET ASSETS (Continued)**  
**JUNE 30, 2007 AND 2006**

|   | 2007          | 2006          |
|---|---------------|---------------|
| <u>LIABILITIES AND NET ASSETS</u>                 |               |               |
| <b>CURRENT LIABILITIES</b>                        |               |               |
| Accounts Payable and Accrued Liabilities          | \$ 1,284,299  | \$ 1,449,500  |
| Accrued Payroll and Employee Benefits             | 3,732,012     | 3,351,093     |
| Workers' Compensation Liabilities                 | 1,022,608     | 1,378,844     |
| Other Accrued Liabilities                         | 428,619       | 466,558       |
| Security Deposit                                  | 17,884        | 16,684        |
| Deferred Revenue                                  | 4,317         | 189,500       |
|   | 6,489,739     | 6,852,179     |
| <b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b> |               |               |
| Deferred Revenue - Settlement Agreement           | 7,304,339     | 7,321,289     |
| Deferred Revenue - STA Grant                      | 4,816,714     | 4,308,527     |
| <b>LONG-TERM LIABILITIES</b>                      |               |               |
| Workers' Compensation Liabilities                 | 3,651,291     | 5,669,969     |
|   | 22,262,083    | 24,151,964    |
| <b>NET ASSETS</b>                                 |               |               |
| Invested in Capital Assets, Net of Related Debt   | 42,313,246    | 32,536,538    |
| Unrestricted Net Assets                           | 21,041,324    | 15,247,182    |
|   | 63,354,570    | 47,783,720    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>           | \$ 85,616,653 | \$ 71,935,684 |

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

9.210

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

|  | <u>2007</u>                 | <u>2006</u>                 |
|--|-----------------------------|-----------------------------|
| <b>OPERATING REVENUES</b>  |                             |                             |
| Passenger Fare   | \$ 4,463,020                | \$ 3,837,280                |
| Special Transit Fare   | <u>3,267,479</u>            | <u>2,446,310</u>            |
| Total Operating Revenues   | <u>7,730,499</u>            | <u>6,283,590</u>            |
| <b>OPERATING EXPENSES</b>  |                             |                             |
| Wages, Salaries and Employee Benefits                              | 22,978,995                  | 24,659,059                  |
| Purchased Transportation Services                                  | 200,482                     | 142,892                     |
| Material and Supplies  | 3,455,571                   | 2,954,093                   |
| Other Expenses   | 3,547,649                   | 3,490,530                   |
| Depreciation   | <u>1,769,754</u>            | <u>3,775,017</u>            |
| Total Operating Expenses   | <u>31,952,451</u>           | <u>35,021,591</u>           |
| Net Operating Loss   | <u>(24,221,952)</u>         | <u>(28,738,001)</u>         |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                           |                             |                             |
| Sales and Use Tax  | 17,652,773                  | 16,583,132                  |
| Transportation Development Act Assistance                          | 6,165,834                   | 5,740,612                   |
| Section 8/5303 Planning Fund                                       | 39,404                      | -                           |
| Section 9/5307 Operating Assistance                                | 3,130,226                   | 3,021,556                   |
| Section 18/5307 Operating Assistance                               | 168,582                     | 65,475                      |
| Other State Operating Assistance                                   | 3,989,033                   | -                           |
| Interest Income  | 1,327,929                   | 1,035,565                   |
| Rental Income  | 141,379                     | 181,806                     |
| Other Revenue  | 563,207                     | 431,714                     |
| Loss on Sale and Disposal of Property, Equipment,<br>and Inventory | <u>(44,960)</u>             | <u>(531)</u>                |
| Total Non-Operating Revenues                                       | <u>33,133,407</u>           | <u>27,059,329</u>           |
| Net Gain Before Capital Contributions                              | <u>8,911,455</u>            | <u>(1,678,672)</u>          |
| <b>CAPITAL CONTRIBUTIONS</b>                                       |                             |                             |
| Grants Restricted for Capital Expenditures                         | <u>6,659,395</u>            | <u>1,654,961</u>            |
| <b>NET ASSETS</b>  |                             |                             |
| Increase in Net Assets   | 15,570,850                  | (23,711)                    |
| Total Net Assets, Beginning of Year                                | <u>47,783,720</u>           | <u>47,807,431</u>           |
| Total Net Assets, End of Year                                      | <u><u>\$ 63,354,570</u></u> | <u><u>\$ 47,783,720</u></u> |

The accompanying notes are an integral part of these financial statements

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

|   | <u>2007</u>            | <u>2006</u>            |
|---|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:   |                        |                        |
| Receipts From Customers   | \$ 7,459,799           | \$ 6,354,890           |
| Payments to Employees   | (24,972,990)           | (23,676,751)           |
| Payments to Suppliers   | <u>(7,280,352)</u>     | <u>(6,202,746)</u>     |
| Net Cash Used in Operating Activities   | <u>(24,793,543)</u>    | <u>(23,524,607)</u>    |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:                                      |                        |                        |
| Operating Grants Received, Including Sales and Use Tax                                | 32,400,067             | 23,986,692             |
| Other Nonoperating  | <u>871</u>             | <u>423,927</u>         |
| Net Cash Provided by Noncapital Financing Activities                                  | <u>32,400,938</u>      | <u>24,410,619</u>      |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:                             |                        |                        |
| Proceeds From Sale of Property and Equipment  | 1,027,896              | 1,553                  |
| Capital Grants Received   | 6,626,541              | 2,732,391              |
| Capital Expenditures  | <u>(12,574,358)</u>    | <u>(2,470,313)</u>     |
| Net Cash Provided by (Used in) Capital and Related Financing Activities               | <u>(4,919,921)</u>     | <u>263,631</u>         |
| CASH FLOWS FROM INVESTING ACTIVITIES:   |                        |                        |
| Investment and Rental Income Received   | <u>1,469,308</u>       | <u>1,217,371</u>       |
| NET INCREASE IN CASH AND CASH EQUIVALENTS   | 4,156,782              | 2,367,014              |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR  | <u>31,888,780</u>      | <u>29,521,766</u>      |
| CASH AND CASH EQUIVALENTS AT END OF YEAR  | <u>\$ 36,045,562</u>   | <u>\$ 31,888,780</u>   |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES             |                        |                        |
| Operating Loss  | \$ (24,221,952)        | \$ (28,738,001)        |
| Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities: |                        |                        |
| (Gain) Loss on Sale / Disposal of Fixed Assets and Inventory                          | -                      | 3,179                  |
| Depreciation  | 1,769,754              | 3,775,017              |
| Changes in Assets and Liabilities:  |                        |                        |
| (Increase) Decrease in Receivables  | (270,700)              | 71,300                 |
| (Increase) in Inventory   | (66,524)               | (24,163)               |
| (Increase) Decrease in Prepaid Expenses   | 153,875                | (399,561)              |
| Increase (Decrease) in Accounts Payable   | (165,201)              | 806,314                |
| Increase (Decrease) in Other Liabilities  | <u>(1,992,795)</u>     | <u>981,308</u>         |
| Net Cash Used in Operating Activities   | <u>\$ (24,793,543)</u> | <u>\$ (23,524,607)</u> |

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

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006**

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

**A. Description of Organization**

The Santa Cruz Metropolitan Transit District (the District) was formed February 9, 1969, following a favorable election in conformity with Section 9800 *et. seq.* of the Public Utilities Code. The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola and the unincorporated areas of Santa Cruz County. The District is governed by a Board of eleven directors, and one Ex-Officio director representing the University of California, Santa Cruz. At June 30, 2007, the directors were as follows:

|              |                   |                 |             |
|--------------|-------------------|-----------------|-------------|
| Chairperson: | Marcela Tavantzis |                 |             |
| Vice Chair:  | Jan Beautz        |                 |             |
| Members:     | Dale Skillicorn   | Michelle Hinkle | Mark Stone  |
|              | Mike Rotkin       | Emily Reilly    | Pat Spence  |
|              | Dene Bustichi     | Donald Hagen    | Kirby Nicol |
| Ex-Officio:  | Donna Blitzer     |                 |             |

The District also serves the Highway 17 corridor into Santa Clara County to provide commuter express service through a joint powers agreement with the Santa Clara County Transit District (known as Valley Transportation Authority (VTA)). Amtrak Thruway bus service is also provided by the District on the same corridor through a memorandum of understanding with the California Department of Transportation, the Capitol Corridor Joint Powers Authority and VTA.

**B. Reporting Entity**

The District and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of GASB Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District. For the years ending June 30, 2007 and 2006, this activity was minimal.

**Scope of Public Service:**

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

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

**Accountability:**

1. The Corporation's Board of Directors was appointed by the District's Board of Directors.

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

**B. Reporting Entity** (Continued)

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

**C. Basis of Accounting and Presentation**

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

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

**Contributed Capital/Reserved Retained Earnings:**

The District receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant have been incurred. Capital grant funds earned, less amortization equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District changed its method of accounting for capital grants from capital contributions to reserved nonoperating revenues. In accordance with GASB No. 33, capital grants are required to be included in the determination of net income resulting in an increase in net revenue of \$6,659,395 and \$1,654,961 for the fiscal years 2007 and 2006, respectively.

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

**Retained Earnings:**

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

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

C. Basis of Accounting and Presentation (Continued)

**Proprietary Accounting and Financial Reporting:**

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

**Net Assets:**

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

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

D. Cash and Cash Equivalents

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

E. Inventory

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

F. Restricted Assets

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

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

F. Restricted Assets (Continued)

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

|                                      | <u>2007</u>          | <u>2006</u>          |
|--------------------------------------|----------------------|----------------------|
| Cash and Cash Equivalents            |                      |                      |
| Federal Transit Administration Grant | \$ 7,304,339         | \$ 7,321,289         |
| State Transit Assistance Grant       | <u>4,816,714</u>     | <u>4,308,527</u>     |
| Total Restricted Assets              | <u>\$ 12,121,053</u> | <u>\$ 11,629,816</u> |

G. Property and Equipment

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

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

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

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

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

H. Sales and Use Tax

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

I. Operating Assistance Grants

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

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

J. Self-Insurance

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

K. Employee Benefits

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

L. Payroll

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

M. Pension Costs

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

N. Use of Estimates

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

**NOTE 2 – CASH AND INVESTMENTS**

Cash and cash equivalents consists of the following at June 30, 2007 and 2006:

|  | <u>2007</u>          | <u>2006</u>          |
|--|----------------------|----------------------|
| Cash on Hand   | \$ 29,121            | \$ 44,331            |
| Demand Deposits                                      | 289,542              | 961,462              |
| Deposits in Santa Cruz County Pooled Investment Fund | <u>35,726,899</u>    | <u>30,882,987</u>    |
|  | <u>\$ 36,045,562</u> | <u>\$ 31,888,780</u> |

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

Cash on Hand and Cash in Banks

**Investments Authorized by the California Government Code and the District's Investment Policy**

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

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

**Disclosures Relating to Interest Rate Risk**

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

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

| <u>Investment Type</u> | <u>Amount</u> | <u>Remaining Maturity (in Months)</u> |                        |                        |                            |
|------------------------|---------------|---------------------------------------|------------------------|------------------------|----------------------------|
|                        |               | <u>12 Months Or Less</u>              | <u>13 to 24 Months</u> | <u>25 to 60 Months</u> | <u>More Than 60 Months</u> |
| County Investment Pool | \$ 35,726,899 | \$ 35,726,899                         | \$ -                   | \$ -                   | \$ -                       |

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The District's investments were not considered to be highly sensitive to interest rate fluctuations as of June 30, 2007 or 2006.

9.9.18

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

Cash on Hand and Cash in Banks (Continued)

**Disclosures Relating to Credit Risk**

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

| Investment Type        | Amount        | Minimum<br>Legal<br>Rating | Exempt<br>From<br>Disclosure | Rating as of Year End |      |               |
|------------------------|---------------|----------------------------|------------------------------|-----------------------|------|---------------|
|                        |               |                            |                              | AAA                   | Aa   | Not<br>Rated  |
| County Investment Pool | \$ 35,726,899 | N/A                        | \$ -                         | \$ -                  | \$ - | \$ 35,726,899 |

**Concentration of Credit Risk**

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District did not have any Investments in any one issuer (other than external investment pools) that represent 5% or more of total District's investments at June 30, 2007 or 2006.

**Custodial Credit Risk**

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

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**Investment in County Investment Pool**

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

9:219

**NOTE 3 – RECEIVABLES**

Receivables at June 30, are as follows.

|                   | <u>2007</u>         | <u>2006</u>         |
|-------------------|---------------------|---------------------|
| Federal Grants    | \$ 796,879          | \$ 1,156,558        |
| State Grants      | 1,071,150           | 409,336             |
| Sales Tax Revenue | 2,812,600           | 2,541,900           |
| Other             | 1,181,188           | 1,919,193           |
|                   | <u>\$ 5,861,817</u> | <u>\$ 6,026,987</u> |

**NOTE 4 – CHANGES IN CAPITAL ASSETS**

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

June 30, 2007

|   | Balance<br>July 1, 2006 | Additions and<br>Transfers | Retirements<br>and Transfers | Balance<br>June 30, 2007 |
|---|-------------------------|----------------------------|------------------------------|--------------------------|
| <b>Non Depreciated Assets</b>                                 |                         |                            |                              |                          |
| Land  | \$ 6,976,423            | \$ -                       | \$ (1,027,897)               | \$ 5,948,526             |
| Construction-in-Progress                                      | 4,816,956               | 11,135,741                 | -                            | 15,952,697               |
| <b>Total Non Depreciated Assets</b>                           | 11,793,379              | 11,135,741                 | (1,027,897)                  | 21,901,223               |
| <b>Depreciated Assets</b>                                     |                         |                            |                              |                          |
| Building and Improvements                                     | 10,452,483              | 34,008                     | -                            | 10,486,491               |
| Revenue Vehicles  | 34,649,265              | 959,916                    | -                            | 35,609,181               |
| Operations Equipment  | 2,687,228               | 132,559                    | (1,317)                      | 2,818,470                |
| Other Equipment   | 1,285,123               | -                          | -                            | 1,285,123                |
| Other Vehicles  | 898,514                 | 254,834                    | -                            | 1,153,348                |
| Office Equipment  | 1,094,759               | 57,299                     | (8,443)                      | 1,143,615                |
| <b>Total Depreciated Assets</b>                               | 51,067,372              | 1,438,616                  | (9,760)                      | 52,496,228               |
| <b>Less Accumulated Depreciation</b>                          | (30,324,213)            | (1,769,752)                | 9,760                        | (32,084,205)             |
| <b>Depreciated Assets Net of<br/>Accumulated Depreciation</b> | 20,743,159              | (331,136)                  | -                            | 20,412,023               |
| <b>Total</b>  | <u>\$ 32,536,538</u>    | <u>\$ 10,804,605</u>       | <u>\$ (1,027,897)</u>        | <u>\$ 42,313,246</u>     |

Depreciation expense at June 30, 2007 was \$1,769,752.

**NOTE 4 – CHANGES IN CAPITAL ASSETS** (Continued)

June 30, 2006

|   | Balance<br>July 1, 2005 | Additions and<br>Transfers | Retirements<br>and Transfers | Balance<br>June 30, 2006 |
|---|-------------------------|----------------------------|------------------------------|--------------------------|
| <b>Non Depreciated Assets</b>                                 |                         |                            |                              |                          |
| Land  | \$ 6,976,423            | \$ -                       | \$ -                         | \$ 6,976,423             |
| Construction-in-Progress                                      | 2,753,362               | 2,063,594                  | -                            | 4,816,956                |
| <b>Total Non Depreciated Assets</b>                           | <b>9,729,785</b>        | <b>2,063,594</b>           | <b>-</b>                     | <b>11,793,379</b>        |
| <b>Depreciated Assets</b>                                     |                         |                            |                              |                          |
| Building and Improvements                                     | 10,452,483              | -                          | -                            | 10,452,483               |
| Revenue Vehicles  | 34,555,916              | 93,349                     | -                            | 34,649,265               |
| Operations Equipment  | 2,686,565               | 6,657                      | (5,994)                      | 2,687,228                |
| Other Equipment   | 1,285,123               | -                          | -                            | 1,285,123                |
| Other Vehicles  | 829,537                 | 68,977                     | -                            | 898,514                  |
| Office Equipment  | 1,152,497               | 224,541                    | (282,279)                    | 1,094,759                |
| <b>Total Depreciated Assets</b>                               | <b>50,962,121</b>       | <b>393,524</b>             | <b>(288,273)</b>             | <b>51,067,372</b>        |
| <b>Less Accumulated Depreciation</b>                          | <b>(26,845,932)</b>     | <b>(3,775,017)</b>         | <b>296,736</b>               | <b>(30,324,213)</b>      |
| <b>Depreciated Assets Net of<br/>Accumulated Depreciation</b> | <b>24,116,189</b>       | <b>(3,381,493)</b>         | <b>8,463</b>                 | <b>20,743,159</b>        |
| <b>Total</b>  | <b>\$ 33,845,974</b>    | <b>\$ (1,317,899)</b>      | <b>\$ 8,463</b>              | <b>\$ 32,536,538</b>     |

Depreciation expense at June 30, 2006 was \$3,775,017.

**NOTE 5 – AVAILABLE NET ASSETS**

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

|   | 2007                  | 2006                  |
|---|-----------------------|-----------------------|
| Current Assets  | \$ 31,182,354         | \$ 27,769,330         |
| Current Liabilities   | (6,489,739)           | (6,852,179)           |
| <b>Working Capital</b>  | <b>24,692,615</b>     | <b>20,917,151</b>     |
| Less:   |                       |                       |
| Inventory   | (994,550)             | (928,026)             |
| Prepaid Expenses  | (401,478)             | (555,353)             |
| <b>Total Available Net Assets</b>   | <b>23,296,587</b>     | <b>19,433,772</b>     |
| <b>Net Assets Designated for the Following:</b>   |                       |                       |
| Cash Flow   | (5,225,000)           | (2,600,000)           |
| Workers' Compensation Reserve   | (2,142,304)           | (2,075,940)           |
| 110 Vernon Purchase - Renovation  | (1,000,000)           | -                     |
| Insurance Reserve   | (750,000)             | (947,229)             |
| Alternative Fuel Conversion Fund  | (462,000)             | (462,000)             |
| Bus Stop Improvements Reserve   | (400,000)             | (400,000)             |
| Carryover for Fiscal Year 2007-2008 Operating Budget  | (911,228)             | (649,817)             |
| Carryover for Sales Tax-Based UTU Wage Adjustment   | (256,137)             | (77,697)              |
| Net Assets Required to Fund Transportation Improvement<br>Programs for the Fiscal Years 2008-2012 | (13,250,790)          | (13,969,000)          |
| <b>Available Undesignated Net Assets (Deficits)</b>   | <b>\$ (1,100,872)</b> | <b>\$ (1,747,911)</b> |

9.921

**NOTE 6 – CAPITAL GRANTS**

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

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

|                          | <u>2007</u>         | <u>2006</u>         |
|--------------------------|---------------------|---------------------|
| Federal Grants           | \$ 4,753,898        | \$ 1,650,311        |
| State Grants             | 1,218,835           | 4,650               |
| Local Grants             | <u>686,662</u>      | <u>-</u>            |
| Total Capital Assistance | <u>\$ 6,659,395</u> | <u>\$ 1,654,961</u> |

**NOTE 7 – COMMITMENTS**

The District leases a number of its facilities under operating leases extending through 2010. For the years ended June 30, 2007 and 2006, rental expense relating to the leases was \$765,219 and \$737,829, respectively. The District also leases to others retail space in their transit facilities under noncancelable agreements. Minimum lease payments and receipts for existing operating leases are as follows:

| <u>Year Ending<br/>June 30</u> | <u>Lease<br/>Commitments</u> | <u>Rental Income</u> | <u>Net</u>          |
|--------------------------------|------------------------------|----------------------|---------------------|
| 2008                           | \$ 692,211                   | \$ 130,833           | \$ 561,378          |
| 2009                           | 692,179                      | 116,708              | 575,471             |
| 2010                           | 154,178                      | 96,028               | 58,150              |
| 2011                           | <u>21,697</u>                | <u>12,973</u>        | <u>8,724</u>        |
|                                | <u>\$ 1,560,265</u>          | <u>\$ 356,542</u>    | <u>\$ 1,203,723</u> |

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

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

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

**NOTE 8 – JOINT VENTURES (Joint Powers Authority) (Continued)**

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

|                              | <u>2007</u>          | <u>2006</u>         |
|------------------------------|----------------------|---------------------|
| Total Assets                 | \$ 19,349,480        | \$ 17,939,280       |
| Total Liabilities            | <u>7,390,394</u>     | <u>10,040,898</u>   |
| Fund Balance                 | <u>\$ 11,959,086</u> | <u>\$ 7,898,382</u> |
| Total Revenues               | \$ 8,626,160         | \$ 8,100,305        |
| Total Expenditures           | <u>4,565,456</u>     | <u>4,046,696</u>    |
| Net Increase in Fund Balance | <u>\$ 4,060,704</u>  | <u>\$ 4,053,609</u> |

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

**NOTE 9 – WATSONVILLE FLEET MAINTENANCE FACILITY**

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

In addition, due to design and construction deficiencies by the design and building contractors involved in the original project, the District initiated litigation against the contractors and came to a settlement agreement with said contractors on May 30, 1995. In accordance with this agreement, the contractors remitted \$4,776,858 (including \$171,538 in costs) to the District during fiscal year 1996, representing damages less attorney fees. The use of these proceeds, and the interest earned thereon, is restricted by FTA Section 3/5309. Accordingly, the net restricted amount of \$7,304,339 and \$7,321,289 is reflected on the statements of net assets as deferred revenue at June 30, 2007 and 2006, respectively.

**NOTE 10 – CONTINGENCIES**

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

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

**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

Plan Description

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

Funding Policy

There are 318 active plan members in the Fund as of June 30, 2007, which are required to contribute a percent of their annual covered salary. In lieu of salary increases and for employees who agreed to salary reductions in certain prior years, the District agreed to pay a portion of the employee contribution, based on formulas negotiated in their labor agreements. The District is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2007 was 11.98%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year ended June 30, 2007, the District's annual pension cost of \$1,791,125 was equal to the District's required and actual contributions. This includes the District's contribution to the employee contribution requirement. The required contribution for fiscal year ended June 30, 2007 was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administration expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members, and (c) 3.25% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three year period. The Plan's excess assets are being amortized as a level percentage of projected payroll on a closed basis.

Three-Year Trend Information for the Fund

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

| <u>Fiscal Year<br/>Ending</u> | <u>Annual Pension<br/>Cost (APC)</u> | <u>Percentage of<br/>APC Contributed</u> | <u>Net Pension<br/>Obligation</u> |
|-------------------------------|--------------------------------------|--|-----------------------------------|
| 6/30/2005                     | \$ 1,392,098                         | 100%                                     | \$ -                              |
| 6/30/2006                     | \$ 1,800,967                         | 100%                                     | \$ -                              |
| 6/30/2007                     | \$ 1,791,125                         | 100%                                     | \$ -                              |

9.24

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

Required Supplementary Information

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

| <u>Valuation Date</u> | <u>Entry Age Normal Accrued Liability</u> | <u>Actuarial Value of Assets</u> | <u>Unfunded/ (Overfunded) Liability</u> | <u>Funded Ratio</u> | <u>Annual Covered Payroll</u> | <u>UAAL as a % of Payroll</u> |
|-----------------------|---|----------------------------------|---|---------------------|-------------------------------|-------------------------------|
| 6/30/2003             | \$ 60,913,062                             | \$56,208,723                     | \$ 4,704,339                            | 92.3%               | \$13,332,537                  | 35.3%                         |
| 6/30/2004             | \$ 66,923,612                             | \$59,816,757                     | \$ 7,106,855                            | 89.4%               | \$14,011,732                  | 50.7%                         |
| 6/30/2005             | \$ 74,915,137                             | \$65,041,527                     | \$ 9,873,610                            | 86.8%               | \$14,935,163                  | 66.1%                         |

**NOTE 12 – POST-RETIREMENT BENEFITS**

The District provides post-retirement benefits to its employees who have completed at least ten years of full-time service with the District, have reached the age of 50 and have retired under the provisions of CalPERS while an employee of the District. The District pays a portion of the premiums for medical insurance for retirees and eligible dependents. The District also provides dental, vision and life insurance plan coverage of retirees and eligible dependents until the retiree attains the age of 65. Bus operators who retired and reached the age of 65 prior to June 30, 1994, will continue to receive dental and vision coverage beyond age 65. Life insurance is not provided to management retirees who retired prior to July 1, 2005. The costs of providing these benefits are recognized when paid. The District has recognized approximately \$1,358,022 and \$1,100,476 of expense for these benefits for the years ending June 30, 2007 and 2006, respectively.

**NOTE 13 – DEFERRED COMPENSATION PLAN**

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

At June 30, 2007, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying balance sheet as required under Statement No. 27 of the Governmental Accounting Standards Board, *Accounting Standards for Pensions by State and Local Governmental Employers*.

**NOTE 14 – RISK MANAGEMENT**

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

**NOTE 14 – RISK MANAGEMENT (Continued)**

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The IBNR for workers' compensation was based on an actuarial study dated June 12, 2007. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the balances of claims liabilities are as follows:

|   | <u>2007</u>         | <u>2006</u>         |
|---|---------------------|---------------------|
| Unpaid Claims, Beginning of Fiscal Year | \$ 7,048,813        | \$ 6,422,936        |
| Incurred Claims (Including IBNR's)      | (3,204,473)         | 475,224             |
| Claim Payments                          | <u>829,560</u>      | <u>150,653</u>      |
| Unpaid Claims, End of Fiscal Year       | <u>\$ 4,673,900</u> | <u>\$ 7,048,813</u> |

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

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

Section 6634

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

Section 6637

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

Sections 99267 and 99268.1

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

**NOTE 16 – SUBSEQUENT EVENT**

On August 1, 2007, the District purchased property at 110 Vernon Street in Santa Cruz, California for \$4,038,976.

SUPPLEMENTARY INFORMATION

9.927

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF OPERATING EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

|   | <u>2007</u>          | <u>2006</u>          |
|---|----------------------|----------------------|
| Labor   |                      |                      |
| Operators' salaries and wages                     | \$ 7,260,939         | \$ 6,453,163         |
| Other salaries and wages                          | 5,521,525            | 4,979,939            |
| Overtime  | 1,527,481            | 1,792,415            |
| <br>Fringe Benefits                               |                      |                      |
| Absence with pay                                  | 2,980,676            | 3,152,479            |
| Pension plans                                     | 1,791,125            | 1,800,967            |
| Vision, medical, and dental plans                 | 4,901,050            | 4,376,694            |
| Workers' compensation insurance                   | (1,554,789)          | 1,587,745            |
| Disability insurance                              | 332,785              | 353,466              |
| Other fringe benefits                             | 218,203              | 162,191              |
| <br>Services                                      |                      |                      |
| Accounting  | 71,716               | 54,869               |
| Administrative and banking                        | 156,778              | 204,987              |
| Professional and technical services               | 399,064              | 461,007              |
| Security  | 392,183              | 435,724              |
| Outside repairs                                   | 398,714              | 304,913              |
| Other services                                    | 175,385              | 141,049              |
| <br>Materials and Supplies Consumed               |                      |                      |
| Fuels and lubricants                              | 2,223,764            | 1,923,832            |
| Tires and tubes                                   | 187,683              | 159,324              |
| Vehicle parts                                     | 695,062              | 547,291              |
| Other materials and supplies                      | 349,062              | 323,646              |
| <br>Utilities                                     | 354,487              | 321,561              |
| <br>Casualty and Liability Costs                  | 547,738              | 665,125              |
| <br>Taxes and Licenses                            | 41,039               | 36,287               |
| <br>Purchased Transportation Services             |                      |                      |
| Paratransit                                       | 200,482              | 142,892              |
| <br>Miscellaneous Expenses                        | 164,830              | 87,568               |
| <br>Equipment and Facility Lease                  | 845,715              | 777,440              |
| <br>Depreciation                                  |                      |                      |
| Property acquired with operator funds             | 311,293              | 653,897              |
| Property acquired by federal, state, or TDA funds | 1,458,461            | 3,121,120            |
| <br>Total Operating Expenses                      | <u>\$ 31,952,451</u> | <u>\$ 35,021,591</u> |

OTHER SCHEDULES AND REPORTS

9. a 24

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

| <u>Federal Grantor / Program Title</u>              | <u>Federal<br/>CFDA No.</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u> | <u>Total<br/>Federal<br/>Expenditures</u> |
|---|-----------------------------|--|---|
| U S. DEPARTMENT OF TRANSPORTATION                   |                             |  |   |
| Direct Programs:                                    |                             |  |   |
| Federal Transit Administration (FTA)                |                             |  |   |
| Cluster Defined by the Department of Transportation |                             |  |   |
| Section 3/5309 Consolidation                        |                             |  |   |
| Land Acquisition                                    | 20.500*                     | CA-03-0413                                   | \$ 208                                    |
| Construction  | 20.500*                     | CA-03-0505                                   | 1,498,673                                 |
| Fixed Route Buses                                   | 20.500*                     | CA-03-0505                                   | <u>680,447</u>                            |
|   |                             |  | <u>2,179,328</u>                          |
| Section 9/5307                                      |                             |  |   |
| Bicycle Transportation                              | 20.507*                     | BTA -04-05 SCR                               | 75,701                                    |
| Metrobase Construction                              | 20.507*                     | CA-90-Y496                                   | 792,001                                   |
| Operating Assistance                                | 20.507*                     | CA-90-Y496                                   | <u>3,004,546</u>                          |
|   |                             |  | <u>3,872,248</u>                          |
| Section 18/5311                                     |                             |  |   |
| Operating Assistance                                | 20.509                      | 649068                                       | <u>168,582</u>                            |
| AMBAG - Short Range Transit Plan                    | 20.509                      | 5303   | 34,545                                    |
| AMBAG - Transit Plan                                | 20.509                      | 5313(b)                                      | 3,169                                     |
| AMBAG - Transit Professional Development            | 20.509                      | 5313(b)                                      | <u>1,690</u>                              |
|   |                             |  | <u>39,404</u>                             |
| Total Expenditures of Federal Awards                |                             |  | <u>\$ 6,259,562</u>                       |

\* Major federal financial assistance program.

See accompanying notes to schedule of federal financial assistance.

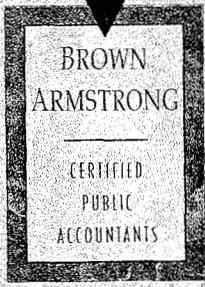
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

**NOTE 1 – GENERAL**

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

**NOTE 2 – BASIS OF ACCOUNTING**

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



**BROWN ARMSTRONG**  
**PAULDEN McCOWN STARBUCK THORNBURGH & KEETER**  
CERTIFIED PUBLIC ACCOUNTANTS

■ Main Office  
4700 Truxtun Ave., Suite 300  
Bakersfield, California 93309  
Tel 661-324-4971 Fax 661-324-4997  
e-mail: info@bacpas.com

■ Shafter Office  
560 Central Avenue  
Shafter, California 93263  
Tel 661-746-2145 Fax 661-746-1218

Andrew J. Paulden, CPA

Peter C. Brown, CPA

Burton H. Armstrong, CPA, MST

Harvey J. McCown, MBA, CPA

Steven R. Starbuck, CPA

Aileen K. Keeter, CPA

Chris M. Thornburgh, CPA

Eric H. Xin, MBA, CPA

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

Lynn R. Krausse, CPA, MST

Rosalva Flores, CPA

Connie M. Perez, CPA

M. Sharon Jones, CPA, MST

Diana H. Branthoover, CPA

Thomas M. Young, CPA

Alicia Montgomery, CPA, MBA

Matthew R. Gilligan, CPA

Hanna J. Sheppard, CPA

Ryan J. Nielsen, CPA

Jian Ou-Yang, CPA

Ryan S. Johnson, CPA

Michael C. Olivares, CPA

Jialan Su, CPA

Ariadne S. Prunes, CPA

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

We have audited the financial statements of the business-type activities of Santa Cruz Metropolitan Transit District as of and for the year ended June 30, 2007, which collectively comprise Santa Cruz Metropolitan Transit District's basic financial statements and have issued our report thereon dated November 5, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We considered Santa Cruz Metropolitan Transit District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz Metropolitan Transit District's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

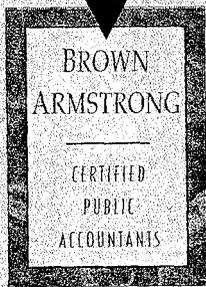
As part of obtaining reasonable assurance about whether Santa Cruz Metropolitan Transit District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could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

This report is intended solely for the information and use of management, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION

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

Bakersfield, California  
November 5, 2007



BROWN ARMSTRONG
PAULDEN McCOWN STARBUCK THORNBURGH & KEETER
CERTIFIED PUBLIC ACCOUNTANTS

Main Office
4200 Truxtun Ave., Suite 300
Bakersfield, California 93309
Tel 661-324-4971 Fax 661-324-4997
e-mail: info@bacpas.com

Shafter Office
560 Central Avenue
Shafter, California 93263
Tel 661-746-2145 Fax 661-746-1218

- Andrew J. Paulden, CPA
Peter C. Brown, CPA
Burton H. Armstrong, CPA, MST
Harvey J. McCown, MBA, CPA
Steven R. Starbuck, CPA
Aileen K. Keeter, CPA
Chris M. Thornburgh, CPA
Eric H. Xin, MBA, CPA

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

- Lynn R. Krausse, CPA, MST
Rosalba Flores, CPA
Connie M. Perez, CPA
M. Sharon Jones, CPA, MST
Diana H. Branthoover, CPA
Thomas M. Young, CPA
Alicia Montgomery, CPA, MBA
Matthew R. Gilligan, CPA
Hanna J. Sheppard, CPA
Ryan J. Nielsen, CPA
Jian Ou-Yang, CPA
Ryan S. Johnson, CPA
Michael C. Olivares, CPA
Jialan Su, CPA
Ariadne S. Prunes, CPA

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

Compliance

We have audited the compliance of Santa Cruz Metropolitan Transit District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2007. Santa Cruz Metropolitan Transit District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on Santa Cruz Metropolitan Transit District's compliance based on our audit.

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

In our opinion, the Santa Cruz Metropolitan Transit District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2007.

9.234

Internal Control Over Compliance

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

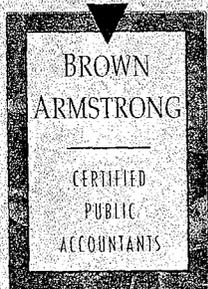
Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively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

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION



Bakersfield, California  
November 5, 2007



BROWN ARMSTRONG
PAULDEN McCOWN STARBUCK THORNBURGH & KEETER
CERTIFIED PUBLIC ACCOUNTANTS

Main Office
4200 Truxtun Ave., Suite 300
Bakersfield, California 93309
Tel 661-324-4971 Fax 661-324-4997
e-mail: info@bacpas.com

Shafter Office
560 Central Avenue
Shafter, California 93263
Tel 661-746-2145 Fax 661-746-1218

- Andrew J. Paulden, CPA
Peter C. Brown, CPA
Burton H. Armstrong, CPA, MST
Harvey J. McCown, MBA, CPA
Steven R. Starbuck, CPA
Aileen K. Keeter, CPA
Chris M. Thornburgh, CPA
Eric H. Xin, MBA, CPA

REPORT ON COMPLIANCE WITH THE
TRANSPORTATION DEVELOPMENT ACT

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

- Lynn R. Krausse, CPA, MST
Rosalba Flores, CPA
Connie M. Perez, CPA
M Sharon Jones, CPA, MST
Diana H. Branthoover, CPA
Thomas M. Young, CPA
Alicia Montgomery, CPA, MBA
Matthew R. Gilligan, CPA
Hanna J. Sheppard, CPA
Ryan J. Nielsen, CPA
Jian Ou-Yang, CPA
Ryan S. Johnson, CPA
Michael C. Olivares, CPA
Jialan Su, CPA
Ariadne S. Prunes, CPA

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of and for the year ended June 30, 2007, and have issued our report thereon dated November 5, 2007.

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

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the management of the District. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of the Transportation Development Act, including Public Utilities Code Section 99245 as enacted and amended by statute through June 30, 2007, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission as required by Section 6667 of the California Code of Regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

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

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

[Handwritten signature]

Bakersfield, California
November 5, 2007

9.2.36

FINDINGS AND QUESTIONED COSTS SECTION

9.23.7

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 2007

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

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

|   |     |                                     |               |
|---|-----|-------------------------------------|---------------|
| Material weakness identified?   | Yes | <input checked="" type="checkbox"/> | No            |
| Reportable conditions identified that are not considered to be material weaknesses? | Yes | <input checked="" type="checkbox"/> | None reported |
| Noncompliance material to financial statements noted?                               | Yes | <input checked="" type="checkbox"/> | No            |

**Federal Awards**

**Internal control over major federal programs:**

|   |     |                                     |               |
|---|-----|-------------------------------------|---------------|
| Material weakness identified?   | Yes | <input checked="" type="checkbox"/> | No            |
| Reportable conditions identified that are not considered to be material weaknesses? | Yes | <input checked="" type="checkbox"/> | None reported |

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? Yes  No

Identification of major programs:

CFDA Number(s)

20.500  
20.507

Name of Federal Program or Clusters

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

Dollar threshold used to distinguish Type A & B programs: \$300,000

Auditee qualified as low risk auditee?  Yes  No

II. Findings Relating to Financial Statements Required Under GAGAS

None.

III. Federal Award Findings and Questioned Costs

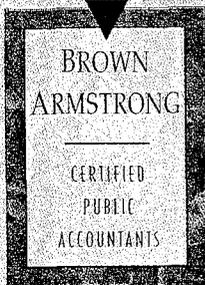
None.

IV. State Award Findings and Questioned Costs

None.

V. A Summary of Prior Audit (all June 30, 2006) Findings and Current Year Status Follows

None.



# Attachment B

## BROWN ARMSTRONG PAULDEN McCOWN STARBUCK THORNBURGH & KEETER CERTIFIED PUBLIC ACCOUNTANTS

■ Main Office  
4200 Iruxtun Ave., Suite 300  
Bakersfield, California 93309  
Tel. 661-324-4971 Fax 661-324-4997  
e-mail: info@bacpas.com

■ Shafter Office  
560 Central Avenue  
Shafter, California 93263  
Tel. 661-746-2145 Fax 661-746-1218

- Andrew J Paulden, CPA
- Peter C. Brown, CPA
- Burton H. Armstrong, CPA, MST
- Harvey J. McCown, MBA, CPA
- Steven R. Starbuck, CPA
- Aileen K. Keeter, CPA
- Chris M. Thornburgh, CPA
- Eric H. Xin, MBA, CPA
- \_\_\_\_\_
- Lynn R. Krausse, CPA, MST
- Rosalva Flores, CPA
- Connie M. Perez, CPA
- M. Sharon Jones, CPA, MST
- Diana H. Branthoover, CPA
- Thomas M. Young, CPA
- Alicia Montgomery, CPA, MBA
- Matthew R. Gilligan, CPA
- Hanna J. Sheppard, CPA
- Ryan J. Nielsen, CPA
- Jian Ou-Yang, CPA
- Ryan S. Johnson, CPA
- Michael C. Olivares, CPA
- Jialan Su, CPA
- Ariadne S. Prunes, CPA

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

We have audited the financial statements of the Santa Cruz Metropolitan Transit District for the year ended June 30, 2007, and have issued our report thereon dated November 5, 2007. Professional standards require that we provide you with the following information related to the conduct of our audit.

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

As stated in our engagement letter dated June 18, 2007, our responsibility, as described by professional standards, is to provide reasonable, not absolute, assurance that the basic financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

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

### Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Santa Cruz Metropolitan Transit District are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the existing policies were not changed during 2007. We noted no transactions entered into by the Santa Cruz Metropolitan Transit District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

### Accounting Estimates

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

9.61

**Significant Audit Adjustments**

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

**Disagreements with Management**

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

**Consultations with Other Independent Accountants**

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

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

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

**Difficulties Encountered in Performing the Audit**

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

\*\*\*\*\*

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION



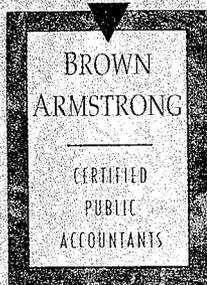
By: Steven R. Starbuck

November 5, 2007  
Bakersfield, California

9.62

| Entry # | Status | Account/Code   | Description               | Workpaper | Misstate | Debit         | Credit        |  |
|---------|--------|--|---------------------------|-----------|----------|---------------|---------------|--|
| AJE 1   | Posted | 464011   | FTA SEC 3 CAPTIAL GRANT   | XX        |          |               | 2,971,329.00  |  |
|         |        | 304011   | UMTA SECTION 3            |           |          | 2,971,329.00  |               |  |
|         |        | 464023   | STATE TRANSIT ASSIST-CAP. |           |          |               | 3,989,033.00  |  |
|         |        | 304024   | STATE TRANSIT ASSISTANCE  |           |          | 3,989,033.00  |               |  |
|         |        | 464025   | OTHER STATE GRANTS/PROVSN |           |          |               | 1,218,835.00  |  |
|         |        | 304016   | OTHER FEDERAL GRANTS      |           |          | 891,045.00    |               |  |
|         |        | 304024   | STATE TRANSIT ASSISTANCE  |           |          | 327,790.00    |               |  |
|         |        | 464032   | LOCAL CAPITAL GRANTS      |           |          |               | 3,433,309.00  |  |
|         |        | 304016   | OTHER FEDERAL GRANTS      |           |          | 3,433,309.00  |               |  |
|         |        | To reclass capital grants from equity to revenue. Client does not need to post.                                    |                           |           |          |               |               |  |
| AJE 2   | Posted | 304019   | FEDERAL CAPITAL-DEPREC.   | XX        |          |               | 817,420.00    |  |
|         |        | 304029   | STATE CAPITAL-DEPREC.     |           |          |               | 586,757.00    |  |
|         |        | 304039   | LOCAL CAPITAL-DEPREC.     |           |          |               | 54,282.00     |  |
|         |        | 513015   | DEPRECIATION - OTHER      |           |          | 1,458,459.00  |               |  |
|         |        | To reclass depreciation from equity to expense. Client does not need to post.                                      |                           |           |          |               |               |  |
| AJE 3   | Posted | 101013   | CASH IN TREASURY          | A         |          | 3,433,309.00  |               |  |
|         |        | 101017   | CASH IN TREASURY-SETTLEMT |           |          |               | 3,433,309.00  |  |
|         |        | To reclass cash treasury settlement amount properly. Client does not need to post.                                 |                           |           |          |               |               |  |
| AJE 4   | Posted | 201013   | DEFERRED REVENUE-MOF      | DD        |          |               | 1,027,897.00  |  |
|         |        | 464011   | FTA SEC 3 CAPTIAL GRANT   |           |          | 1,027,897.00  |               |  |
|         |        | Deferred Revenue treasury settlement basis recognition. Client should post to retained earnings not Grant Revenue. |                           |           |          |               |               |  |
| AJE 5   | Posted | 304011   | UMTA SECTION 3            | XX        |          | 1,647,845.00  |               |  |
|         |        | 304017   | UMTA SECTION 9            |           |          | 63,107.00     |               |  |
|         |        | 304019   | FEDERAL CAPITAL-DEPREC.   |           |          |               | 1,888,779.00  |  |
|         |        | 304024   | STATE TRANSIT ASSISTANCE  |           |          | 4,651.00      |               |  |
|         |        | 304029   | STATE CAPITAL-DEPREC.     |           |          |               | 1,130,839.00  |  |
|         |        | 304034   | TRANSPORT DEVLPMNT ACT1/4 |           |          | 1.00          |               |  |
|         |        | 304039   | LOCAL CAPITAL-DEPREC.     |           |          |               | 101,506.00    |  |
|         |        | 305030   | RETAINED EARNING RESTRCTD |           |          | 1,469,339.00  |               |  |
|         |        | 464011   | FTA SEC 3 CAPTIAL GRANT   |           |          |               | 63,819.00     |  |
|         |        | To adjust beginning equity balances to PY amounts, plugging to capital grants. Client does not need to post.       |                           |           |          |               |               |  |
| AJE 6   | Posted | 131030   | INVESTMENTS- LONG TERM    |           |          |               | 1.00          |  |
|         |        | 201010   | ACCOUNTS PAYABLE          |           |          | 1.00          |               |  |
|         |        | Rounding   |                           |           |          |               |               |  |
| AJE 7   | Posted | 464032   | LOCAL CAPITAL GRANTS      | 15-ND     |          | 2,746,647.00  |               |  |
|         |        | 464011   | FTA SEC 3 CAPTIAL GRANT   |           |          |               | 2,746,647.00  |  |
|         |        | To allocate deferred grant revenue between federal (80%) and local (20%)   |                           |           |          |               |               |  |
| TOTALS  |        |  |                           |           |          | 23,463,762.00 | 23,463,762.00 |  |

9.63



**BROWN ARMSTRONG**  
**PAULDEN McCOWN STARBUCK THORNBURGH & KEETER**  
 CERTIFIED PUBLIC ACCOUNTANTS

**Attachment C** ■ **Main Office**  
 4200 Truxtun Ave., Suite 300  
 Bakersfield, California 93309  
 Tel 661-324-4971 Fax 661-324-4997  
 e-mail: info@bacpas.com

■ **Shafter Office**  
 560 Central Avenue  
 Shafter, California 93263  
 Tel 661-746-7145 Fax 661-746-1218

- Andrew J Paulden, CPA
- Peter C. Brown, CPA
- Burton H. Armstrong, CPA, MST
- Harvey J. McCown, MBA, CPA
- Steven R. Starbuck, CPA
- Aileen K. Keeter, CPA
- Chris M. Thornburgh, CPA
- Eric H. Xin, MBA, CPA

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

- Lynn R. Krausse, CPA, MST
- Rosalva Flores, CPA
- Connie M. Perez, CPA
- M. Sharon Jones, CPA, MST
- Diana H. Branthoover, CPA
- Thomas M. Young, CPA
- Alicia Montgomery, CPA, MBA
- Matthew R. Gilligan, CPA
- Hanna J. Sheppard, CPA
- Ryan J. Nielsen, CPA
- Jian Ou-Yang, CPA
- Ryan S. Johnson, CPA
- Michael C. Olivares, CPA
- Jialan Su, CPA
- Ariadne S. Prunes, CPA
- Samuel O. Newland, CPA
- Richard A. Gammel, CPA

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

We have audited the financial statements of Santa Cruz Metropolitan Transit District (SCMTD) for the year ended June 30, 2007 and have issued our report thereon dated November 5, 2007. In planning and performing our audit of the financial statements of SCMTD, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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

Current Year Findings and Recommendations

**Finding 1**

The District should perform a ticket reconciliation semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported.

Recommendation

The District should perform ticket-related procedures that determine whether ticket sales are accurately reported and that tickets in inventory are safeguarded. The reconciliation should be performed at least semi-annually until the process results in tolerable variance level.

Management Response

Meetings have been conducted with the ticketing staff at Metro Center, the Operations Management and the Finance Management. Groundwork and preliminary procedures, forms and policies are being created and tested to insure safeguarding of tickets from receivership from the printing vendor through the sale of the ticket and all aspects in-between. A complete and comprehensive process is anticipated to be in place by Spring of 2008.

9.c1

### **Finding 2**

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

### **Recommendation**

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

### **Management Response**

A draft policy is being written and will be available for review by the end of October 2007.

### **Finding 3**

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

### **Recommendation**

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

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

### **Management Response**

Groundwork and preliminary procedures, forms and policies are being created and tested to insure safeguarding of all cash received into the count room. Separate individuals prepare and control appropriate reports and forms. A complete and comprehensive process is anticipated to be in place by the end of October 2007. This area is also anticipating moving into a new building in late Fall 2007.

### **Finding 4**

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

### **Recommendation**

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

### **Management Response**

With the implementation of Qquest (new payroll system), Finance will be able to monitor and pull OT reports on an ongoing, every payroll basis for all departments; including Fixed Route Bus Operators. A copy of this report is attached for ParaCruz drivers who are currently fully implemented on the Qquest payroll system. The department managers receive a copy of this report on an every pay period basis. We are anticipating having all other departments implemented in Qquest by late spring 2008.

9.c2

## Prior Year Findings and Recommendations

### **Finding 1**

The District should perform a ticket reconciliation semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported.

#### Recommendation

The District should perform ticket-related procedures that determine whether ticket sales are accurately reported and that tickets in inventory are safeguarded. The reconciliation should be performed at least semi-annually until the process results in tolerable variance level.

#### Current Year Status

Partially implemented. See current year Finding 1.

### **Finding 2**

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

#### Recommendation

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

#### Current Year Status

See current year Finding 2.

### **Finding 3**

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

#### Recommendation

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

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

#### Current Year Status

See current year Finding 3.

### **Finding 4**

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

#### Recommendation

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

#### Current Year Status

See current year Finding 4.

\*\*\*\*\*

9.c3

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION



By: Steven R. Starbuck

Bakersfield, California  
November 5, 2007

I:\74043\Audit2007\PSR\Management-Letter.doc

9.c4

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Leslie R. White, General Manager  
**SUBJECT: CONSIDER APPROVAL OF 2008 STATE LEGISLATIVE PROGRAM**

## I. RECOMMENDED ACTION

**That the Board of Directors adopt the proposed METRO 2008 State Legislative Program attached to this Staff Report.**

## II. SUMMARY OF ISSUES

- Elected officials at the State level continue to actively support the goals established by the METRO Board of Directors when the legislative program is presented to them early in the legislative process.
- On November 7, 2006 the voters of California approved, among other measures, Propositions 1A, 1B, and 1C. These measures provide protection for transportation funds, and authorize the sale of general obligation bonds, over the next 10 years, to provide funds for transportation investments.
- The availability of bond funds for public transit projects will be dependent upon the state budget process. In 2007 the State Legislature released \$600 million in bond funds for the Public Transportation Modernization Improvement and Service Enhancement Fund (PTMISEA). The PTMISEA program is being administered by the Mass Transit Division of Caltrans. The State Controller's Office has estimated that METRO will receive approximately \$27 million when all of the PTMISEA bonds are sold.
- In order for METRO to proceed to implement the Operations Building portion of the MetroBase Project, compete for construction funds for the Pacific Station Redevelopment Project, replace fixed route buses and replace paratransit vans it will be necessary for the bonds for transit eligible projects to continue to be sold on a predictable basis, and for the Santa Cruz County Regional Transportation Commission (SCCRTC) to continue to pass funds under the State Transit Assistance Formula (STA) through to METRO.
- METRO will continue to incur additional costs to provide the mandated ADA complimentary paratransit service. The state has yet to provide specific funding programs to address this need.

- The reliance of UCSC, Cabrillo College, and some K-12 systems on METRO services makes it important to advocate for exploration of “cross function” funding opportunities.
- The 2007 California Legislature diverted \$1.259 billion in Public Transportation Account funds to the State General Fund. The impact on of the diversion on METRO is a loss of approximately \$32 million in capital funds over the next ten years. The California Transit Association has filed a lawsuit challenging the legality of the diversion of PTA funds. Additionally it is anticipated that legislation will be introduced in the 2008 Legislative Session that would repeal the on-going diversion of PTA funds to the General Fund.

### III. DISCUSSION

The 2008 California State Legislature will convene in January to consider legislative actions for the coming year. On November 7, 2006 the voters of California approved Propositions 1A, 1B, and 1C. These measures provided protection for transportation funds, and authorized the sale of general obligation bonds, over the next 10 years, to provide funds for transportation investments. The availability of bond funds for public transit projects will be dependent upon the state budget process. In 2007 the State Legislature released \$600 million in bond funds for the Public Transportation Modernization Improvement and Service Enhancement Fund (PTMISEA). The PTMISEA program is being administered by the Mass Transit Division of Caltrans. The State Controller’s Office has estimated that METRO will receive approximately \$27 million when all of the PTMISEA bonds are sold. In order for METRO to proceed to implement the Operations Building portion of the MetroBase Project, compete for construction funds for the Pacific Station Redevelopment Project, replace fixed route buses and replace paratransit vans it will be necessary for the bonds for transit eligible projects to be sold on a predictable basis, and for the Santa Cruz County Regional Transportation Commission (SCCRTC) to continue to pass funds under the State Transit Assistance Formula (STA) through to METRO

It is likely that future years will see cost increases in the area of ADA-Mandated complimentary paratransit service. Currently, the State does not have a funding program to assist transit agencies in addressing this need. Staff recommends that METRO advocate for State consideration of operating and capital funding measures that would support the complementary paratransit needs.

In 2006 METRO, Caltrans, AMBAG, the RTPO’s and other transit agencies in the under 200,000 in population urbanized areas were able to collaborate successfully and remove obstacles which could have prevented draw down of Section 5309 earmarked discretionary funds from the Federal Transit Administration. In 2008, it will again be necessary for transit agencies in areas under 200,000 in population to ensure that all Section 5307 formula funds are programmed. This is necessary to achieve the ability to continue to draw down discretionary Section 5309 earmarks. The programming

responsibility for the Section 5307 funds that are received by METRO is carried out by AMBAG. Where transit agencies have allocated funds that they will not be able to program for projects in a timely manner, Staff recommends that METRO advocate that the Governor's Office, through Caltrans, coordinate with the MPOs and the Regional Transportation Planning Agencies to transfer these funds to other transit agencies that are able to program the funds to avoid having these allocations lapse back to the Federal Treasury, and to avoid any repetition of FTA discretionary fund draw down embargo actions as have occurred in past years.

In prior years, METRO has explored the possibility of acquiring subpoena authority so that the Office of District Counsel can ensure witness participation. Staff recommends that the 2008 Legislative Program once again address this issue and explore the possibility of initiating legislation which would grant the subpoena authority to METRO.

Service provided by METRO is relied upon by UCSC, Cabrillo College, and some of the K-12 school districts in Santa Cruz County. Currently, there is no mechanism or incentive at the State level for coordination of funding for transportation between the education functions and the transportation functions. Staff recommends that METRO advocate for the exploration of "cross function" funding opportunities.

The 2007 California Legislature diverted \$1.259 billion in Public Transportation Account funds to the State General Fund. The impact on of the diversion on METRO is a loss of approximately \$32 million in capital funds over the next ten years. The California Transit Association has filed a lawsuit challenging the legality of the diversion of PTA funds. Additionally it is anticipated that legislation will be introduced in the 2008 Legislative Session that would repeal the on-going diversion of PTA funds to the General Fund.

The specific legislative goals recommended by staff are attached to this Staff Report. Staff is recommending that the firm of Shaw/Yoder, Inc. continue to serve as the Legislative Advocate for METRO under a separate contract

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

Funds for the State Legislative Advocacy activities, including travel to Sacramento and the contract with Shaw/Yoder, Inc., are included in the adopted 2007/2008 METRO Operating Budget.

#### **V. ATTACHMENTS**

**Attachment A:** Proposed 2008 Santa Cruz Metropolitan Transit District Legislative Program.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

2008 STATE LEGISLATIVE PROGRAM

State Goals:

1. Support legislation and actions necessary to protect existing funding sources and funding levels for transit operating assistance and capital assistance.
2. Support the introduction and passage of legislation designed to enact additional sources of transit operating and capital assistance.
3. Support efforts to insure that Federal Section 5307 formula funds in the Governor's apportionment (administered by AMBAG) are programmed statewide to the maximum extent possible to insure that SCMTD can access Section 5309 Federal discretionary earmarks and to insure that no funds lapse at the end of the SAFETEA-LU authorization.
4. Support efforts to obtain operating and capital funds to meet the increasing service requirements of ADA Para transit.
5. Explore the possibility of using state education funds for the development, construction, and operation of off-campus park and ride facilities as well as public transit services at campuses in the University of California system.
6. Explore the possibility of requesting legislation to grant the SCMTD the authority to issue subpoenas.
7. Support efforts to improve communication and funding for public schools (K-12) and community college/university transportation needs.
8. Prepare and implement a county-wide public awareness program to inform the public of the impacts of lowered or cancelled state funding on METRO service and projects. Involve all stakeholders in the design and implementation of the program. Encourage communication of concerns to members of the State Legislature with emphasis on those individuals representing Santa Cruz County.
9. Support necessary actions to be taken by the Legislature, through the FY 2009 Budget process, that will ensure the state provides transit-eligible Proposition 1B and 1C funds on a timely and equitable basis, and that the sale of the bonds authorized by the voters will continue to be sold in a manner that will support the expenditures.
10. Support legislation that will restore the Public Transportation Account funds that were diverted to the State General Fund in 2007.

11. Support legislation that will prevent Public Transportation Account funds from being diverted to other purposes in the future.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Leslie R. White, General Manager  
**SUBJECT: CONSIDER APPROVAL OF 2008 FEDERAL LEGISLATIVE PROGRAM**

## I. RECOMMENDED ACTION

**That the Board of Directors adopt the proposed METRO 2008 Federal Legislative Program attached to this staff report.**

## II. SUMMARY OF ISSUES

- Elected officials at the federal level support the goals established by the METRO Board of Directors when the Legislative Program is presented to them early in the legislative process.
- In 2008, the second session of the 110<sup>th</sup> Congress will appropriate transit funds for Federal FY 2009. This will be the final year of appropriations under the SAFETEA-LU Authorization Bill.
- In prior years, there have been numerous efforts to limit funding for public transit service in California. Staff recommends that METRO representatives again oppose any action that singles out specific states for lower transit funding levels or places a minimum allocation level to all states which would redirect federal funds away from populous states like California.
- As costs related to federally mandated complimentary paratransit continue to rise, staff recommends that METRO advocate for funding at the federal level to assist in offsetting these expenses.
- Transit financing needs will continue to increase in future years. In order to maximize the federal capital and operating formula funds that we receive Staff recommends that METRO advocate for the transit program funding levels to increase from the \$8.2 billion appropriated in 2006 to the full authorized level of \$10.3 billion in 2009.
- Earmarked Discretionary Capital funding will be needed to replace vans used for ParaCruz Service. Staff recommends that METRO advocate for an earmark of \$840,000 be included in the FY2009 Transportation Appropriations Bill.
- METRO and Monterey-Salinas Transit (MST) have developed a proposal for the acquisition and implementation of a fare Smart Card system. The cost to acquire and implement a joint Smart Card program is anticipated to be \$2,000,000 (\$1.2 million Metro/\$800,000 Monterey). Staff recommends that METRO request the earmark of Federal ITS funds in the amount of \$1.2 million for METRO and \$800,000 for MST for the acquisition and implementation of a fare Smart Card system.

- Staff further recommends that METRO urge Members of Congress to complete action and enact a FY 2009 Transportation Appropriations Bill prior to the commencement of the fiscal year on October 1, 2008 so that funds will be available for use for van replacement and the Smart Card system at the earliest possible time.

### III. DISCUSSION

In 2008, Congress will appropriate funds for federal FY 2009. The federal formula funds that METRO receives to offset operating and capital expenses are derived from the annual appropriations bill. Therefore, it is important that Congress appropriate at the levels authorized in the new authorization bill, the Safe, Accountable, Efficient, Flexible, Transportation Equity Act-A Legacy for Users (SAFETEA-LU).

In prior years, under Republican leadership, the transportation appropriations process has resulted in proposals being developed which would limit funding for California transit systems. Staff recommends that the 2008 Legislative Program include a provision that METRO continue to vigorously resist efforts to single out specific states for lower transit funding or places a minimum allocation level to all states which would redirect funds away from more populous states like California.

It is likely that federally mandated ADA Paratransit costs will increase in future years. Staff recommends that METRO advocate for supplemental federal capital and operating funds to assist in supporting the costs of the ADA-mandated complimentary Paratransit.

In order to accommodate the funding levels envisioned in the new authorization bill, it will be necessary for appropriation levels to rise. Therefore, staff recommends that METRO advocate for an increase in funding levels to achieve the authorized level of \$10.3 billion in 2009.

While there has been continuing discussion of the process of earmarking funds in appropriations bills at the federal level, it is likely that the Section 5309 Discretionary Bus Program funds will continue to be delivered to transit systems on an earmarked project basis in FY 2009. Earmarked Discretionary Capital funding will be needed to replace vans used for ParaCruz Service. Staff recommends that METRO advocate for an earmark of \$840,000 to be included in the FY2009 Transportation Appropriations Bill. METRO and Monterey-Salinas Transit (MST) have developed a proposal for the acquisition and implementation of a fare Smart Card system. This system would allow riders to use either transit system with the same fare media, and allow for the implementation of a wider variety of fare products. The cost to acquire and implement a joint Smart Card program is anticipated to be \$2,000,000 (\$1.2 million Metro/\$800,000 Monterey). Staff recommends that METRO and MST request that funds from the Federal Intelligent Transportation Systems (ITS) program be earmarked to support the Smart Card program implementation. Staff recommends that METRO urge Members of Congress to complete action and enact a FY 2009 Transportation Appropriations Bill prior to the commencement of the

federal fiscal year on October 1, 2008 so that funds will be available for use for van replacement and for the implementation of the Smart Card system at the earliest possible time. Staff recommends that METRO request that Representatives Farr and Eshoo, as well as Senators Feinstein and Boxer, support the dedication of \$840,000 in Section 5309 bus funds for replacement vans for the ParaCruz service and the earmark of Federal ITS funds in the amount of \$1.2 million for METRO and \$800,000 for Monterey-Salinas Transit for the acquisition and implementation of a fare Smart Card system.

The earmark requests outlined in this Staff Report were submitted to Members of Congress in March 2007. As a part of the discussion of earmark requests (at the request of Congressman Sam Farr) the Pacific Station Redevelopment Project was added to the list of Congressional Earmark requests. As of this writing the FY 2008 Transportation Appropriations Bill Conference Report (HR 3074) includes \$500,000 for the Pacific Station Redevelopment Project and does not include funds for the ParaCruz Vans or Smart Card projects. Staff recommends that the Pacific Station Redevelopment Project request of \$2,000,000 be included in the FY 2009 Legislative Program.

The work to develop an industry position for the next federal authorization cycle will begin this year. The American Public Transportation Association (APTA) is forming an Authorization Task Force to address issues and revisions that should be included in the next Bill. It is important that METRO advocate for the development of an Authorization Bill to replace the SAFETEA-LU Authorization Bill that expires September 30, 2009 that includes protection and expansion of the Small Transit Intensive Cities (STIC) funding, improvement of overall funding by 10% per year, and includes revisions to the process of selecting the projects to be funded under the Section 5309 Discretionary Program for Small Starts and Bus/Bus Facilities Programs.

In order to effectively advocate for the goals contained in the proposed 2008 Federal Legislative Program, it will take the concerted efforts of members of the Board of Directors, staff, other community leaders and citizens to communicate our needs to our members of Congress as well as the continued efforts of Carolyn Chaney and Associates in Washington DC.

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

Funding necessary for travel to Washington, DC and other APTA Legislative Committee meetings is included in the 2007/2008 METRO operating budget. Additionally, funds necessary to support the services of contracted legislative advocates are included in the METRO budget.

#### **V. ATTACHMENTS**

**Attachment A:** Proposed Santa Cruz Metropolitan Transit District 2008 Federal Legislative Program

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
2008 FEDERAL LEGISLATIVE PROGRAM**

**Federal Goals:**

1. Support the appropriation of federal transit funds at the maximum amount provided in the Safe, Accountable, Flexible, Efficient, Transportation Equity Act- A Legacy for Users (SAFETEA-LU) and support the continuation of the guarantee and firewall provisions contained in the Act. Resist efforts to single out specific states for lower transit funding levels.
2. Support efforts to obtain funding for operating and capital costs to meet the increasing service requirements of ADA Paratransit (ParaCruz).
3. Advocate for and achieve an Earmark in the Section 5309 Discretionary Bus Funding Program of the 2009 Transportation Appropriations Bill of \$840,000 for the replacement of 12 paratransit vans.
4. Advocate for and achieve a Joint Earmark, with Monterey-Salinas Transit (MST), in Federal Intelligent Transportation Systems (ITS) funds in the amount of \$1.2 million for METRO, and \$800,000 for MST, for the joint acquisition of a Smart Card System that would allow riders to use either transit system with the same fare media, and allow for the implementation of a wider variety of fare products.
5. Advocate for and achieve an Earmark in the Section 5309 Discretionary Bus Funding Program of the 2009 Transportation Appropriations Bill of \$2,000,000 for the Pacific Station Redevelopment Project.
6. Advocate for passage of the FY 2009 Transportation Appropriations Bill in a timely manner, and in no case later than October 1, 2008.
7. Advocate for the development of an Authorization Bill to replace the SAFETEA-LU Authorization Bill that expires September 30, 2009 that includes protection and expansion of the Small Transit Intensive Cities funding, improvement of overall funding by 10% per year, and includes revisions to the process of selecting the projects to be funded under the Section 5309 Discretionary Program for Small Starts and Bus and Bus Facilities.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007

**TO:** Board of Directors

**FROM:** Leslie R. White, General Manager

**SUBJECT:** **CONSIDERATION OF INFORMATION REGARDING THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION'S LEGISLATIVE COMMITTEE, AUTHORIZATION TASK FORCE, AND 2050 FRAMEWORK FOR THE FUTURE TASK FORCE AND CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO CONTINUE TO PARTICPATE IN THE ACTIVITIES OF THESE COMMITTEES.**

## I. RECOMMENDED ACTION

**That the Board of Directors receive and consider information regarding the recent actions of the American Public Transportation Association's Legislative Committee, Authorization Task Force, and 2050 Framework for the Future Task Force, and to authorize the continued participation of the General Manager in these committees.**

## II. SUMMARY OF ISSUES

- From November 28-30, 2007 the American Public Transportation Association (APTA) held numerous committee meetings in Washington DC.
- The focus of the meetings of the various APTA Committees was the preparation for the next federal financing authorization cycle and the development of a long-term vision for the association that would provider guidance for future legislative efforts as well as examining if structural changes within the association are necessary to meet future challenges.
- The Legislative Committee, in conjunction with the Executive Committee, is appointing an Authorization Task Force charged with developing a position paper for advocacy in the next federal financing authorization cycle. The structure of the Authorization Task Force is included with this report as Attachment A. I have been asked to serve on the Authorization Task Force. The objective of the Task Force is to have a completed, consensus-based document finalized for approval by the association at the September 2008 Annual Meeting.
- The APTA Executive Committee also created a 2050 Framework for the Future Task Force that is charged with developing a longer-term vision for the association and to evaluate the internal organization and committee structure to determine if changes are necessary for the association to be prepared to meet future challenges. The APTA Executive Committee has asked former APTA Chairs George Dixon (Cleveland

Board Chair), John Bartosowicz (McDonald Transit Associates President), and myself to co-chair this Task Force. The objective of the Task Force will be to have a completed report to the APTA Executive Committee and Board of Directors by June 2008.

- While the activities of the APTA Authorization Task Force and 2050 Framework for the Future will require some time to carry out, METRO will benefit from having a united, well-structured, national transit association that can effectively advocate for higher funding levels in future financing cycles.
- I recommend that the Board of Directors authorize my participation in the Authorization Task Force and the 2050 Framework for the Future Task Force.

### **III. DISCUSSION**

From November 28-30, 2007 the American Public Transportation Association (APTA) held numerous committee meetings in Washington DC. Included in the meetings that were held were the Executive Committee, the Legislative Intergovernmental Issues Subcommittee, the Legislative Committee leadership, the Authorization Task Force leadership, the Legislative Committee, and the Past Chairs Committee. The first instructional session of the Leadership APTA Program was also being held at the same time.

The focus of the meetings of the various APTA Committees was the preparation for the next federal financing authorization cycle and the development of a long-term vision for the association that would provide guidance for future legislative efforts as well as examining if structural changes within the association are necessary to meet future challenges.

The Legislative Committee, in conjunction with the Executive Committee, is appointing an Authorization Task Force charged with developing a position paper for advocacy in the next federal financing authorization cycle. The structure of the Authorization Task Force is included with this report as Attachment A. I have been asked to serve on the Authorization Task Force. The objective of the Task Force is to have a completed, consensus-based document finalized for approval by the association at the September 2008 Annual Meeting.

The APTA Executive Committee also created a 2050 Framework for the Future Task Force that is charged with developing a longer-term vision for the association and to evaluate the internal organization and committee structure to determine if changes are necessary for the association to be prepared to meet future challenges. The APTA Executive Committee has asked former APTA Chairs George Dixon (Cleveland Board Chair), John Bartosowicz (McDonald Transit Associates President), and myself to co-chair this Task Force. The objective of the Task Force will be to have a completed report to the APTA Executive Committee and Board of Directors by June 2008.

While the activities of the APTA Authorization Task Force and 2050 Framework for the Future will require some time to carry out, METRO will benefit from having a united, well-structured, national transit association that can effectively advocate for higher funding levels in future financing cycles. I recommend that the Board of Directors authorize my participation in the Authorization Task Force and the 2050 Framework for the Future Task Force.

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

There are sufficient funds available in the FY 2007/2008 Operating Budget to support the General Manager's participation in the APTA Committees outlined in this Staff Report.

#### **V. ATTACHMENTS**

**Attachment A:** APTA Authorization Task Force Structure Chart

**Authorization Task Force  
Mission Statement**

To develop an APTA position on authorization by August 2008 which will maximize the ability of the public transportation industry to serve our customers.

Board of Directors

*Government Affairs Vice-Chair*

Legislative Committee

Authorization Task Force Co-Chairs  
Authorization Task Force

Legislative Subcommittees

APTA Membership

Other APTA Committees

Interested Partners

November 29, 2007

12.a1

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007  
**TO:** Board of Directors  
**FROM:** Mark Dorfman, Assistant General Manager

**SUBJECT: CONSIDER A RESOLUTION AUTHORIZING STAFF TO SUBMIT APPLICATIONS AND EXECUTE AGREEMENTS FOR PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) FUNDS.**

## I. RECOMMENDED ACTION

**Adopt a resolution authorizing staff to submit applications to Caltrans and to execute agreements to obligate Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds for MetroBase.**

## II. SUMMARY OF ISSUES

- Proposition 1B established \$3.6 Billion for the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA).
- The State Controller's Office allocates PTMISEA funds to Transit Operators and Regional Transportation Programming Agencies such as the SCCRTC in the same proportion that State Transit Assistance (STA) funds are programmed. The PTMISEA will provide about \$27 Million to Santa Cruz County over the life of Proposition 1B.
- At the December 6, 2007 SCCRTC meeting, a resolution was passed that programs their share of the Proposition 1B Funds to METRO.
- Last month, the METRO Board adopted a Financial Framework for Capital Budgets which assumes that the SCCRTC will pass-through to METRO its portion of PTMISEA funds as it has passed-through the STA funds in prior years.
- The FY 2008 California Budget appropriates the first \$600 million of the PTMISEA funds, with approximately \$4.4 million of that amount coming to Santa Cruz County.
- Applications for the current allocation of \$4.4 Million are due to Caltrans December 28.
- Adopting the attached resolution authorizes Staff to submit applications to Caltrans and to execute necessary agreements to obtain PTMISEA funds to complete MetroBase.

### III. DISCUSSION

In November, 2006, California voters approved the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 (Bond Act), balloted as Proposition 1B. Proposition 1B and its enabling legislation, SB 88, established the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA), among other infrastructure accounts, to fund public transportation improvement projects in California. The PTMISEA will receive approximately \$3.6 Billion from the sale of bonds. Of this amount, an estimated \$27 million will accrue to Santa Cruz County over the life of the Bond Act.

SB 88 delegates the State Controller's Office to identify eligible Regional Transportation Planning Agencies and Public Transit Operators and to allocate the funds using the same formula used to allocate State Transit Assistance (STA) Funds. The Public Utilities Code in Sections 99313 and 99314 identifies the Santa Cruz County Regional Transportation Commission and the Santa Cruz Metropolitan Transit District as eligible recipients of STA funds, although only Santa Cruz METRO is an eligible project sponsor.

The FY 2008 California Budget appropriates the first \$600 Million of the PTMISEA funds to eligible agencies. Of this amount, the State Controller's Office appropriated approximately \$2.1 Million to the SCCRTC and approximately \$2.3 Million to Santa Cruz METRO. As designated in the Financial Framework for Capital Projects adopted by the METRO Board last month, METRO anticipates using all available PTMISEA funds for MetroBase. For FY 2008, METRO requests that the SCCRTC pass-through its allocation to METRO to enable an application for \$4.4 Million in PTMISEA funds for MetroBase, and at the December 6, 2007 SCCRTC meeting, a resolution was passed for this to occur (Attachment B).

SB 88 established Caltrans as the administering agency for the PTMISEA program. Caltrans released Guidelines for project applications and monitoring on December 5. In accordance with the Guidelines, Santa Cruz METRO will submit an application as the lead project sponsor to obligate its share of PTMISEA funds for MetroBase, and the SCCRTC will be shown on the application as a contributing sponsor, passing-through its funds to METRO for the MetroBase project. In order to streamline the process, the SCCRTC has requested that Caltrans and the State Controller's Office pass-through SCCRTC's subsequent PTMISEA allocations directly to METRO.

Applications for this first year's allocation of PTMISEA funds are due to Caltrans on December 28, 2007. Adopting the attached resolution will authorize Staff to submit an application for MetroBase showing the SCCRTC as a contributing sponsor. Completing MetroBase is in accordance with METRO's five-year Financial Framework 2008-2012 and in accordance with the Regional Transportation Plan. Using all anticipated PTMISEA revenue for MetroBase will show its completion to be fully funded. By taking this action, METRO will be certifying that the project will be fully constructed if the state funding does not materialize.

**IV. FINANCIAL CONSIDERATIONS**

PTMISEA funds will provide approximately \$4.4 Million for METRO's Capital Budget in FY 2008 and up to \$27 Million for MetroBase completion over the life of the Bond Act.

**V. ATTACHMENTS**

**Attachment A:** Resolution Authorizing Submission of Applications and Execution of Agreements for PTMISEA funds

**Attachment B:** December 6, 2007 SCCRTC Staff Report programming and passing through to METRO their share of the Proposition 1B Funds.

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

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

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
AUTHORIZING APPLICATIONS TO THE CALIFORNIA DEPARTMENT OF  
TRANSPORTATION AND EXECUTION OF AGREEMENTS  
FOR PUBLIC TRANSPORTATION, MODERNIZATION, IMPROVEMENT AND  
SERVICE ENHANCEMENT ACCOUNT FUNDS**

**WHEREAS**, California voters approved the Highway Safety, Traffic Reduction, Air quality, and Port Security Bond Act of 2006 (Bond Act) on November, 2006 as Proposition 1B; and

**WHEREAS**, the Bond Act and its enabling legislation in Senate Bill 88 created the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) with \$3.6 Billion to be funded by the sale of Bonds; and

**WHEREAS**, the State Controller's Office is authorized under Sections 8879.55 and 8879.56 of the Government Code to allocate PTMISEA funds to eligible regional transportation planning agencies and public transit operators; and

**WHEREAS**, in accordance with the Sections 99313 and 99314 et al of the Public Utilities Code, the Santa Cruz County Regional Transportation Commission and the Santa Cruz Metropolitan Transit District, respectively, are eligible recipients of State Transit Assistance (STA) funds and are therefore eligible recipients of PTMISEA Funds; and,

**WHEREAS**, PTMISEA funds are essential to completing MetroBase, the District's highest priority; and

**WHEREAS**, the Santa Cruz Metropolitan Transit District proposes to use all PTMISEA funds allocated under Sections 99313 and 99314 of the Public Utilities Code for MetroBase, a new Capital Project, in conformance with the PTMISEA Guidelines, the Santa Cruz Metropolitan Transit District's Financial Framework for Capital Budgets and the Regional Transportation Plan; and

**WHEREAS**, the Santa Cruz County Regional Transportation Commission concurs with passing-through its allocation of PTMISEA to Santa Cruz Metropolitan Transit District for the MetroBase project:

**NOW, THEREFORE, BE IT RESOLVED**, that the General Manager of the Santa Cruz Metropolitan Transit District is authorized to submit applications as the lead project sponsor for MetroBase completion and to execute all necessary agreements to obtain up to \$27,000,000 in PTMISEA funds estimated to be made available to the Santa Cruz County Regional Transportation Commission and to the Santa Cruz Metropolitan Transit District over the life of the Bond Act.

**PASSED AND ADOPTED** this 21st Day of December, 2007 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

**APPROVED** \_\_\_\_\_  
MARCELA TAVANTZIS  
Board Chair

**ATTEST** \_\_\_\_\_  
LESLIE R. WHITE  
General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
MARGARET GALLAGHER  
District Counsel

13.02

AGENDA: December 6, 2007

TO: Regional Transportation Commission (RTC)  
FROM: Rachel Moriconi, Senior Transportation Planner *RM*  
SUBJECT: Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account Funds for Santa Cruz Metropolitan Transit District (SCMTD)

---

## RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC):

1. Adopt a resolution (Attachment 2) programming and passing-through the Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account Funds designated for the Santa Cruz County region to the Santa Cruz Metropolitan Transit District (SCMTD).
- 

## BACKGROUND

On November 7, 2006, State voters approved Proposition 1B, authorizing \$19.9 billion in bonds for a variety of transportation programs. \$3.6 billion of the Proposition 1B funds are designated for the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) to be distributed by formula to transit agencies (Section 99314) and Regional Transportation Planning Agencies (Section 99313) based on fare box return and population. Santa Cruz County's share of these bond funds will be approximately \$27 million.

The Fiscal Year 2007/08 State Budget authorized the release of \$600 million of the \$3.6 billion. The amount available to Santa Cruz County this year is approximately \$4.4 million (Attachment 1). Apportionment of the balance of bond funds will be considered in subsequent state budgets. Only agencies who are eligible to receive State Transit Assistance (STA) funds may receive PTMISEA funds. SCMTD is the only agency in Santa Cruz County eligible to receive STA funds.

## DISCUSSION

In order to avoid duplicative administrative efforts and streamline the application process for the Proposition 1B PTMISEA funds, **staff recommends that the Regional Transportation Commission (RTC) approve a resolution (Attachment 2) programming and authorizing the State Controller and Caltrans to pass-through the RTC's portion of Proposition 1B PTMISEA funds (PUC Section 99313) directly to the Santa Cruz Metropolitan Transit District.**

According to the draft guidelines, these Proposition 1B funds can be used for capital projects or a

9-1

13.61

minimum operable segment of a project including:

1. Rehabilitation, safety or modernization improvements;
2. Capital service enhancements or expansions;
3. New capital projects;
4. Bus rapid transit improvements; or
5. Rolling stock (bus) procurement, rehabilitation or replacement.

As noted in the attached request letter, SCMTD intends to use the funds on the next phase of the MetroBase project (Attachment 3). Though the RTC will be signing over the 99313 funds to SCMTD, the RTC will be listed on SCMTD's application as a contributing project sponsor.

As of the writing of this staff report, Caltrans was still working with the State Controller's Office and state legislators to finalize the guidelines for these funds. In order to release funds to transit agencies as soon as possible, it is expected that applications will be due December 21, 2007.

### SUMMARY

Proposition 1B included \$3.6 billion for transit projects. Staff recommends that the RTC transfer responsibility for the portion of those funds designated for the RTC to the Santa Cruz Metropolitan Transit District.

- Attachments:
1. Letter from the State Controller Regarding Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) Funds
  2. Resolution Programming all Santa Cruz County PTMISEA Funds to SCMTD and Authorizing Passing the Funds Through to SCMTD
  2. Letter from SCMTD Requesting Pass-Through of PTMISEA Funds

\\Rtcserv1\shared\RTC\TC2007\TC1207\SCMIDProp1B.doc

9-2

13.62

Attachment 1



JOHN CHIANG  
California State Controller  
Division of Accounting and Reporting

October 24, 2007

COUNTY AUDITORS  
TRANSPORTATION PLANNING AGENCIES  
COUNTY TRANSPORTATION COMMISSIONS  
SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Re: Public Transportation Modernization, Improvement and Service Enhancement Account

Pursuant to Section 8879.55 of the Government Code (GC), the State Controller's Office (SCO) is required to provide a schedule of eligible entities and to calculate the amount of funds each is available to receive from the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) upon appropriation of the Legislature. Attached is a schedule that provides the amounts available from the 2007-08 fiscal year appropriation in the Budget Act of 2007.

GC Section 8879.55 requires that funds made available, upon appropriation of the Legislature, from the PTMISEA be allocated to agencies and transit operators eligible to receive State Transit Assistance funds pursuant to Sections 99313 and 99314 of the Public Utility Code (PUC). The SCO is providing a detailed schedule of the GC Section 8879.55(a)(3) eligible amounts for the entities eligible pursuant to PUC Section 99314. Since the detail for PUC Section 99313 allocations is not reported to the Controller's Office, the SCO is only able to provide eligible amounts for each county for GC Section 8879.55(a)(2). From the GC Section 8879.55(a)(2) eligible amount listed, the county transportation commissions will be responsible for calculating eligible amounts for each project sponsor under their authority.

The amount of funds for GC Section 8879.55 approved by the Governor in the State Budget for the 2007-08 fiscal year is \$600,000,00. The SCO will make allocations after receiving, on a biannual basis, a list of approved project sponsors eligible to receive an allocation from the account determined by the Department of Transportation pursuant to GC Section 8879.55(d).

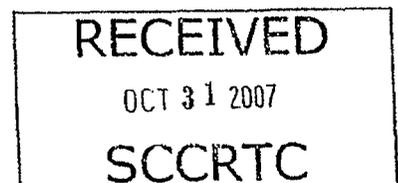
Any questions you have regarding the program stated in this letter should be directed to Mike Silvera of the Division of Accounting and Reporting at (916) 323-0704.

Sincerely,

KELLY MARTELL, Section Supervisor  
County Cost Plans and Local Apportionments Section

Enclosure

MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250  
STREET ADDRESS 3301 C Street, Suite 500, Sacramento, CA 95816



9-3

13.63

**STATE CONTROLLER'S OFFICE**  
**PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT**  
**GOVERNMENT CODE 8879.55 ELIGIBLE ALLOCATION - FISCAL YEAR 2007-2008**

| <u>Regional Entity</u> | <u>GC 8879.55(a)(2)<br/>Eligible Allocation</u> | <u>GC 8879.55(a)(3)<br/>Eligible Allocation</u> | <u>2007-2008<br/>Eligible Allocations</u> |
|------------------------|---|---|---|
| TRPA                   | \$ 709,328                                      | \$ 38,403                                       | \$ 747,731                                |
| MTC                    | 57,651,532                                      | 155,448,509                                     | 213,100,041                               |
| SACOG                  | 13,985,311                                      | 7,597,257                                       | 21,582,568                                |
| Alpine                 | 10,147  | 0   | 10,147                                    |
| Amador                 | 307,122   | 24,165  | 331,287                                   |
| Butte                  | 1,752,448                                       | 66,908  | 1,819,356                                 |
| Calaveras              | 366,880   | 0   | 366,880                                   |
| Colusa                 | 171,995   | 14,208  | 186,203                                   |
| Del Norte              | 235,400   | 0   | 235,400                                   |
| El Dorado              | 1,142,795                                       | 111,861   | 1,254,656                                 |
| Fresno                 | 7,232,920                                       | 984,553   | 8,217,473                                 |
| Glenn                  | 230,760   | 0   | 230,760                                   |
| Humboldt               | 1,070,659                                       | 171,991   | 1,242,650                                 |
| Imperial               | 1,333,071                                       | 0   | 1,333,071                                 |
| Inyo                   | 150,352   | 31,673  | 182,025                                   |
| Kern                   | 6,224,653                                       | 535,689   | 6,760,342                                 |
| Kings                  | 1,186,954                                       | 239,449   | 1,426,403                                 |
| Lake                   | 517,739   | 28,871  | 546,610                                   |
| Lassen                 | 287,048   | 14,439  | 301,487                                   |
| Los Angeles            | 82,953,903                                      | 100,120,285                                     | 183,074,188                               |
| Madera                 | 1,156,370                                       | 0   | 1,156,370                                 |
| Mariposa               | 146,831   | 1,659   | 148,490                                   |
| Mendocino              | 731,781   | 72,901  | 804,682                                   |
| Merced                 | 1,975,598                                       | 86,812  | 2,062,410                                 |
| Modoc                  | 79,382  | 0   | 79,382                                    |
| Mono                   | 110,170   | 0   | 110,170                                   |
| Monterey               | 3,444,136                                       | 581,064   | 4,025,200                                 |
| Nevada                 | 805,926   | 44,980  | 850,906                                   |
| Orange                 | 24,845,730                                      | 10,351,765                                      | 35,197,495                                |
| Placer                 | 2,088,561                                       | 208,322   | 2,296,883                                 |
| Plumas                 | 173,275   | 0   | 173,275                                   |
| Riverside              | 15,534,581                                      | 2,311,679                                       | 17,846,260                                |
| San Benito             | 467,009   | 0   | 467,009                                   |
| San Bernardino         | 15,973,969                                      | 3,099,210                                       | 19,073,179                                |
| SANDAG                 | 6,166,880                                       | 2,436,045                                       | 8,602,925                                 |
| San Diego MTDB         | 18,639,571                                      | 9,148,356                                       | 27,787,927                                |
| San Joaquin            | 5,357,565                                       | 1,310,543                                       | 6,668,108                                 |
| San Luis Obispo        | 2,126,415                                       | 347,924   | 2,474,339                                 |
| Santa Barbara          | 3,409,980                                       | 920,389   | 4,330,369                                 |
| Santa Cruz             | 2,122,873                                       | 2,281,146                                       | 4,404,019                                 |
| Shasta                 | 1,460,904                                       | 74,344  | 1,535,248                                 |
| Sierra                 | 28,493  | 0   | 28,493                                    |
| Siskiyou               | 372,528   | 16,715  | 389,243                                   |
| Stanislaus             | 4,133,296                                       | 294,078   | 4,427,374                                 |
| Tehama                 | 493,732   | 0   | 493,732                                   |
| Trinity                | 112,723   | 2,315   | 115,038                                   |
| Tulare                 | 3,369,696                                       | 153,522   | 3,523,218                                 |
| Tuolumne               | 471,595   | 0   | 471,595                                   |
| Ventura                | 6,609,186                                       | 757,743   | 7,366,929                                 |
| State Totals           | <u>\$ 299,929,773</u>                           | <u>\$ 299,929,773</u>                           | <u>\$ 599,859,546</u>                     |

9-4

13.64

RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission  
on the date of December 6, 2007  
on the motion of Commissioner  
duly seconded by Commissioner

A RESOLUTION PASSING PROPOSITION 1B PUBLIC TRANSPORTATION  
MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT  
FUNDS TO THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

WHEREAS, Proposition 1B, approved by the voters of California in November 2007, designated \$3.6 billion in bonds for the Public Transportation Modernization, Improvement and Service Enhancement Account (Proposition 1B Transit funds);

WHEREAS, the Proposition 1B Transit funds are available to agencies and transit operators eligible to receive State Transit Assistance funds pursuant to Sections 99313 and 99314 of the Public Utility Code (PUC);

WHEREAS, the Santa Cruz County Regional Transportation Commission is responsible for allocating the Proposition 1B PUC Section 99313 funds in Santa Cruz County;

WHEREAS, the Santa Cruz Metropolitan Transit District (SCMTD) as an operator of a public transportation system is eligible to receive these Proposition 1B funds; and

WHEREAS, SCMTD's proposed expenditures are consistent with the Regional Transportation Plan; and

WHEREAS, the SCMTD intends to use both the Section 99313 and Section 99314 funds on the same project and significant efficiencies can be realized by passing through the SCCRTC share of Proposition 1B Transit funds directly to the SCMTD;

BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION THAT:

1. The entire allocation of Proposition 1B Transit funds for Santa Cruz County are hereby programmed to SCMTD;
2. The State Controller and Caltrans are hereby requested to pass-through the SCCRTC's share of Proposition 1B Transit funds, PUC Section 99313, directly to SCMTD;
3. The Executive Director is hereby authorized to sign agreements with Santa Cruz Metropolitan Transit District, Caltrans, the State Controller, and other agencies as may be necessary for the transfer of the region's share of Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account funds directly to Santa Cruz Metropolitan Transit District.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS

ABSENT: COMMISSIONERS

---

Tony Campos, Chair

ATTEST:

---

George Dondero, Secretary

Distribution: Tom Hiltner, SCMTD

RTC Programming

\\Rtcserv1\shared\RESOLUTION\2007\RES1207\Prop1.Btransitres.doc

9-6

13.66

*Santa Cruz Metropolitan  
Transit District*



November 27, 2007

Mr. George Dondero, Executive Director  
Santa Cruz County  
Regional Transportation Commission  
1523 Pacific Avenue  
Santa Cruz, CA 95060-3911

**RE: Request Pass Through of PTMISEA Funds for MetroBase**

Dear George:

By this letter, I request that the SCCRTC program and pass-through to METRO its share of FY 2007-08 revenue available from the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) of the Proposition 1B Bond Act. In accordance with Government Code Section 8879.55, the State Controller's Office has identified Santa Cruz METRO and the Santa Cruz County Regional Transportation Commission as eligible recipients of PTMISEA funds for Santa Cruz County. The State Controller's Office will allocate funds to the SCCRTC and to Santa Cruz METRO in the same proportion that STA funds are allocated under Public Utilities Code 99313 and 99314, respectively.

Santa Cruz METRO's highest priority continues to be completion of MetroBase. In accordance with the 5-year financial plan adopted by the Board on November 16, 2007, METRO anticipates using all PTMISEA revenue available to Santa Cruz County for construction of the new MetroBase Operations facility on River Street. Programming anticipated revenue from Proposition 1B will enable MetroBase completion. Currently, the new Bus Service and Washing facility and the Maintenance facility are under construction.

With the concurrence of the SCCRTC, METRO intends to submit a FY 2007-08 PTMISEA application as the Lead Project Sponsor showing the SCCRTC as a contributing sponsor. According to the calculations within Government Code 8879.55, the PTMISEA allocation to METRO will be approximately \$2.3 Million, with approximately \$2.1 Million allocated to the SCCRTC. If the SCCRTC concurs with combining and programming the funds from both agencies to fund MetroBase construction, please prepare a letter authorizing this programming and verifying the amount when the State Controller's Office provides the final allocation numbers

9-7

13.67

**FY 2007/08 PTMISEA Allocation Estimate**

| <b>Project<br/>Description</b> | <b>METRO<br/>PUC 99314</b> | <b>SCCRTC<br/>PUC 99313</b> | <b>TOTAL</b>  |
|--------------------------------|----------------------------|-----------------------------|---------------|
| MetroBase Operations Facility  | \$2.3 Million              | \$2.1 Million               | \$4.4 Million |

In order to establish SCCRTC's authorization and verification, I would appreciate the SCCRTC's consideration of METRO's requested programming at its next meeting. Santa Cruz METRO staff will prepare and submit an application for the FY 2007-2008 PTMISEA allocation by December 14 deadline stated in the current PTMISEA Guidelines, although this date may be postponed.

Santa Cruz METRO depends upon the full allocation of PTMISEA funds to complete MetroBase. Thank you for your consideration in programming the County's share of PTMISEA funds to constructing the MetroBase Operating facility. Please call me if you have questions or need other information.

Sincerely,



LESLIE R. WHITE  
General Manager

9-8

13.68

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 21, 2007

**TO:** Board of Directors

**FROM:** Leslie R. White, General Manager

**SUBJECT: CONSIDERATION OF AUTHORIZING THE CHAIR OF THE BOARD OF DIRECTORS TO TRANSMIT LETTERS OF APPRECIATION TO METRO REPRESENTATIVES AND AFFILIATES WHO SERVED ON THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S TRANSPORTATION FUNDING TASK FORCE.**

## I. RECOMMENDED ACTION

**That the Board of Directors authorize the Chair to transmit letters of appreciation to METRO representatives and affiliates who served on the SCCRTC TFTF.**

## II. SUMMARY OF ISSUES

- On November 14, 2007 the Santa Cruz County Regional Transportation Funding Task Force (TFTF) concluded the work of developing a financing plan for major transportation projects in Santa Cruz County.
- The TFTF met numerous times over a period of twenty-six months.
- The Members of the TFTF developed a plan that was authorized by a 2/3rds vote to be submitted to the SCCRTC.
- The SCCRTC will evaluate the components of the recommended plan to determine if it should be placed before the voters in 2008.
- The Members of the TFTF devoted long hours to gathering information and developing a consensus based program for recommendation to the SCCRTC.
- Directors Pat Spence and Kirby Nicol as well as Metro Advisory Committee Member Paul Marcelin-Sampson directly represented METRO on the TFTF.
- In addition to direct representation METRO also benefited from the participation of individuals affiliated with METRO, but appointed by other agencies including: Directors Jan Beautz, Dene Bustichi, and Emily Reilly. Additionally METRO benefited from the participation of United Transportation Union Local 23 Chair Bonnie Morr. The TFTF also received staff assistance from Ian McFadden and Mark Dorfman.
- The recognition by the TFTF of the value of public transit in the community and of the synergy and dependence of all modes to each other resulted in the inclusion in

14.1

funding for public transit services in all of the various plans that were evaluated. This was a direct result of the participation of the individuals named in this Staff Report.

- Staff recommends that the Board of Directors authorize the Chair to transmit formal Letters of Appreciation to the METRO representatives and affiliates, as well as staff members that participated in the TFTF.

### **III. DISCUSSION**

On November 14, 2007 the Santa Cruz County Regional Transportation Funding Task Force (TFTF) concluded the work of developing a financing plan for major transportation projects in Santa Cruz County. The TFTF met numerous times over a period of twenty-six months. The Members of the TFTF developed a plan that was authorized by a 2/3rds vote to be submitted to the SCCRTC. The Members of the TFTF devoted long hours to gathering information and developing a consensus based program for recommendation to the SCCRTC.

METRO was directly represented on the TFTF by Directors Pat Spence and Kirby Nicol as well as Metro Advisory Committee Member Paul Marcelin-Sampson. In addition to direct representation, METRO also benefited from the participation of individuals affiliated with METRO, but appointed by other agencies including: Directors Jan Beautz, Dene Bustichi, and Emily Reilly. Additionally METRO benefited from the participation of United Transportation Union Local 23 Chair Bonnie Morr. The TFTF also received staff assistance from Ian McFadden and Mark Dorfman.

The recognition by the TFTF of the value of public transit in the community and of the synergy and dependence of all modes to each other resulted in the inclusion in funding for public transit services in all of the various plans that were evaluated. This was a direct result of the participation of the individuals named in this Staff Report. Therefore, staff recommends that the Board of Directors authorize the Chair to transmit formal Letters of Appreciation to the METRO representatives and affiliates, as well as staff members that participated in the TFTF.

### **IV. FINANCIAL CONSIDERATIONS**

The approval to transmit letters of appreciation to individuals who participated in the SCCRTC TFTF will not have an adverse impact on the 2007/2008 METRO Operating Budget.

### **V. ATTACHMENTS**

None

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 14, 2007

**TO:** Board of Directors

**FROM:** Tom Stickel, Manager of Maintenance

**SUBJECT:** REQUEST AUTHORIZATION TO USE THE STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES CONTRACT FOR THE PURCHASE OF ONE EACH HYBRID-ELECTRIC UTILITY VEHICLE, ONE EACH HYBRID-ELECTRIC SEDAN, TWO EACH HALF TON PICKUP TRUCKS AND TWO EACH UTILITY BODY TRUCKS.

## ACTION REQUESTED AT THE DECEMBER 14, 2007 BOARD MEETING

### I. RECOMMENDED ACTION

**District staff is recommending that the Board of Directors authorize the General Manager to use the State of California, Department of General Services contracts for the purchase of one each hybrid-electric utility vehicle from Hoblit Motors, Inc., one each hybrid-electric sedan from Cardinale Way Toyota, two each half ton pickup trucks from Downtown Ford Sales, and two each utility body trucks from Folsom Lake Ford.**

### II. SUMMARY OF ISSUES

- The District has funding for the purchase of one vehicle to replace an aging transit supervisor vehicle in the District's fleet, one hybrid sedan for Administration, two facility body trucks, and two pickups for Fleet.
- The State of California, Department of General Services has issued cooperative vehicle procurement contracts for the purchase of these vehicles.
- The Federal Circular that governs procurement for federally funded purchases encourages joint purchasing agreements.
- The District requests the use State of California vehicle contracts for these procurements as a means of streamlining the procurement process.
- Factory order cutoff date for the purchase of the Ford Escape Hybrid Sport Utility Vehicle is December 15, 2007.
- District staff recommends that the Board of Directors authorize the General Manager to use the State of California, Department of General Services contract for the purchase of one each Ford Escape Hybrid utility vehicle from Hoblit Motors, Inc., one each hybrid-electric sedan from Cardinale Way Toyota, two each half ton pickup trucks from Downtown Ford Sales, and two each utility body trucks from Folsom Lake Ford.

15.1

### **III. DISCUSSION**

Vehicles assigned to Transit Supervisors are vehicles that are used approximately 20 hours a day, seven days a week. These vehicles must be sturdy to withstand the various road conditions throughout the County under all types of weather conditions. In January of 2001, the District's Board of Directors approved a standard for transit supervisor vehicles. In July of 2003, a Transit Supervisor driving a Ford Explorer was broad-sided by a negligent driver who had failed to stop at a red light. The Transit Supervisor was saved from severe bodily injury if not a fatality by the side impact beam of the utility vehicle.

The District has funding for the purchase of one each supervisor vehicle, one hybrid sedan for Administration, two facility body trucks, and two pickups for Fleet. Each year the State of California prepares bids for vehicles, trucks, vans and utility vehicles. The resulting cooperative purchasing contracts allow smaller public agencies to purchase vehicles based on statewide government agency requirements. This process allows for better pricing than the District would normally obtain due to the greater quantities requested in the state bid. The State of California has also issued a cooperative purchase contract for Hybrid Vehicles for the 2008 model year. This contract offers a Ford Escape Hybrid utility vehicle for purchase by government agencies. Unfortunately the factory order cutoff date is very short due to the expected high demand for this hybrid vehicle by government agencies.

The FTA encourages grant recipients to utilize cooperative purchasing agreements whenever it is practical as a means of saving money. The State of California charges a contract usage fee of 1.98 % based on the purchase order total before tax or any offered cash discounts with a maximum charge of \$7,500.

It is recommended that the Board authorize the General Manager to use the State Procurement Process for the purchase of one each Ford Escape Hybrid utility vehicle from Hoblit Motors, Inc. for a total amount not to exceed \$ 28,000, one each Toyota Prius hybrid-electric sedan from Cardinale Way Toyota for a total amount not to exceed \$ 27,000, two each half ton pickup trucks from Downtown Ford Sales for a total amount not to exceed \$ 34,700, and two each utility body trucks from Folsom Lake Ford for a total amount not to exceed \$ 58,000.

### **IV. FINANCIAL CONSIDERATIONS**

Funding for these purchases are contained in the Capital Improvement Program under District Funded Projects.

### **V. ATTACHMENTS**

**Attachment A:** State contract cost summaries for all vehicles with options required.

|  |                     |
|--|---------------------|
| <b>Ford Escape Hybrid SUV</b>                                  |                     |
| Unit Price   | \$ 23,492.00        |
| Sales Tax @ 8.5%   | \$ 1,996.82         |
| Tire Fee \$1.75 x 5  | \$ 8.75             |
| Approximate Delivery Charge                                    | \$ 120.00           |
| Total  | \$ 25,617.57        |
| State Contract Fee 1.98%/vehicle                               | \$ 465.14           |
| Total  | \$ 26,082.71        |
| <b>Extended Warranties</b>                                     |                     |
| Premium Care 6 yr/100K miles bumper to bumper, zero deductible | \$ 1,886.50         |
| <b>Total Procurement Cost from State Contract</b>              | <b>\$ 27,969.21</b> |

15.01

| <b>State Contract Pricing for one each Toyota Prius</b>        |                     |
|--|---------------------|
| Unit Price   | \$ 22,620.00        |
| Sales Tax @ 8.5%   | \$ 1,922.70         |
| Tire Fee \$1.75 x 5  | \$ 8.75             |
| Approximate Delivery Charge                                    | \$ 100.00           |
| <b>Total</b>   | <b>\$ 24,651.45</b> |
| State Contract Fee 1.98%/vehicle                               | \$ 447.88           |
| <b>Total</b>   | <b>\$ 25,099.33</b> |
| <b>Extended Warranty</b>                                       |                     |
| Premium Care 5 yr/100K miles bumper to bumper, zero deductible | \$ 1,450.00         |
| <b>Total Procurement Cost from State Contract</b>              | <b>\$ 26,549.33</b> |

15.02

| <b>State Contract Pricing for two each Ford F150 1/2 Ton Trucks</b> |                     |
|---|---------------------|
| Unit Price  | \$ 13,260.00        |
| Option: Vinyl Seat  | \$ 70.00            |
| Option: Trailer Tow Package   | \$ 320.00           |
| Subtotal  | \$ 13,650.00        |
| Sales Tax @ 8.5%  | \$ 1,160.25         |
| Tire Fee \$1.75 x 5   | \$ 8.75             |
| Approximate Delivery Charge   | \$ 150.00           |
| Total   | \$ 14,969.00        |
| State Contract Fee 1.98%/vehicle                                    | \$ 270.27           |
| Total Unit Price  | \$ 15,239.27        |
| <b>Extended Warranty</b>  |                     |
| Premium Care 6 yr/100K miles bumper to bumper, zero deductible      | \$ 2,090.00         |
| Total Unit Procurement Cost from State Contract                     | \$ 17,329.27        |
| <b>Total Procurement Cost from State Contract for 2 Units</b>       | <b>\$ 34,658.54</b> |

15.a3

| <b>State Contract Pricing for two each Ford F250 Utility Body Trucks</b> |                     |
|--|---------------------|
| Unit Price   | \$ 24,083.50        |
| Option: LED Light Kit  | included            |
| Option: 2 Tie Down D rings   | included            |
| Option: Forklift Loadable Material Rack                                  | included            |
| Option: Low Sliding Roof   | included            |
| Option: Trailer Tow Package  | included            |
| Subtotal   | \$ 24,083.50        |
| Sales Tax @ 8.5%   | \$ 2,047.10         |
| Tire Fee \$1.75 x 5  | \$ 8.75             |
| Approximate Delivery Charge  | \$ 150.00           |
| Total  | \$ 26,289.35        |
| State Contract Fee 1.98%/vehicle   | \$ 476.85           |
| Total Unit Price   | \$ 26,766.20        |
| <b>Extended Warranty</b>   |                     |
| Base Care 6 yr/100K miles \$50 deductible                                | \$ 1,760.00         |
| Total Unit Procurement Cost from State Contract                          | \$ 28,526.20        |
| <b>Total Procurement Cost from State Contract for 2 Units</b>            | <b>\$ 57,052.40</b> |

15.a4

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** December 14, 2007

**TO:** Board of Directors

**FROM:** Tom Stickel, Manager of Maintenance

**SUBJECT:** CONSIDERATION OF AMENDMENT TO CONTRACT FOR  
CONSTRUCTION OF A BUS TURNAROUND AT CHINA GRADE AND  
HWY 236 WITH GRANITE CONSTRUCTION COMPANY

## ACTION REQUESTED AT THE DECEMBER 14, 2007 BOARD MEETING

### I. RECOMMENDED ACTION

**METRO Staff recommends that the Board of Directors authorize the General Manager to execute a contract amendment for construction of a bus turnaround at China Grade and Highway 236 with Granite Construction Company to allow for Contractor compensation of Caltrans double permit requirement and for compensation to provide Caltrans with a Water Pollution Control Plan (WPCP) for this project.**

### II. SUMMARY OF ISSUES

- On October 12, 2007, METRO's Board of Directors approved a contract for the construction of a bus turnaround at China Grade and HWY 236 with Granite Construction Company, Inc. for an amount not to exceed \$ 105,105.
- Upon Contractor's review of a copy of the Caltrans encroachment permit that METRO had obtained, it was noted that there was a double permit requirement for the Contractor to deposit \$1,107 with Caltrans to compensate the State for the estimated time needed to inspect that portion of construction within the State's right of way. The permit also requires a WPCP plan from the contractor.
- Contractor was not aware of these requirements during the bid process and did not account for this additional expense.
- METRO staff is recommending that a amendment to the contract be processed to allow for reimbursement to Contractor of \$1,757 for double permit requirements and preparation of WPCP plan as required by the Caltrans encroachment permit.

### III. DISCUSSION

METRO issued a fixed-price contract for the construction of a bus turnaround at China Grade and Highway 236 with Granite Construction Company on October 12, 2007. Upon review of the encroachment permit issued to METRO by Caltrans, contractor noticed that there was a double permit requirement of the contractor to deposit \$1,107 to compensate the State for the estimated time needed to inspect that portion of construction within the State's right of way. The permit

16.1

also requires a WPCP plan from the contractor. The additional cost for a WPCP plan is \$650. These additional requirements were not provided to the contractor during the bidding process.

METRO staff is recommending that a contract amendment be processed with Granite Construction Company to allow Contractor reimbursement of \$1,757 for double permit fees and preparation of a WPCP plan as required on the Caltrans encroachment permit. The new contract total will not exceed \$106,682.

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

Additional funding for this contract amendment is contained in the FY08 Capital Improvement Program under Facilities Repair & Improvements

#### **V. ATTACHMENTS**

**Attachment A:** Contract Amendment with Granite Construction Company

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
FIRST AMENDMENT TO CONTRACT NO. 08-07  
FOR CONSTRUCTION OF A BUS TURNAROUND AT CHINA GRADE AND HWY 236**

This First Amendment to Contract No. 08-07 for construction of a bus turnaround at China Grade at Hwy 236 and related site work is made effective December 14, 2007 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District") and GRANITE CONSTRUCTION COMPANY. ("Contractor").

**I. RECITALS**

- 1.1 District and Contractor entered into a Contract for construction of a bus turnaround at China Grade at Hwy 236 and related site work ("Contract") on October 24, 2007.
- 1.2 Contractor requests reimbursement for double permit requirements on Caltrans encroachment permit.
- 1.3 Contractor requests reimbursement for preparation of a Water Pollution Control Plan as required on Caltrans encroachment permit.

Therefore, District and Contractor amend the Contract as follows:

**II. COMPENSATION**

- 2.1 Article 5.01 Terms of Payment is amended to include the following language:

District will reimburse Contractor \$1,107 for double permit requirements on Caltrans encroachment permit. District will reimburse Contractor \$650 for preparation of Water Pollution Control Plan as required on Caltrans encroachment permit. New contract total not to exceed \$106,862.

**III. REMAINING TERMS AND CONDITIONS**

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

**IV. AUTHORITY**

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

SIGNATURES ON NEXT PAGE

16.21

Signed on \_\_\_\_\_

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR  
GRANITE CONSTRUCTION COMPANY

By \_\_\_\_\_  
Jigisha Desai,  
Vice President

Approved as to Form:

\_\_\_\_\_  
Margaret R. Gallagher  
District Counsel

16.2 AZ