



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
BOARD OF DIRECTORS AGENDA  
REGULAR MEETING**

**JANUARY 28, 2022 – 9:00 AM**

**DUE TO COVID-19, THE JANUARY 28, 2022 SANTA CRUZ METRO BOARD OF DIRECTORS MEETING WILL BE CONDUCTED VIA TELECONFERENCE ONLY (NO PHYSICAL LOCATION) PURSUANT TO ASSEMBLY BILL 361 (GOVERNMENT CODE SECTION 54953)**

**MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON**

The public may participate remotely via the Zoom website [at this link](#) and following the instructions or by calling 1-669-900-6833. Meeting ID 845 4214 1877.

Members of the public are encouraged to participate remotely. Public comments may be submitted via email to [boardinquiries@scmttd.com](mailto:boardinquiries@scmttd.com). Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in the Board's correspondence that is posted online at the board meeting packet link. Oral public comments will also be accepted during the meeting through Zoom. Should Zoom not be operational, please check online at: [www.scmttd.com](http://www.scmttd.com) for any updates or further instruction.

The Board of Directors Meeting Agenda Packet can be found online at [www.scmttd.com](http://www.scmttd.com).

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

**BOARD ROSTER**

Director Jimmy Dutra	City of Watsonville
Director Shebreh Kalantari-Johnson	City of Santa Cruz
Director Manu Koenig	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Bruce McPherson	County of Santa Cruz
Director Donna Meyers	City of Santa Cruz
Director – Vacant	City of Watsonville
Director Larry Pageler	County of Santa Cruz
Director Kristen Petersen	City of Capitola
Director – Vacant	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Dan Henderson	UC Santa Cruz
Ex-Officio Director Alta Northcutt	Cabrillo College
Dawn Crummié	METRO Interim CEO/General Manager
Julie Sherman	METRO General Counsel

**TITLE 6 – INTERPREATION SERVICES / TÍTULO 6 – SERVICIOS DE TRADUCCIÓN**

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

## **SECTION 1: OPEN SESSION**

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

- 1 CALL TO ORDER**
- 2 SWEAR IN NEW DIRECTORS**
- 3 ROLL CALL**
- 4 ANNOUNCEMENTS**
  - 4.1 Today's meeting is being broadcast by Community Television of Santa Cruz County.
- 5 BOARD OFFICERS AND COMMITTEE ASSIGNMENTS**

Donna Lind, Board Chair
- 6 BOARD OF DIRECTORS COMMENTS**
- 7 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**
  - 7.1 December 19, 2021 email from Brian Peoples, Trail Now, "Mike Rotkin Disrespect to County Staff" with Director Rotkin's response
  - 7.2 January 1, 2022 email from Brian Peoples, Trail Now, "Update County Master Plan and Railbank / Build Interim Coastal Trail"
  - 7.3 January 1, 2022 email from Peter Stanger, "Update County Master Plan and Railbank / Build Interim Coastal Trail"
- 8 LABOR ORGANIZATION COMMUNICATIONS**
- 9 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

## **CONSENT AGENDA**

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

- 10.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTHS OF NOVEMBER AND DECEMBER 2021**

Chuck Farmer, CFO
- 10.2 ACCEPT AND FILE: MINUTES FROM DECEMBER 10, 2021 AND DECEMBER 17, 2021 BOARD OF DIRECTORS SPECIAL MEETINGS, JANUARY 14, 2022 FINANCE, BUDGET, & AUDIT STANDING COMMITTEE, AND JANUARY 14, 2022 PERSONNEL/HR STANDING COMMITTEE**

Dawn Crummié, Interim CEO/General Manager
- 10.3 ACCEPT AND FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF DECEMBER 31, 2021**

Chuck Farmer, CFO

- 10.4 ACCEPT AND FILE: ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2021**  
Chuck Farmer, CFO
- 10.5 ACCEPT AND FILE: SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**  
John Urgo, Planning & Development Director
- 10.6 ACCEPT AND FILE: THE QUARTERLY PROCUREMENT REPORT FOR 3<sup>RD</sup> QUARTER OF FY22**  
Carolee Curtin, Interim Purchasing Manager
- 10.7 APPROVE: CONSIDERATION OF AUTHORIZING THE BOARD CHAIR TO SEND A LETTER TO STATE LEGISLATIVE REPRESENTATIVES IN SUPPORT OF COLLECTING NON-TAX TRANSIT FEES ON SPECIFIC PROPERTIES DEFINED BY THE COUNTY OF SANTA CRUZ**  
John Urgo, Planning & Development Director
- 10.8 APPROVE: CONSIDERATION OF RESOLUTION APPROVING THE FY22 REVISED CAPITAL BUDGET/PORTFOLIO**  
Chuck Farmer, CFO
- 10.9 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS**  
Curtis Moses, Safety, Security & Risk Management Director
- 10.10 APPROVE: REVIEW REQUEST FOR AUTHORIZATION AND FUNDING OF AN HR ANALYST I POSITION**  
Dawn Crummié, HR Director
- 10.11 APPROVE: DISCLOSURE POLICY AND PROCEDURES**  
Chuck Farmer, CFO
- 10.12 APPROVE: CONSIDERATION OF ISSUING PURCHASE ORDER TO GMV SYNCROMATICS FOR CONTINUATION OF INTELLIGENT TRANSPORTATION SYSTEM SUPPORT**  
Isaac Holly, IT and ITS Director
- 10.13 APPROVE: CONSIDERATION OF A RESOLUTION MAKING CERTAIN FINDINGS AND DIRECTING THAT THE BOARD AND ITS COMMITTEE MEETINGS WILL CONTINUE TO BE HELD VIA TELECONFERENCE**  
Dawn Crummié, Interim CEO/General Manager

#### **REGULAR AGENDA**

- 11 AUTHORIZING SALES TAX REVENUE BONDS (MEASURE G), SERIES 2022 (FEDERALLY TAXABLE) TO REFINANCE THE DISTRICT'S CALPERS UAL AND APPROVAL OF RELATED LEGAL AND DISCLOSURE DOCUMENTS**  
Chuck Farmer, CFO

- 12 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS: (10 YEARS: RON BUSHNELL, BLANCA EUSSE-VALDEZ, HOWARD JAMES, ELIZABETH THOMPSON, LYLE TOLINE, EDGARDO VILLALOBOS, AND STEFAN WOLICZKO); (15 YEARS: H.D. BROWN, ANTONIO CASTILLO, EFREN ESCAMILLA, PEGGY FLECHTNER, LEONEL HERRERA, HUNG C. LEE, AND TODD PINSKY); AND (20 YEARS: MARIO ARELLANO, JON BARTHOLOMEW, RHONDA CARTER, HARLAN GLATT, AND DELVIS SEDA)**  
Donna Lind, Board Chair
- 13 RETIREE RESOLUTIONS OF APPRECIATION: DENNIS BALDWIN, ALEX CLIFFORD, GEORGE FELDER, MELODY MARTIN AND GINA PYE**  
Donna Lind, Board Chair
- 14 PROCLAMATION OF APPRECIATION IN HONOR OF ALEX CLIFFORD**  
Donna Lind, Board Chair
- 15 METRO ADVISORY COMMITTEE (MAC) SEMI-ANNUAL ORAL UPDATE**  
James Von Hendy, MAC Chair
- 16 RATIFICATION OF ENGAGEMENT LETTER WITH INTERIM CEO**  
Donna Lind, Board Chair
- 17 INTERIM CEO ORAL REPORT / COVID-19 UPDATE**  
Dawn Crummié, Interim CEO/General Manager
- 18 ANNOUNCEMENT OF NEXT REGULAR BOARD MEETING: FRIDAY, FEBRUARY 25, 2022 AT 9:00 AM VIA TELECONFERENCE**  
Donna Lind, Board Chair
- 19 ADJOURNMENT**  
Donna Lind, Board Chair

**Accessibility for Individuals with Disabilities**

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**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Donna Lind, Chair  
**SUBJECT:** BOARD OFFICERS AND COMMITTEE ASSIGNMENTS

**I. RECOMMENDED ACTION**

- 1) That the Board of Directors Nominate Directors to the following positions:**
  - A. Santa Cruz Metropolitan Transit District (METRO) Board Chair and Vice Chair;**
  - B. Vacant Director Positions on various METRO Board Standing Committees;**
  - C. Two Director Positions on the Santa Cruz Civic Improvement Corporation (SCCIC) Board; and,**
  - D. Representatives and Alternates for the Santa Cruz County Regional Transportation Commission (SCCRTC)**

**II. SUMMARY**

- Article 6 of the Santa Cruz Metropolitan Transit District (METRO) Bylaws provides that the Board of Directors shall annually nominate individuals to the positions of Chair and Vice Chair.
- In 2021, the Board of Directors nominated individuals to stand for election to the Standing Committee positions referenced in this staff report.
- Article III, Section 3.03 of the Santa Cruz Civic Improvement Corporation (SCCIC) Bylaws provides that the Board of Directors shall appoint METRO Directors to the SCCIC Board.
- In order to maintain representation on the Santa Cruz County Regional Transportation Commission (SCCRTC), it is necessary that the Board of Directors elect individuals to the three positions and three alternate positions that are designated for METRO Board Members.
- Elections for the positions referenced in this Staff Report are scheduled to be held at the beginning of the February 25, 2022 Board of Directors meeting.

### III. DISCUSSION/BACKGROUND

The terms of the officers and appointees of the Board of Directors in the positions of Chair, Vice Chair and SCCRTC appointees expire in February 2022. One of the five SCCIC Directors' terms is set to expire in February 2022 and the second seat has been vacated, leaving a one-year term remaining.

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

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

Staff recommends that the METRO Board of Directors appoint METRO Directors to serve on the SCCIC Board. At this time, two appointees are needed. One of the positions has been vacated and one is expiring. The Director filling the expiring position will hold the office for a term of two years while the other Director will complete the remaining year of the vacated term expiring in 2023.

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

Staff recommends that the Board of Directors:

Provide slates for CY 2022 to:

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

In accordance with the METRO bylaws, nominations remain open until the positions are filled through election. The election for the referenced positions is scheduled to be held on February 25, 2022.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

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

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

Funding support for the positions identified in this Staff Report is contained under Admin in the FY22 and FY23 Final Budget adopted June 25, 2021 and in the FY23 and FY24 budget yet to be finalized.

#### **VI. CHANGES FROM COMMITTEE**

N/A

#### **VII. ALTERNATIVES CONSIDERED**

None.

#### **VIII. ATTACHMENTS**

**Attachment A:** Current METRO Board Officers and Appointees

**Attachment B:** Current SCCIC Board Roster

**Attachment C:** Board Nominated Slate(s) Worksheet

Prepared by: Donna Bauer, Executive Assistant

**IX. APPROVALS**

Approved as to fiscal impact:  
Chuck Farmer, CFO



Dawn Crummié,  
Interim CEO/General Manager



# Attachment A



## 2021 Other Committees

### SCCIC Representatives

MANU KOENIG  
BRUCE McPHERSON  
DONNA MEYERS  
ALTA NORTHCUTT\*\*\*  
LARRY PAGELER

### SCCRTC Representatives

ALTA NORTHCUTT\*\*\*  
KRISTEN PETERSEN  
MIKE ROTKIN

### SCCRTC Alternates (in order)

SHEBREH KALANTARI-JOHNSON  
LARRY PAGELER  
DONNA LIND

## 2020 / 2021 Ad Hoc Committees

### CEO Goals and Objectives Ad Hoc Committee

*Committee Established 5/19/17*

DONNA LIND\*\*  
BRUCE McPHERSON\*\*  
MIKE ROTKIN\*\*

### Legislative Ad Hoc Committee

*Committee Established 2/23/18*

ED BOTTORFF  
JOHN LEOPOLD  
CYNTHIA MATHEWS  
BRUCE McPHERSON  
MIKE ROTKIN

### MAC Ad Hoc Committee

*Committee Established 3/24/17*

\*\*\*\*SHEBREH KALANTARI-JOHNSON  
\*\*\*\*BRUCE McPHERSON  
\*\*\*\*LARRY PAGELER  
\*\*\*\*MIKE ROTKIN

2/26/2021 Approved at METRO Board Meeting

\*\*Appointed by Chair Lind March 2021

\*\*\*10/22/21 Approved at METRO Board Meeting

\*\*\*\*Appointed by Chair Lind September 2021

Attachment A

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



**2021 Chair, Vice Chair and Standing Committees**

Chair

DONNA LIND

Vice Chair

BRUCE McPHERSON

Capital Projects Standing Committee

*Committee Established 8/26/16*

DONNA MEYERS

BRUCE McPHERSON

LARRY PAGELER

Finance, Budget and Audit Standing Committee

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

*Committee Established 8/26/16*

SHEBREH KALANTARI-JOHNSON

MANU KOENIG\*\*

DONNA LIND

MIKE ROTKIN

Personnel/Human Resources Standing Committee

*Committee Established 8/26/16*

DONNA LIND, Current Chair

BRUCE McPHERSON, Current Vice Chair

MIKE ROTKIN, Immediate Past Chair

JIMMY DUTRA\*\*

KRISTEN PETERSEN

# Attachment B



## SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCIC)

### BOARD OF DIRECTORS 2021 - 2023

	YEAR TERM BEGAN	YEAR TERM ENDS
<b>Bruce McPherson, President</b>	2021	2023
<b>Alta Northcutt, Vice President*</b>	2021	2023
<b>Manu Koenig, Secretary</b>	2021	2023
<b>Donna Meyers, Treasurer</b>	2021	2022
<b>Larry Pageler, Director</b>	2021	2023

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Alex Clifford, Chief Executive Officer

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

*\*October 22, 2021: Director Alta Northcutt was appointed by Chair Donna Lind to fill the Vice President seat vacated by the resignation of Director Aurelio Gonzalez in September 2021.*

# BOARD OFFICERS AND APPOINTMENTS



## Elect Board Chair (2021: Donna Lind)

Nominee:

Nominated by:

1. Larry Pageler

Donna Lind

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

4. \_\_\_\_\_

\_\_\_\_\_

*SLATE 1*

*SLATE 2*

*SLATE 3*

*SLATE 4*



# BOARD OFFICERS AND APPOINTMENTS

## Elect Board Vice Chair (2021: Bruce McPherson)

*SLATE 1*

Nominee:

Nominated by:

1. Bruce McPherson

Donna Lind

*SLATE 2*

2. \_\_\_\_\_

\_\_\_\_\_

*SLATE 3*

3. \_\_\_\_\_

\_\_\_\_\_

*SLATE 4*

4. \_\_\_\_\_

\_\_\_\_\_



# BOARD OFFICERS AND APPOINTMENTS

## Reappoint or Nominate 3: Capital Projects Standing Committee

### Members

3 Total Members

2021 Members: Donna Meyers, Bruce McPherson, & Larry Pageler

Nominee:

1. Donna Meyers

2. Bruce McPherson

3. Larry Pageler

Nominated by:

Donna Lind

Donna Lind

Donna Lind

SLATE 1

Nominee:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Nominated by:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

SLATE 2

Nominee:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Nominated by:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

SLATE 3

Nominee:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Nominated by:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

SLATE 4



# BOARD OFFICERS AND APPOINTMENTS

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

4-5 Total Members

2021 Members: Shebreh Kalantari-Johnson, Manu Koenig, Donna Lind, & Mike Rotkin

Nominee:

1. Shebreh Kalantari-Johnson
2. Manu Koenig
3. Donna Lind
4. Mike Rotkin

Nominated by:

- Donna Lind  
Donna Lind  
Donna Lind  
Donna Lind

*SLATE 1*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*SLATE 2*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*SLATE 3*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*SLATE 4*



# BOARD OFFICERS AND APPOINTMENTS

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

### Current (2022) Board Chair; Current (2022) Board Vice Chair; Immediate Past (2021)

#### Board Chair, Donna Lind and 2 Board Members

5 Total Members

Committee Requires Current Board Chair, Current Board Vice Chair and Immediate Past Board Chair as members PLUS two Directors

2021 Directors: Jimmy Dutra & Kristen Petersen

*SLATE 1*

Nominee:

Nominated by:

- 1. Current Board Chair, Larry Pageler (2022)
- 2. Current Board Vice Chair, Bruce McPherson (2022)
- 3. Donna Lind, Immediate Past Chair (2021)
- 4. Jimmy Dutra
- 5. Kristen Petersen

- Donna Lind
- Donna Lind
- Automatic
- Donna Lind
- Donna Lind

*SLATE 2*

Nominee:

Nominated by:

- 1. Current Board Chair, \_\_\_\_\_ (2022)
- 2. Current Board Vice Chair, \_\_\_\_\_ (2022)
- 3. Donna Lind, Immediate Past Chair (2021)
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_

- \_\_\_\_\_
- \_\_\_\_\_
- Automatic
- \_\_\_\_\_
- \_\_\_\_\_

Nominee:

Nominated by:

- 1. Current Board Chair, \_\_\_\_\_ (2022)
- 2. Current Board Vice Chair, \_\_\_\_\_ (2022)
- 3. Donna Lind, Immediate Past Chair (2021)
- 4. \_\_\_\_\_
- 5. \_\_\_\_\_

- \_\_\_\_\_
- \_\_\_\_\_
- Automatic
- \_\_\_\_\_
- \_\_\_\_\_

*SLATE 3*



# BOARD OFFICERS AND APPOINTMENTS

## Nominate 1: SCCIC Representatives

2021: President, Bruce McPherson; Vice President, Alta Northcutt\*;  
Secretary, Manu Koenig; Treasurer, Donna Meyers; and Larry Pageler

5 Total Members

Expiring Director: Donna Meyers, Treasurer (term ends Feb 2022)

\*Alta Northcutt, Vice President, reappointed as Ex-Officio - Cabrillo College

Nominee:

1. Bruce McPherson, President
2. Vacant, Vice President
3. Manu Koenig, Secretary
4. Donna Meyers, Treasurer
5. Larry Pageler, Director

Nominated by:

- Term expires 2023
- Term expires 2023
- Term expires 2023
- Term expires 2024
- Term expires 2023

*SLATE 1*

Nominee:

1. \_\_\_\_\_, President
2. \_\_\_\_\_, Vice President
3. \_\_\_\_\_, Secretary
4. \_\_\_\_\_, Treasurer
5. \_\_\_\_\_, Director

Nominated by:

- Term expires 2023
- Term expires 2023
- Term expires 2023
- Term expires 2024
- Term expires 2023

*SLATE 2*

Nominee:

1. President
2. Vice President
3. Secretary
4. Treasurer
5. Director

Nominated by:

- Term expires 2023
- Term expires 2023
- Term expires 2023
- Term expires 2024
- Term expires 2023

*SLATE 3*



# BOARD OFFICERS AND APPOINTMENTS

## Reappoint or Nominate 3: SCCRTC Representatives (2021 Reps: Alta Northcutt\*, Kristen Petersen & Mike Rotkin)

\*Alta Northcutt reappointed as Ex-Officio - Cabrillo College

### 3 Total Representatives

Nominee:

1. Larry Pageler
2. Kristen Petersen
3. Mike Rotkin

Nominated by:

- Donna Lind
- Donna Lind
- Donna Lind

*SLATE 1*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*SLATE 2*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*SLATE 3*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*SLATE 4*



# BOARD OFFICERS AND APPOINTMENTS

## Reappoint or Nominate 3: SCCRTC Alternates (in order)

### 2021 Alternates: Shebreh Kalantari-Johnson, Larry Pageler & Donna Lind 3 Total Representatives

Nominee:

1. Shebreh Kalantari-Johnson
2. Vacant
3. Donna Lind

Nominated by:

- Donna Lind
- Donna Lind
- Donna Lind

*SLATE 1*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*SLATE 2*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*SLATE 3*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*SLATE 4*

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# Written Communications to the Board of Directors

**From:** [Michael Rotkin](#)  
**To:** [Brian Peoples](#)  
**Cc:** [openup@cats.ucsc.edu](mailto:openup@cats.ucsc.edu); [Guy Preston](#); [Matt Machado](#); [Manu Koenig](#); [boardinquiries@scmt.com](mailto:boardinquiries@scmt.com); [ryan.coonerty@santacruzcounty.us](mailto:ryan.coonerty@santacruzcounty.us); [Andy Schiffrin](#); [Bruce McPherson](#); [Gine Johnson](#); [Zach Friend](#); [rpquinn@pacbell.net](mailto:rpquinn@pacbell.net); [jimmy.dutra@cityofwatsonville.org](mailto:jimmy.dutra@cityofwatsonville.org); [Shannon Munz](#); [Yesenia Parra](#); [Sarah Christensen](#); [Rachel Moriconi](#); [Grace Blakeslee](#); [ladykpetersen@gmail.com](mailto:ladykpetersen@gmail.com); [jacques.bertrand@sbcglobal.net](mailto:jacques.bertrand@sbcglobal.net); [eduardo.montesino@cityofwatsonville.org](mailto:eduardo.montesino@cityofwatsonville.org); [Alex Clifford](#); [sbrown@cityofsantacruz.com](mailto:sbrown@cityofsantacruz.com)  
**Subject:** Re: Mike Rotkin disrespect to County Staff  
**Date:** Sunday, December 19, 2021 8:21:55 AM

## This Message Is From an External Sender

This message came from outside your organization.  
Please exercise caution when clicking links or opening attachments.

Brian, Matt Machado did nothing wrong in going after additional funding. It's the Commission's responsibility to make the decision about these priorities and its them I challenged in my *op ed*, not Matt. Read the editorial again if you think I was attacking County staff. RE Margies letter: none of of the money for the train has come out of a pot that had been previously dedicated to Metro. Funding for the train has come out of the Measure D funds that the voters dedicated to that purpose. What would be wrong is taking money that the voters provided for the train for the trail. And, perhaps its not obvious, but fixing the washouts on the corridor is necessary not just for the train but for the trail as well.  
mike

On Dec 19, 2021, at 5:42 AM, Brian Peoples <[brian@trailnow.org](mailto:brian@trailnow.org)> wrote:

Mr. Rotkin,

We had intended to write a commentary rebuttal to your letter on Roads versus Metro but both Margie and Matt have already called you out publicly on your poor public policy leadership.

The idea that Matt felt it necessary to write a letter to the editor in the local paper to defend himself is absolutely unacceptable. Our community is very fortunate to have Matt Machado and Guy Preston leading the county on transportation infrastructure. Our transportation system is so messed up in Santa Cruz County because politicians like yourself believe they know how to design transportation systems over engineers. Both Matt and Guy are doing an exceptional job leading the community on transportation. Your disrespect to County staff in the newspaper is unacceptable and you should apologize to County staff for your disrespectful public display.

Sincerely,

Brian Peoples

Trail Now

Sentinel Letters:

Letter | Not maintaining wretched roads not an option

As a community we all depend upon roads every single day. It is how services get to us and us to them. We cannot thrive or survive without roads. All modes of transportation depend upon our roads. The condition of our roads is critical to our economic viability and safety. Decades of

# Written Communications to the Board of Directors

under-investment have left our county roads in a failing condition. We have some of the worst roads in the state.

Not maintaining our roads is not an option, unless of course we are ready to stop using them.

— *Matt Machado, Aptos*

Sentinel Letter | With county roads falling apart, choices are clear

Mike Rotkin's recent Guest Commentary (Dec. 15) on the decision at the Regional Transportation Commission to repair pothole-marked roads versus buying one electric bus for Metro is steeped in hypocrisy. The county's roads are literally falling apart, and all five supervisors are besieged daily with complaints from constituents. Everyone uses the roads, either on Metro, ParaCruz, bikes, or cars. We all want a cleaner environment and are committed to combating climate change. But there isn't a bottomless pit of money available. Choices need to be made, and the first choice should be to maintain the badly deteriorating infrastructure we have.

If Mr. Rotkin wants to fund more electric buses, which we do need, then perhaps he should stop voting to waste money on a financially infeasible train and build the trail with Measure D money voters already approved. Then we could get two transportation assets that actually combat climate change!

— *Margie Erickson, Santa Cruz*

# Written Communications to the Board of Directors

**From:** [Brian Peoples](#)  
**To:** [ryan.coonerty@santacruzcounty.us](mailto:ryan.coonerty@santacruzcounty.us); [Bruce McPherson](#); [greg.caput@co.santa-cruz.ca.us](mailto:greg.caput@co.santa-cruz.ca.us)  
**Cc:** [Guy Preston](#); [Matt Machado](#); [Manu Koenig](#); [Zach Friend](#); [rpquinn@pacbell.net](mailto:rpquinn@pacbell.net); [info@sccrtc.org](mailto:info@sccrtc.org); [boardinquiries@scmtd.com](mailto:boardinquiries@scmtd.com); [openup@cats.ucsc.edu](mailto:openup@cats.ucsc.edu); [Gine Johnson](#); [rj12@comcast.net](mailto:rj12@comcast.net); [eduardo.montesino@cityofwatsonville.org](mailto:eduardo.montesino@cityofwatsonville.org); [Andy Schiffrin](#); [Sarah Christensen](#); [Shannon Munz](#); [alnorthc@cabrillo.edu](mailto:alnorthc@cabrillo.edu); [sbrown@cityofsantacruz.com](mailto:sbrown@cityofsantacruz.com); [jacques.bertrand@sbcglobal.net](mailto:jacques.bertrand@sbcglobal.net); [ladykpetersen@gmail.com](mailto:ladykpetersen@gmail.com); [Nathan Nguyen](#)  
**Subject:** Update County Master Plan and railbank / build interim Coastal Trail  
**Date:** Saturday, January 01, 2022 6:56:24 AM

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## This Message Is From an External Sender

This message came from outside your organization.  
Please exercise caution when clicking links or opening attachments.

Supervisors Coonerty/McPherson/Caput,

With the start of the year 2022, the publicly-owned Santa Cruz Coastal Corridor has now remained closed for a decade. In the coming weeks, Santa Cruz County has the opportunity to move forward with opening this valuable resource through the federal railbanking process that would **preserve this transportation corridor for future mass transit** while allowing for the removal of the old railroad tracks and construction of the Coastal Trail.

You have the opportunity lead our community in moving forward with updating the County Master Plan for transportation along the Santa Cruz Coastal Corridor. We request that you vote to update the Master Plan NOW. We request that you support railbanking the corridor to preserve the public asset for future mass transit and move-forward with pulling rails and building interim Coastal Trail in 2022.

Best regards,

Brian Peoples  
Trail Now

# Written Communications to the Board of Directors

**From:** [pjlsb@att.net](mailto:pjlsb@att.net)  
**To:** [ryan.coonerty@santacruzcounty.us](mailto:ryan.coonerty@santacruzcounty.us); [Bruce McPherson](#); [greg.caput@co.santa-cruz.ca.us](mailto:greg.caput@co.santa-cruz.ca.us); [Brian Peoples](#)  
**Cc:** [Guy Preston](#); [Matt Machado](#); [Manu Koenig](#); [Zach Friend](#); [rpquinn@pacbell.net](mailto:rpquinn@pacbell.net); [info@sccrtc.org](mailto:info@sccrtc.org); [boardinquiries@scmtd.com](mailto:boardinquiries@scmtd.com); [openup@cats.ucsc.edu](mailto:openup@cats.ucsc.edu); [Gine Johnson](#); [rj12@comcast.net](mailto:rj12@comcast.net); [eduardo.montesino@cityofwatsonville.org](mailto:eduardo.montesino@cityofwatsonville.org); [Andy Schiffrin](#); [Sarah Christensen](#); [Shannon Munz](#); [alnorthc@cabrillo.edu](mailto:alnorthc@cabrillo.edu); [sbrown@cityofsantacruz.com](mailto:sbrown@cityofsantacruz.com); [jacques.bertrand@sbcglobal.net](mailto:jacques.bertrand@sbcglobal.net); [ladykpetersen@gmail.com](mailto:ladykpetersen@gmail.com); [Nathan Nguyen](#)  
**Subject:** Re: Update County Master Plan and railbank / build interim Coastal Trail  
**Date:** Saturday, January 01, 2022 9:59:59 AM

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## This Message Is From an External Sender

This message came from outside your organization.  
Please exercise caution when clicking links or opening attachments.

Dear Supervisors Caput, Coonerty, and McPherson,

Happy New Year.

Please take a leadership role in updating the County Master Plan for transportation along the Monterey Bay Scenic Sanctuary Trail Corridor by voting to update the Master Plan now. Your actions can open a active transportation corridor for the community to allow for safer, car-free travel for children going to parks, beaches, and schools. It will give adults a alternative to driving for short errands to appointments, grocery stores, and meetings, and workplaces. It would provide positive reductions in greenhouse gasses produced by automobiles. Foremost, it would be obtainable within our county's identified funding. And, it would **preserve this transportation corridor for future mass transit.**

Best regards,

Peter Stanger  
19 Escuela Road, Watsonville, CA 95076

On Saturday, January 1, 2022, 06:56:31 AM PST, Brian Peoples <[brian@trailnow.org](mailto:brian@trailnow.org)> wrote:

Supervisors Coonerty/McPherson/Caput,

With the start of the year 2022, the publicly-owned Santa Cruz Coastal Corridor has now remained closed for a decade. In the coming weeks, Santa Cruz County has the opportunity to move forward with opening this valuable resource through the federal railbanking process that would **preserve this transportation corridor for future mass transit** while allowing for the removal of the old railroad tracks and construction of the Coastal Trail.

You have the opportunity lead our community in moving forward with updating the County Master Plan for transportation along the Santa Cruz Coastal Corridor. We request that you vote to update the Master Plan NOW. We request that you support railbanking the corridor

# Written Communications to the Board of Directors

to preserve the public asset for future mass transit and move-forward with pulling rails and building interim Coastal Trail in 2022.

Best regards,

Brian Peoples  
Trail Now

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**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Chuck Farmer, CFO  
**SUBJECT:** **ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL  
DETAIL FOR THE MONTHS OF NOVEMBER AND DECEMBER 2021**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the preliminary approved Check Journal Detail for the months of November and December 2021**

**II. SUMMARY**

- This staff report provides the Board of Directors (Board) with a preliminary approved Check Journal Detail for the months of November and December 2021.
- The Finance Department is submitting the check journals for Board acceptance and filing.

**III. DISCUSSION/BACKGROUND**

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

All invoices submitted for the months of November and December 2021 have been processed, the checks have been issued and signed by the Deputy Finance Director.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

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

**V. FINANCIAL CONSIDERATIONS/IMPACT**

The check journal present the invoices paid in November and December 2021 for Board review, agency disclosure and transparency.

**VI. CHANGES FROM COMMITTEE**

N/A.

**VII. ALTERNATIVES CONSIDERED**

None.

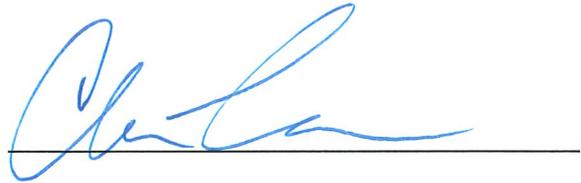
**VIII. ATTACHMENTS**

**Attachment A:** Check Journal Detail for the Months of November and December 2021

Prepared by: Holly Alcorn, Accounting Specialist

**IX. APPROVALS**

Chuck Farmer, CFO



Dawn Crummié  
Interim CEO/General Manager



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# Attachment A

DATE 12/29/21 10:14

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

PAGE 1

DATE: 11/01/21 THRU 11/30/21

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
72255	11/11/21		-38.12	LYNCH, GLENN		9002607	MEDICAL SUPPLIMENTAL	-38.12	**VOID
75113	11/01/21	M246	2,871.99	ABC BUS INC		110528	INVENTORY ORDER	174.69	
		003151				110529	INVENTORY ORDER	82.16	
						110530	INVENTORY ORDER	809.21	
						110541	INVENTORY ORDER	1,355.60	
						110544	INVENTORY ORDER	450.33	
75114	11/01/21	003596	263.58	AMAZON CAPITAL SERVICES, INC.		110531	TIRE AIR CRUCK	105.96	
						110532	TRAFFIC WAND LIGHTS	157.62	
75115	11/01/21	002861	50.71	AMERICAN MESSAGING SVCS, LLC		110539	NOV 21 PAGERS	50.71	
75116	11/01/21	001D	7,849.90	AT&T		110493	9/10-10/9 INTERNET	933.35	
						110508	9/19-10/18 MAIN ACCT	4,923.80	
						110509	9/19-10/18 OPS ELEV	161.00	
						110510	9/13-10/12 VER/SMC	1,831.75	
75117	11/01/21	001348	4,106.00	ATHENS INSURANCE SERVICE, INC.		110574	NOV 21 MONTHLY FEES	4,106.00	
75118	11/01/21	002363	12.79	BATTERIES PLUS #314		110557	BATTERIES PH METER	12.79	
75119	11/01/21	001346	3,039.68	CITY OF SANTA CRUZ-FINANCE		110545	STORM WATER USERSCHG	3,039.68	
75120	11/01/21	130	39.79	CITY OF WATSONVILLE UTILITIES		110571	9/15-10/13 WTC	39.79	
75121	11/01/21	909	16,298.28	CLASSIC GRAPHICS		110507	VEH# 1211 RPR/PAINT	1,892.68	
						110551	SPOT PAINT/WINDOWS	14,405.60	
75122	11/01/21	003116	2,468.14	CUMMINS, INC		110463	VEH# 4201 PARTS	38.57	
						110464	INVENTORY ORDER	1,332.45	
						110465	INVENTORY ORDER	-692.19	
						110466	CORE CREDIT Y3-41886	1,293.64	
						110467	VEH 4201 PARTS	57.23	
						110468	VEH#2322/2318 PARTS	438.44	
75123	11/01/21	003274	2,579.75	EAST BAY TIRE CO.		110459	REVENUE TIRES	160.94	
						110460	REVENUE TIRES	107.31	
						110461	REVENUE TIRES	1,886.88	
						110462	NON REVENUE TIRES	85.00	
						110504	REVENUE TIRES	107.31	
						110505	VEH# PC1712 REV TIRE	125.00	
75124	11/01/21	001297	539.59	FASTENAL COMPANY INC		110506	REVENUE TIRES	107.31	
						110458	NON INVENTORY ORDER	421.21	
75125	11/01/21	002962	718.48	FIS		110503	INVENTORY ORDER	118.38	
75126	11/01/21	003279	57.79	FRONTIER COMMUNICATIONS - 3025		110561	SEPT21 MERCHANT FEES	718.48	
75127	11/01/21	003418	57.79	FRONTIER COMMUNICATIONS - 6145		110538	10/16-11/15SKY-RIVER	57.79	
75128	11/01/21	117	3,270.93	GILLIG LLC		110555	10/13-11/12 SKYLINE	57.79	
						110454	INVENTORY ORDER	472.45	
						110455	INVENTORY ORDER	688.33	
						110456	INVENTORY ORDER	495.28	
75129	11/01/21	282	97.59	GRAINGER		110457	VEH# 2810 PARTS	148.79	
						110542	VEH# 4205 PARTS	1,466.08	
75130	11/01/21	003577	3,693.44	HEREDIA, KEN R.		110452	INVENTORY ORDER	28.76	
75131	11/01/21	003581	800.00	IHEARTMEDIA ENTERTAINMENT, INC		110453	NON INVENTORY ORDER	68.83	
						110494	VEH# PC1714 RPRS	3,693.44	
						110560	RADIO JOB ADV	800.00	

# Attachment A

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

PAGE 2

DATE: 11/01/21 THRU 11/30/21

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK VENDOR AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
75132	11/01/21	1,850.00 T354	JJ KANE AUCTIONEERS	110572	REF CHECK# 1026028	1,850.00			
75133	11/01/21	796.39 003442	JOHNSON CONTROLS INC	110568	11/21-1/22 OPS	796.39			
75134	11/01/21	562.64 1117	KELLEY'S SERVICE INC.	110520	VEH# PC1709 PARTS	15.30			
				110521	VEH# 1715 PARTS	540.44			
				110522	VEH# PC2405 PARTS	6.90			
75135	11/01/21	527.00 852	LAW OFFICES OF MARIE F. SANG	110573	CL# 1999103213	527.00			
75136	11/01/21	1,571.40 003607	LIGHTNING PRESS	110527	4 PART FORMS OPS	1,571.40			
75137	11/01/21	146.23 003362	LUMINATOR TECHNOLOGY GROUP INC	110519	CAMERA RPR	146.23			
75138	11/01/21	1,633.36 001052	MID VALLEY SUPPLY INC.	110535	INVENTORY ORDER	1,633.36			
75139	11/01/21	343.75 003361	MILLER MAXFIELD INC	110533	NO STANDING SIGNAGE	343.75			
75140	11/01/21	1,183.17 041	MISSION UNIFORM	110499	COVID/FUEL ST TOWELS	156.00			
				110500	COVID/UNIFORM SUPPL	326.26			
				110526	LAUNDRY/CUSTODIAL	158.87			
				110546	COVID/UNIFORM SUPPL	323.29			
				110547	COVID/FUEL ST TOWELS	156.00			
				110552	TOWELS/MATS PRC	10.50			
				110554	TOWELS/MATS	10.50			
				110556	TOWELS/MOPS/MATS	41.75			
75141	11/01/21	250.00 003542	NATALIE NIEMAN	110469	HOLIDAY LOGO/TSHIRT	250.00			
75142	11/01/21	34.96 003326	NIDAL HALABI & NADA ALGHARIB	110490	BOARD NAME PLATES	34.96			
75143	11/01/21	94.06 004	NORTH BAY FORD LINC-MERCURY	110540	VEH# 802 PARTS	94.06			
75144	11/01/21	3,762.07 364	OVERHEAD DOOR CO. OF SALINAS	110577	AN MAINT DOORS SBF	397.50			
				110578	AN MAINT DOORS MMF	3,139.57			
				110579	AN MAINT DOORS VER	225.00			
75145	11/01/21	209.54 023	PACIFIC TRUCK PARTS, INC.	110498	INVENTORY ORDER	209.54			
75146	11/01/21	475.28 043	PALACE ART & OFFICE SUPPLY	110491	2022 CALENDAR	12.85			
				110492	CALENDAR ORDER OPS	229.12			
				110496	FLEET CALENDARS	31.33			
				110497	OFFICE SUPPLIES	34.99			
				110517	OFFICE SUPPLIES	123.30			
				110563	OFFICE SUPPLIES	6.92			
				110564	OFFICE SUPPLIES	7.70			
				110565	OFFICE SUPPLIES	29.07			
75147	11/01/21	19,872.74 003598	PARTNERS DATA SYSTEMS, INC.	110562	2201 SEC VIRTUAL SYS	19,872.74			
75148	11/01/21	209.50 481	PIED PIPER EXTERMINATORS, INC.	110548	OCT 21 PEST WTC	65.00			
				110549	OCT 21 PEST WTC MKT	79.50			
				110550	OCT 21 PEST VERNON	65.00			
75149	11/01/21	88.35 003024	RICOH USA, INC CA	110570	10/12-11/11 RIVER	88.35			
75150	11/01/21	267.66 215	RICOH USA, INC. TX	110567	11/3-12/2 LEASE C/S	267.66			
75151	11/01/21	1,513.11 003154	ROMAINE ELECTRIC CORP	110523	INVENTORY ORDER	1,513.11			
75152	11/01/21	4,152.28 001379	SAFETY-KLEEN SYSTEMS INC	110558	PARTS WASHER SVC MMF	4,152.28			
75153	11/01/21	175.40 135	SANTA CRUZ AUTO PARTS, INC.	110495	NON INVENTORY ORDER	92.84			
				110511	INVENTORY ORDER	82.56			
75154	11/01/21	1,116.91 079	SANTA CRUZ MUNICIPAL UTILITIES	110534	9/8-10/6 SMC/BETTYS	53.87			
				110537	9/8-10/6 BUS STOP 26	1,050.60			
				110559	9/8-10/6 IRRIG MMF	12.44			

# Attachment A

DATE 12/29/21 10:14

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

PAGE 3

DATE: 11/01/21 THRU 11/30/21

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. DESCRIPTION	TRANS. AMOUNT	TRANSACTION COMMENT
75155	11/01/21	001307	7,089.43	SANTA CRUZ STAFFING, LLC		TEMP W/E 10/17	1,147.50	
						TEMP W/E 10/17	162.75	
						TEMP W/E 10/17	1,247.75	
						TEMP W/E 10/17	976.50	
						TEMP W/E 10/17	302.25	
						TEMP W/E 10/24	2,406.38	
						TEMP W/E 10/24	846.30	
75156	11/01/21	003590	370.78	TFORCE FREIGHT, INC.		FREIGHT FOR RETURN	370.78	
75157	11/01/21	003285	23,287.54	THE AFTERMARKET PARTS CO LLC		VEH# 9810 PARTS	1,994.40	
						INVENTORY ORDER	142.11	
						INVENTORY ORDER	9.11	
						INVENTORY ORDER	3,557.09	
						INVENTORY ORDER	481.61	
						INVENTORY ORDER	138.37	
						INVENTORY ORDER	358.34	
						INVENTORY ORDER	2.43	
						INVENTORY ORDER	1,345.09	
						INVENTORY ORDER	302.09	
						INVENTORY ORDER	176.84	
						INVENTORY ORDER	3,431.78	
						VEH# 3108 PARTS	636.88	
						INVENTORY ORDER	15.42	
						INVENTORY ORDER	249.42	
						INVENTORY ORDER	485.28	
						VEH# 2322 PARTS	4,265.77	
						HOSE CAMPAIGN	526.15	
						INVENTORY ORDER	39.92	
						INVENTORY ORDER	2.29	
						VEH# 1203 PARTS	198.95	
						INVENTORY ORDER	618.65	
						INVENTORY ORDER	4,309.55	
						VEH# 2318 PARTS	136.90	
						NON INVENTORY ORDER	20.62	
						HOSE ASSY MMF	244.40	
						FREIGHT	88.04	
						INVENTORY ORDER	35.66	
						INVENTORY ORDER	39.33	
						INVENTORY ORDER	53.68	
						INVENTORY ORDER	1,778.20	
						INVENTORY ORDER	333.19	
						INVENTORY ORDER	78.00	
						SEPT21 DOT DRUG TEST	32.00	
						JOB ADVERTISEMENT	2,700.00	
						INVENTORY ORDER	699.34	
						REPLACCORDLESSEPHONE	21.84	
						PRINTER DECAL PAPER	22.93	
75158	11/01/21	166	401.92	THE HOSE SHOP, INC				
75159	11/01/21	007	88.04	UNITED PARCEL SERVICE				
75160	11/01/21	002829	2,240.06	VALLEY POWER SYSTEMS, INC.				
75161	11/01/21	221	78.00	VEHICLE MAINTENANCE PROG INC				
75162	11/01/21	003290	32.00	WORKFORCEQA LLC				
75163	11/01/21	003609	2,700.00	ZWERLING BROADCASTING SYSTEM				
75164	11/08/21	003151	699.34	ABC BUS INC				
75165	11/08/21	003596	88.45	AMAZON CAPITAL SERVICES, INC.				

# Attachment A

DATE 12/29/21 10:14

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

PAGE 4

DATE: 11/01/21 THRU 11/30/21

CHECK NUMBER	CHECK DATE	CHECK VENDOR NAME	CHECK VENDOR NUMBER	CHECK AMOUNT	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
75166	11/08/21	AT&T	001D	449.42		110692	MONITOR WALL MOUNT	43.68	
75167	11/08/21	KJRB, INC.	003271	996.00		110662	9/19-10/18 OCEAN LG	283.26	
75168	11/08/21	BATTERIES PLUS #314	002363	16.58		110663	9/19-10/18 DAVENPORT	166.16	
75169	11/08/21	BATTERY SYSTEMS INC.	002802	3,223.29		110660	VEH# 3308 TOW	324.00	
75170	11/08/21	BENSON, EDDIE	E996	603.84		110661	VEH# 0120 TOW	672.00	
75171	11/08/21	CITY OF WATSONVILLE UTILITIES	130	1,598.57		110672	BATTERY OPS	16.58	
						110591	INVENTORY ORDER	3,223.29	
						110718	9/15-9/17 ZEB CONF	603.84	
						110667	10/20 WASTE WTC	1,113.34	
						110668	9/20-10/18 WTC	304.25	
						110669	9/20-10/18 WTC	102.04	
						110670	9/20-10/18 WTC	78.94	
75172	11/08/21	CLAREMONT EAP	733	654.75		110715	NOV 21 EAP PREMIUM	654.75	
75173	11/08/21	CLEAN ENERGY	001124	54,830.31		110621	10/8 LNG CHARGES	10,190.34	
						110622	10/15 LNG CHARGES	8,433.88	
						110623	10/12 LNG CHARGES	9,550.99	
						110650	10/6 LNG CHARGES	7,794.52	
						110651	10/22 LNG CHARGES	9,045.97	
						110652	10/19 LNG CHARGES	9,814.61	
75174	11/08/21	CLIFFORD, ALEX	E957	795.72		110717	10/25-10/29 CALACT	795.72	
75175	11/08/21	COAST PAPER & SUPPLY INC.	075	943.63		110585	SENSOR DISPENSERS	642.39	
						110632	INVENTORY ORDER	150.37	
						110633	INVENTORY ORDER	150.87	
75176	11/08/21	COASTAL LANDSCAPING INC.	003034	2,890.00		110680	NOV 21 LANDSCAPING	2,890.00	
75177	11/08/21	CUMMINS, INC	003116	11,068.32		110593	INVENTORY ORDER	433.16	
						110596	VEH# 4201 PARTS	90.76	
						110597	VEH# 1301 PARTS	5,677.84	
						110625	INVENTORY ORDER	2,664.90	
						110626	INVENTORY ORDER	544.08	
						110658	CORE CREDIT Y9-76236	-273.13	
75178	11/08/21	EAST BAY TIRE CO.	003274	4,348.13		110659	INVENTORY ORDER	1,930.71	
						110654	REVENUE TIRES	804.38	
						110655	REVENUE TIRES	214.59	
						110656	REVENUE TIRES	2,899.98	
						110657	REVENUE TIRES	429.18	
75179	11/08/21	EMEDCO INC.	001020	34.28		110677	REFLECTIVE STRIPING	34.28	
75180	11/08/21	EMPLOYNET, INC	003485	4,057.90		110612	TEMP W/E 10/3	1,008.70	
						110613	TEMP W/E 9/26	1,047.20	
						110614	TEMP W/E 9/19	1,047.20	
						110615	TEMP W/E 10/10	954.80	
75181	11/08/21	EXPRESS SERVICES INC.	432	961.92		110588	TEMP W/E 10/17 9944	961.92	
75182	11/08/21	FASTENAL COMPANY INC	001297	2,094.57		110628	INVENTORY ORDER	746.28	
75183	11/08/21	GENFARE A DIV OF SPX CORP	647	529.36		110594	COACH DOWN VAULT 1	1,348.29	
75184	11/08/21	GILLIG LLC	117	7,647.03		110598	CAMPAIGNGAS/FIRE DET	5,256.69	
						110599	INVENTORY ORDER	2,390.34	

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75185	11/08/21	282	549.47	GRAINGER		110600	INVENTORY ORDER	733.05	
						110609	CREDIT INV# 40848362	-733.05	
						110601	NON INV/GAUGE SET	136.38	
						110604	DRAIN CABLES MMF	184.84	
						110630	VEH# 9810 PARTS	40.18	
						110638	NON INVENTORY ORDER	33.34	
						110639	NON INVENTORY ORDER	129.12	
						110640	NON INVENTORY ORDER	25.61	
75186	11/08/21	001144	2,373.00	HARTFORD FIRE INSURANCE CO.		110719	12/13-12/12/22 1200A	2,373.00	
75187	11/08/21	914	147.49	J.J.R. ENTERPRISES, INC.		110682	TONER	147.49	
75188	11/08/21	1117	1,681.94	KELLEY'S SERVICE INC.		110624	VEH# 708 PARTS	45.43	
						110647	VEH PCI1715,1950,3108	83.06	
						110683	NON INVENTORY ORDER	94.09	
						110685	CREDIT INV ORDER	-139.52	
						110686	CORE CREDIT 1474478	-32.39	
						110687	INVENTORY ORDER	1,818.74	
						110688	INVENTORY ORDER	323.35	
						110689	INVENTORY ORDER	38.94	
						110690	CORE CREDIT 1474478	-449.25	
						110691	RETURN CREDIT 3950	-100.51	
						110679	REIMB FOR KEYS	100.00	
75189	11/08/21	E617	100.00	LEE, HUNG		110690	CORE CREDIT 1474478	100.00	
75190	11/08/21	003249	228.00	MAXIMUM OIL SERVICE LLC		110646	WASTE OIL PICKUP MMF	228.00	
75191	11/08/21	001052	1,197.49	MID VALLEY SUPPLY INC.		110589	INVENTORY ORDER	1,197.49	
75192	11/08/21	041	607.45	MISSION UNIFORM		110605	TOWELS/MOPS/MATS	41.75	
						110666	TOWELS/MATS PARACRUZ	10.50	
						110675	COVID/FUEL ST TOWELS	156.00	
						110676	COVID/UNIFROM SUPPL	326.26	
						110678	TOWELS/MOPS/MATS	41.75	
						110695	LAUNDRY/CUSTODIAL	31.19	
						110712	ANNUAL PERMITS	1,932.00	
75193	11/08/21	469	1,932.00	MONTEREY BAY AIR RESOURCES		110694	1912 BUS WASH PROJ	61,784.76	
75194	11/08/21	001178	61,784.76	N/S CORPORATION		110684	9/15-10/13 PARACRUZ	1,404.63	
75195	11/08/21	009	17,997.80	PACIFIC GAS & ELECTRIC		110701	9/24-10/24 MMF	6,002.88	
						110702	9/3-10/4 PNR SVT WTC	3,009.73	
						110703	9/24-10/24 VERNON	4,744.65	
						110704	9/25-10/25 1122RIVER	56.03	
						110705	9/24-10/24 1122RIVER	2,779.88	
						110644	INVENTORY ORDER	538.61	
75196	11/08/21	023	538.61	PACIFIC TRUCK PARTS, INC.		110610	2022 CALENDARS	332.69	
75197	11/08/21	043	431.13	PALACE ART & OFFICE SUPPLY		110611	2022 CALENDARS	26.30	
						110645	OFFICE SUPPLIES	72.14	
						110583	SEPT 21 COURIER SVC	1,685.00	
75198	11/08/21	002947	1,685.00	PEDX COURIER AND CARGO	7	110648	FAIRBOX PEDESTAL	600.00	
75199	11/08/21	003506	4,300.87	PHILIP J CROUCH		110653	VEH# 2803 PARTS	3,700.87	
						110586	OCT 21 PEST SMC MKT	55.50	
75200	11/08/21	481	160.50	PIED PIPER EXTERMINATORS, INC.		110587	OCT 21 PEST SMC CTR	65.00	

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75201	11/08/21	119.04 107A	PROBUILD COMPANY LLC			110588	OCT 21 PEST SMC TAQ	40.00	
						110592	VEH# 2224 PARTS	5.07	
						110603	ROPE FOR FLAG MMF	16.21	
						110607	DOOR STOP SBF	9.33	
						110608	ROPE FOR FLAG MMF	88.43	
75202	11/08/21	157.62 003059	QUADIENT LEASING USA, INC.			110714	10/28-11/27 LEASE	157.62	
75203	11/08/21	66.76 003024	RICOH USA, INC CA			110665	10/14-11/13 PARACRUZ	66.76	
75204	11/08/21	650.04 003154	ROMAINE ELECTRIC CORP			110635	VEH PC 1715 PARTS	650.04	
75205	11/08/21	710.37 135	SANTA CRUZ AUTO PARTS, INC.			110590	NON INVENTORY ORDER	43.91	
						110618	INVENTORY ORDER	8.49	
						110619	INVENTORY ORDER	657.97	
75206	11/08/21	1,400.00 307	SANTA CRUZ COUNTY CHAMBER OF			110713	1/22-12/22 MEMBERSHIP	1,400.00	
75207	11/08/21	7,479.64 079	SANTA CRUZ MUNICIPAL UTILITIES			110706	9/8-10/6 OPS	376.85	
						110707	9/8-10/6 PACIFIC ISL	79.48	
						110708	9/8-10/6 SMC/PACIFIC	2,042.69	
						110709	9/8-10/6 SBF/RIVER	3,200.21	
						110710	9/8-10/6 MMF	1,406.42	
						110711	9/8-10/6 VERNON	373.99	
75208	11/08/21	3,118.65 001307	SANTA CRUZ STAFFING, LLC			110582	TEMP W/E 10/24	441.75	
						110602	TEMP W/E 10/24	1,822.50	
						110616	TEMP W/E 10/24	854.40	
75209	11/08/21	1,596.00 003545	SCHINDLER ELEVATOR CORPORATION			110699	AN ST HYDRAULIC TEST	798.00	
75210	11/08/21	2,244.00 003292	SLINGSHOT CONNECTIONS LLP			110700	AN ST HYDRAULIC TEST	798.00	
75211	11/08/21	4,691.83 003285	THE AFTERMARKET PARTS CO LLC			110617	TEMP W/E 10/24 9780	1,122.00	
						110620	TEMP W/E 10/17	1,122.00	
						110595	INVENTORY ORDER	241.61	
						110627	VEH# 2602 PARTS	61.92	
						110641	INVENTORY ORDER	3,350.20	
						110642	VEH# 2803 PARTS	156.30	
						110643	INVENTORY ORDER	739.69	
						110649	INVENTORY ORDER	142.11	
75212	11/08/21	7,500.00 003189	THE BUS COALITION INC			110693	2022 MEMBERSHIP DUES	7,500.00	
75213	11/08/21	4,132.72 166	THE HOSE SHOP, INC			110606	FITTINGS MMF	21.11	
						110631	VEH# 2318 PARTS	2,113.99	
						110636	NON INVENTORY ORDER	1,923.54	
						110637	NON INVENTORY ORDER	74.08	
75214	11/08/21	176.00 003415	TRANSFOR CORPORATION			110696	SECURE STRAPS CS/PRC	176.00	
75215	11/08/21	126.58 007	UNITED PARCEL SERVICE			110681	FREIGHT	126.58	
75216	11/08/21	43.68 E888	WAGLEY, EILEEN			110716	10/27-10/28 CALACT	43.68	
75217	11/08/21	160.00 003574	WCAF, LLC			110673	VEH# PC 1116 SMOG	60.00	
						110697	VEH# 714 SMOG	50.00	
						110698	VEH# 806 SMOG	50.00	
75218	11/08/21	393.54 003530	ZORO TOOLS, INC.			110634	INVENTORY ORDER	393.54	
75219	11/05/21	994.07 E1022	CRUMMIE, DAWN			110720	10/26-10/29 CALACT	994.07	
75220	11/15/21	1,560.11 003151	ABC BUS INC			110838	INVENTORY ORDER	98.57	
						110847	INVENTORY ORDER	1,461.54	

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75221	11/15/21	AIRTEC SERVICE INC.	382	AIRTEC SERVICE INC.		110848	NEW PUMP INSTALLED	494.01	
75222	11/15/21	AMAZON CAPITAL SERVICES, INC.	003596	AMAZON CAPITAL SERVICES, INC.		110770	VEH# 714 PARTS	135.00	
						110776	COVID PPE	125.17	
75223	11/15/21	AT&T	001D	AT&T		110839	ROLLING WHEEL DOLLY	280.22	
75224	11/15/21	B & B SMALL ENGINE CORP	002689	B & B SMALL ENGINE CORP		110788	10/1-10/31 WTC/VER	578.55	
						110791	GENERATOR REPAIR	182.85	
75225	11/15/21	CATTO'S GRAPHICS, INC.	001159	CATTO'S GRAPHICS, INC.		110819	VACUUM BAGS MMF	475.31	
						110777	METRO BUS TAIL ADS	120.18	
75226	11/15/21	CHRISTOPHER S CRAIG	003513	CHRISTOPHER S CRAIG		110778	CODEFCONDUCT SIGNS	409.69	
75227	11/15/21	CITY OF SANTA CRUZ FINANCE RRF	003373	CITY OF SANTA CRUZ FINANCE RRF		110886	VEH# 802 KEYS	1,005.30	
75228	11/15/21	CLASSIC GRAPHICS	909	CLASSIC GRAPHICS		110817	OCT 21 LANDFILL	59.98	
75229	11/15/21	CLEAN ENERGY	001124	CLEAN ENERGY		110873	VEH# 2224 RPR/PAINT	2,894.97	
						110823	OCT 21 MAINT	14,842.00	
						110875	10/29 ING CHARGES	8,781.33	
75230	11/15/21	CLICK INDUSTRIES, LLC	003592	CLICK INDUSTRIES, LLC		110876	10/25 ING CHARGES	9,791.37	
75231	11/15/21	COAST PAPER & SUPPLY INC.	075	COAST PAPER & SUPPLY INC.		110787	PPE SUPPLIES	3,899.88	
						110742	32" EASY REACHER	41.51	
						110818	DISPENSER SMC	731.76	
75232	11/15/21	COMCAST HOLDINGS CORPORATION	003601	COMCAST HOLDINGS CORPORATION		110857	BUS DRIVER HIRING AD	3,502.50	
75233	11/15/21	COMMUNITY TELEVISION OF	367	COMMUNITY TELEVISION OF		110813	9/24 BOD MEETING	223.60	
75234	11/15/21	COMPLETE COACH WORKS INC	508	COMPLETE COACH WORKS INC		110843	VEH#1305 REPAIRS	4,464.52	
						110844	VEH# 2802 REPAIRS	4,464.52	
75235	11/15/21	CUMMINS, INC	003116	CUMMINS, INC		110722	VEH# 2316 PARTS	906.31	
						110725	INVENTORY ORDER	643.57	
						110743	VEH2806 ENG REBUILD	19,111.35	
						110744	INVENTORY ORDER	686.99	
						110745	VEH# 2322/2318 PARTS	100.40	
						110746	VEH# 2322/2318 PARTS	137.18	
						110807	INVENTORY ORDER	217.56	
						110808	VEH# 2316 PARTS	5,213.51	
						110809	VEH# 2316 PARTS	77.13	
						110810	VEH# 4204 PARTS	47.42	
75236	11/15/21	DOCTORS ON DUTY MEDICAL	916	DOCTORS ON DUTY MEDICAL		110798	7/3-7/29DODRUGTESTS	1,622.50	
75237	11/15/21	EAST BAY TIRE CO.	003274	EAST BAY TIRE CO.		110747	REVENUE TIRES	649.16	
						110748	REVENUE TIRES	1,540.80	
						110749	REVENUE TIRES	924.48	
						110750	REVENUE TIRES	2,899.98	
						110751	REVENUE TIRES	1,886.88	
75238	11/15/21	EXPRESS SERVICES INC.	432	EXPRESS SERVICES INC.		110737	TEMP W/E 10/24	1,382.76	
						110882	TEMP W/E 10/10	597.05	
75239	11/15/21	FARMER, CHUCK	E1080	FARMER, CHUCK		110845	11/1-11/4 CTA CONF	1,049.89	
75240	11/15/21	FASSTENAL COMPANY INC	001297	FASSTENAL COMPANY INC		110752	NON INV/INV ORDER	406.72	
75241	11/15/21	FLYERS ENERGY LLC	002952	FLYERS ENERGY LLC		110739	10/16-10/31 NON REV	2,953.01	
						110740	10/16-10/31 REV FUEL	11,030.62	
75242	11/15/21	GARDA CL WEST, INC.	001302	GARDA CL WEST, INC.		110803	NOV 21 VAULT SERVICE	7,075.48	
75243	11/15/21	GENFARE A DIV OF SPX CORP	647	GENFARE A DIV OF SPX CORP		110753	FAIRBOX VAULT2EBUILD	1,227.90	

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75244	11/15/21	3,690.60 117	GILLIG LLC		110754	FAIRBOX VAULT2EBUILD		536.14	
					110881	FARE STRUCTURE CHG		480.00	
					110891	COACH DOWN VAULT 2		354.37	
					110755	INVENTORY ORDER		2,175.94	
					110756	INVENTORY ORDER		1,514.66	
75245	11/15/21	275.00 003316	GLOBAL WATER TECHNOLOGY INC		110804	OCT 21 CHEM TEST OPS		275.00	
75246	11/15/21	3,528.26 282	GRAINGER		110721	SAFETY SUPPLIES		22.50	
					110726	PLUNGER CADDY SETS		51.20	
					110736	ANGLE BROOM PARTS		45.79	
					110764	2202 FLOOR SCRUBBER		3,408.77	
					110826	OCT 21 AIRPORT/FREED		61.28	
					110827	OCT 21 HWY1/BOULDER		183.84	
					110828	OCT 21 FREED/BOWKR		61.28	
					110829	OCT 21 FREEDOM		61.28	
					110830	OCT 21 SVT		334.92	
					110831	OCT 21 PRC		376.84	
					110832	OCT 21 GREEN VALLEY		61.28	
75248	11/15/21	208.55 002979	HUNT & SONS, INC.		110821	COMPRESSOR OIL FAC		208.55	
75249	11/15/21	1,284.85 003472	JOHN P KRUKAR		110840	1918 AWINING@ FUEL ST		1,284.85	
75250	11/15/21	829.65 003442	JOHNSON CONTROLS INC		110842	SVC ELEVATOR MMF		829.65	
75251	11/15/21	334.48 1117	KELLEY'S SERVICE INC.		110724	INVENTORY ORDER		74.60	
					110793	VEH#504 PARTS/CC 815		2.69	
					110794	VEH# PC1111 PARTS		132.50	
					110795	INVENTORY ORDER		66.54	
					110796	VEH# 1127 PARTS		6.27	
					110797	INVENTORY ORDER		101.84	
					110878	INVENTORY ORDER		35.40	
					110879	VEH# PC1502 PARTS		326.19	
					110880	CORECREDIT 3434/6049		195.47	
75252	11/15/21	23,627.38 003366	KEY GOVERNMENT FINANCE INC		110773	NOV 21 LEASE PAYMENT		-607.02	
75253	11/15/21	420.00 003271	KJRE, INC.		110841	VEH# 1207 TOW		23,627.38	
75254	11/15/21	100.00 003450	LANGUAGE LINE SERVICES INC		110814	OCT 21 TRANSLATE SVC		420.00	
75255	11/15/21	1,479.00 852	LAW OFFICES OF MARIE F. SANG	7	110785	CH# 15007787		100.00	
					110786	CH#2010226708		816.00	
75256	11/15/21	146.47 003362	LUMINATOR TECHNOLOGY GROUP INC		110775	CAMERAS RPR 7761		663.00	
75257	11/15/21	5,375.24 003293	MAKAI SOLUTIONS		110805	BAY 5 LIFT RPR MMF		146.47	
					110806	BIANNUAL LIFT INSP		1,695.24	
75258	11/15/21	26,292.46 003017	MANSFIELD OIL CO OF GAINSVILLE		110877	11/1 DIESEL FUEL		3,680.00	
75259	11/15/21	2,308.10 003391	MARK THOMAS & COMPANY INC		110799	1901 SVC THRU SEP 21		26,292.46	
					110883	SVC THRU 10/3		1,742.18	
75260	11/15/21	1,538.00 003540	MCCAMPBELL ANALYTICAL, INC.		110767	WATER SAMPLING MMF		565.92	
					110792	WATER SAMPLING MMF		769.00	
75261	11/15/21	80.25 041	MISSION UNIFORM		110738	TOWELS/MOPS/MATS		769.00	
					110782	TOWELS/MATS		41.75	
					110859	LAUNDRY/CUSTODIAL		10.50	

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75262	11/15/21	003542	250.00	NATALIE NIEMAN		110779	HOLIDAY METRO LOGO	250.00	
75263	11/15/21	004	568.53	NORTH BAY FORD LINC-MERCURY		110762	INVENTORY ORDER	76.08	
						110763	VEH# 0708 PARTS	110.84	
						110765	INVENTORY ORDER	261.41	
						110766	VEH# PC1107 PARTS	120.20	
75264	11/15/21	009	13,352.12	PACIFIC GAS & ELECTRIC		110815	9/29-10/27 OPS	4,249.61	
						110820	9/29-10/27 SMC	3,747.57	
						110825	9/29-10/27 RIVER CHG	5,354.94	
75265	11/15/21	043	8.12	PALACE ART & OFFICE SUPPLY		110846	OFFICE SUPPLIES	8.12	
75266	11/15/21	002947	1,685.00	PEDX COURIER AND CARGO	7	110772	OCT 21 COURIER SVC	1,685.00	
75267	11/15/21	481	685.00	PIED PIPER EXTERMINATORS, INC.		110732	NOV 21 PEST MMF	217.50	
						110733	NOV21 PEST SBF CREEK	255.00	
						110734	NOV 21 PEST OPS PARK	212.50	
75268	11/15/21	001149	550.00	TUBULAR FLOW, INC.		110833	SERVICE CALL SMC	550.00	
75269	11/15/21	107A	98.52	PROBUILD COMPANY LLC		110727	TUBING MMF	3.78	
						110728	COUPLING MMF	5.48	
						110729	CORNER BRACES PRC	12.73	
						110730	CAULKING SMC	45.96	
						110731	HARDWARE FLD	21.24	
						110824	DOOR STOP SBF	9.33	
75270	11/15/21	003061	600.00	QUADRIENT FINANCE USA INC		110824	OCT 21 POSTAGE 1598	600.00	
75271	11/15/21	003020	459.90	QUEST DIAGNOSTIC INC.		110783	10/26 DOT DRUG TESTS	459.90	
75272	11/15/21	003604	4,172.81	RAE PRODUCTS & CHEMICALS		110735	LANE MARKINGS	4,172.81	
75273	11/15/21	003527	16,443.00	REDVECTOR.COM LLC		110800	10/1-9/30/22 ANL SVC	14,943.00	
						110801	10/1-9/30/22 ANL SVC	1,500.00	
75274	11/15/21	003024	202.53	RICOH USA, INC CA		110858	8/1-10/31 COPIES C/S	202.53	
75275	11/15/21	135	186.06	SANTA CRUZ AUTO PARTS, INC.		110768	INVENTORY ORDER	122.80	
						110769	INVENTORY ORDER	145.93	
						110870	INVENTORY ORDER	36.83	
						110871	CREDIT 14508-421139	-26.66	
						110872	CREDIT 14508-422224	-92.84	
75276	11/15/21	002917	49,478.34	SANTA CRUZ METRO TRANSIT W/C		110784	OCT 21 REPLENISH W/C	49,478.34	
75277	11/15/21	001292	320.00	SANTA CRUZ RECORDS MNGMT INC		110816	10/27SHREDDING MULTI	320.00	
75278	11/15/21	001307	4,200.83	SANTA CRUZ STAFFING, LLC		110741	TEMP W/E 10/31	2,513.33	
						110812	TEMP W/E 10/31	1,687.50	
75279	11/15/21	002459	785.50	SCOTTS VALLEY WATER DISTRICT		110774	8/3-10/1 SVT	550.18	
						110822	10/1-10/31 SVT	235.32	
75280	11/15/21	003054	5,089.59	SERVICE STATION SYSTEMS CORP		110811	DIESEL PUMP SVC/RPR	5,089.59	
75281	11/15/21	003292	897.60	SLINGSHOT CONNECTIONS LLP		110874	TEMP W/E10/31 429909	897.60	
75282	11/15/21	001040	116.49	TERRYBERRY CO., LLC		110771	ANNIVERSARY AWARD	116.49	
75284	11/15/21	003285	19,171.44	THE AFTERMARKET PARTS CO LLC		110757	VEH# 2601 PARTS	590.42	
						110758	VEH# 2803 PARTS	261.95	
						110759	VEH# 2602 PARTS	1.87	
						110760	INVENTORY ORDER	229.15	
						110761	INVENTORY ORDER	4,444.30	
						110789	VEH# 2333 PARTS	337.63	

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75285	11/15/21	1,360.34	166	THE HOSE SHOP, INC		110790	VEH# 2333 PARTS	397.80	
75286	11/15/21	850.00	003255	TORKOS, RIGO		110835	HOSE CAMPAIGN 19/20	1,418.88	
75287	11/15/21	19,314.97	057	U. S. BANK		110836	HOSE CAMPAIGN 19/20	85.77	
75288	11/15/21	98.67	007	UNITED PARCEL SERVICE		110837	HOSE CAMPAIGN 19/20	675.99	
75289	11/15/21	29.72	147	ZEE MEDICAL SERVICE CO.		110850	HOSE CAMPAIGNSR19/20	425.42	
75290	11/16/21	38.12	M246	LYNCH, GLENN		110851	SR1594 HOSE CAMPAIGN	1,851.83	
75291	11/22/21	835.00	001712	ABACHERLI FENCE COMPANY	7	110852	SR1594 HOSE CAMPAIGN	441.32	
75292	11/22/21	80.68	003295	AJAX WIRE SPECIALTY CO INC		110853	SR1594 HOSE CAMPAIGN	484.54	
75293	11/22/21	35.50	003596	AMAZON CAPITAL SERVICES, INC.		110854	SR1594 HOSE CAMPAIGN	25.44	
75294	11/22/21	2,550.00	003556	ARNONE, MICHAEL		110855	INVENTORY ORDER	77.46	
75295	11/22/21	997.02	003105	AT&T MOBILITY		110856	INVENTORY ORDER	274.08	
75296	11/22/21	636.52	E1083	BAUER, DONNA		110860	HOSECAMPAIGNSR19/20	1,144.07	
75297	11/22/21	10,000.00	616	BROWN ARMSTRONG ACCOUNTANCY		110861	SR1594HOSECAMPAIGN	50.23	
75298	11/22/21	177.60	149	CALLIFORNIA NEWSPAPERS P'SHIP	0	110862	SR1594 HOSE CAMPAIGN	113.21	
75299	11/22/21	2,292.50	001159	CATTO'S GRAPHICS, INC.		110863	SR1594 HOSE CAMPAIGN	328.63	
75300	11/22/21	1,100.00	002109	CITY OF SANTA CRUZ/PARKING		110864	SR1594 HOSE CAMPAIGN	394.22	
75301	11/22/21	11,274.23	909	CLASSIC GRAPHICS		110865	INVENTORY ORDER	15.49	
75302	11/22/21	2,664.77	001124	CLEAN ENERGY		110866	SR1594 HOSE CAMPAIGN	1,225.30	
						110867	HOSECAMPAIGNSR19/20	306.32	
						110868	HOSECAMPAIGN94/19/20	1,055.36	
						110887	VEH# 9810 PARTS	2,425.16	
						110888	CREDIT RETURNED ITEM	53.66	
						110889	INVENTORY ORDER	-131.83	
						110890	INVENTORY ORDER	131.83	
						110834	NON INVENTORY ORDER	87.82	
						110884	NON INVENTORY ORDER	589.70	
						110885	NON INVENTORY ORDER	682.82	
						110780	TV AD NOV HIRING	850.00	
						110892	***-***-****-5971	19,314.97	
						110849	FREIGHT	98.67	
						110781	FIRST AID SUPPL PRC	29.72	
						110893	MEDICAL SUPPLEMENTAL	38.12	
						111015	BARB WIRE WORK SBF	835.00	
						110992	INVENTORY ORDER	80.68	
						110996	USB CABLES FOR SHOP	12.44	
						111014	VEH# PC 1707 PARTS	23.06	
						110981	1901 PRC FAC PROJ	2,550.00	
						110934	9/24-10/23 BUS WIFI	997.02	
						111002	SUPPL GOINGAWAYEVENT	636.52	
						111017	21AUDIT WORK IN PROG	10,000.00	
						110959	10/31 LEGAL ADS	177.60	
						110933	HOLIDAY GRAPHICS	2,292.50	
						111016	DEC 21 PARK PERMITS	1,100.00	
						110960	1910 REFURB BUSSTOPS	11,274.23	
						110897	OFFLOAD HOSE SBF	1,079.60	

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75303	11/22/21	E957	2,179.60	CLIFFORD, ALEX		110898	OFFLOAD HOSE CREDIT	-1,210.75	
						110899	OFFLOAD HOSE SBF	2,795.92	
						111004	11/1-11/4 CTA CONF	1,955.89	
75304	11/22/21	075	1,384.74	COAST PAPER & SUPPLY INC.		111006	11/5-11/8 APTA CONF	1,223.71	
75305	11/22/21	003116	72,397.24	CUMMINS, INC		110931	COVID 19 SUPPLIES	1,384.74	
						110904	ENGINE REPLACE LABOR	18,159.80	
						110948	#4203 ENGINE REBUILD	34,791.39	
						110949	#1201 ENGINE REBUILD	19,430.71	
						110979	VEH# 2316 PARTS	33.14	
						110991	CREDIT INV Y9-81682	-68.28	
						110994	INVENTORY ORDER	25.24	
						110995	INVENTORY ORDER	25.24	
75306	11/22/21	003274	7,738.41	EAST BAY TIRE CO.		110909	REVENUE TIRES	2,899.98	
						110910	REVENUE TIRES	2,515.84	
						110911	REVENUE TIRES	107.31	
						110912	REVENUE TIRES	649.16	
						110977	REVENUE TIRES	308.17	
						110978	REVENUE TIRES	1,257.95	
75307	11/22/21	001297	1,565.55	FASTENAL COMPANY INC		110906	INVENTORY ORDER	121.08	
						110907	NON INVENTORY ORDER	101.44	
						110908	INV/NON INV ORDER	1,343.03	
75308	11/22/21	002295	47,336.44	FIRST ALARM SECURITY & PATROL		110950	OCT 21 SECURITY	47,336.44	
75309	11/22/21	117	1,740.10	GILLIG LLC		110903	INVENTORY ORDER	745.52	
						110929	VEH# 4204 WC201665T2	5.54	
						110993	INVENTORY ORDER	989.04	
75310	11/22/21	E162	1,156.21	GOUVEIA, ANNA		111000	11/1-11/4 CTA CONF	1,079.67	
75311	11/22/21	003109	51,435.40	HANSON BRIDGETT LLP		111005	10/27-10/29 CALACT	76.54	
						110953	M# 032117.001001	991.20	
						110954	M#032117.006001	522.00	
						110955	M#032117.006034	17,231.20	
						110956	M#032117.006035	4,746.00	
						110957	M# 032117.008003	1,445.00	
75312	11/22/21	001745	14,675.86	HARTFORD LIFE AND ACCIDENT INS		110958	OCT 21 RETAINER	26,500.00	
						110964	NOV 21 LTD	10,686.68	
						110965	NOV 21 LIFE AD&D	3,989.18	
75313	11/22/21	002979	9,025.44	HUNT & SONS, INC.		110905	INVENTORY ORDER	9,025.44	
75314	11/22/21	003442	878.01	JOHNSON CONTROLS INC		110937	12/1-2/28/22 SBF	878.01	
75315	11/22/21	1117	110.94	KELLEY'S SERVICE INC.		110920	INVENTORY ORDER	19.77	
						110921	VEH# 502 PARTS ORDER	12.39	
						110922	INVENTORY ORDER	4.80	
						110924	BALANCE DUE 1449334	73.98	
						110982	VENDOR ERROR CR 9879	5.01	
						110983	CREDIT MEMO 9370	-5.01	
						110984	VENDOR ERROR CR 9320	673.89	
						110985	CREDIT MEMO 1449295	-673.89	
75316	11/22/21	003391	1,965.93	MARK THOMAS & COMPANY INC		110973	196B MAINT YARD DEMO	1,965.93	

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75317	11/22/21	MENDOZA-GARCIA, LIZETTE	120.00		111008	DMV RENEWAL EXAM	120.00	
75318	11/22/21	MGP XI REIT, LLC	2,248.49		110961	DEC 21 CAPITOLA MALL	2,248.49	
75319	11/22/21	MID VALLEY SUPPLY INC.	77.73		110928	INVENTORY ORDER	77.73	
75320	11/22/21	MILLER MAXFIELD INC	543.75		110935	WINTER HEADWAYS	543.75	
75321	11/22/21	MISSION UNIFORM	482.26		110975	COVID/FUEL ST TOWELS	156.00	
					110997	COVID/UNIFORM SUPPL	326.26	
75322	11/22/21	MOSES, CURTIS	850.21		111001	11/1-11/4 CTA CONF	850.21	
75323	11/22/21	NATALIE NIEMAN	550.00		110967	BANNERS/HOLIDAY WRAP	550.00	
75324	11/22/21	NEVIN, JOHN	120.00		111007	DMV RENEWAL EXAM	120.00	
75325	11/22/21	NORTH BAY FORD LINC-MERCURY	479.07		110974	VEH# 714 PART ORDER	38.63	
					111013	VEH# PC1705 REPAIRS	440.44	
75326	11/22/21	NOTT-PEREZ, DAWN	3,103.05		110966	DEC21 SURVIVOR COBRA	3,103.05	
75327	11/22/21	PACIFIC TRUCK PARTS, INC.	1,364.32		110938	VEH# 2224 PARTS	54.22	
					110939	TEMP SENSOR CAMPAIGN	108.44	
					110940	INVENTORY ORDER	1,200.66	
					110941	INVENTORY ORDER	216.88	
					110942	CREDIT INV 1851253	-108.44	
					110943	CREDIT INV# 1851251	-54.22	
					110944	CREDIT INV 1851089	-216.88	
					110945	INVENTORY ORDER	52.39	
					110946	INVENTORY ORDER	111.27	
75328	11/22/21	PREFERRED BENEFIT	41,403.70		110962	NOV 21 VSP	8,077.50	
					110963	NOV 21 DENTAL	33,326.20	
75329	11/22/21	PROBUILD COMPANY LLC	10.91		110900	STUD FINDER VER	10.91	
75330	11/22/21	RICOH USA, INC CA	110.17		110998	11/1-11/30 LEASE OPS	110.17	
75331	11/22/21	SANTA CRUZ AUTO PARTS, INC.	167.20		110914	INVENTORY ORDER	117.97	
					110915	INVENTORY ORDER	49.23	
75332	11/22/21	SANTA CRUZ MUNICIPAL UTILITIES	274.44		110971	10/1-10/31 IRRIG SBF	108.28	
					110972	10/1-10/31 IRRIG VER	166.16	
75333	11/22/21	SANTA CRUZ RECORDS MNGMT INC	503.00		110896	11/4 SHREDDING VER	503.00	
75334	11/22/21	SANTA CRUZ STAFFING, LLC	3,727.63		110894	TEMP W/E 11/7	395.25	
					110895	TEMP W/E 11/7	2,049.88	
					110930	TEMP W/E 11/07	1,282.50	
75335	11/22/21	SCHINDLER ELEVATOR CORPORATION	660.13		110999	NOV 21 MAINT MULTI	660.13	
75336	11/22/21	SERVICE STATION SYSTEMS CORP	2,588.31		110947	DIESEL CABINET RPR	2,588.31	
75337	11/22/21	SPORTWORKS NORTHWEST, INC.	4,904.39		110913	INVENTORY ORDER	1,802.85	
					110980	INVENTORY ORDER	3,101.54	
75338	11/22/21	SWIFT CONSULTING SERVICES INC	1,998.00		110936	1901 SVC 10/28 PRC	1,998.00	
75339	11/22/21	TERRYBERRY CO., LLC	209.10		110927	ANNIVERSARY AWARD	209.10	
75340	11/22/21	THE AFTERMARKET PARTS CO LLC	2,038.80		110902	VEH# 2807 PARTS	10.79	
					110919	VEH# 1306 PARTS	284.60	
					110925	SRI594 'SHOSECAMPAIGN	0.20	
					110970	INVENTORY ORDER	1.69	
					111010	19/20 HOSE CAMPAIGN	1,225.30	
					111011	VEH# 3208 WO# 201602	500.73	
					111012	INVENTORY ORDER	15.49	

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75341	11/22/21	1,803.62	166	THE HOSE SHOP, INC		110916	VEH# 3308 PARTS	298.56	
						110917	NON INVENTORY ORDER	204.51	
75342	11/22/21	717.73	003492	TRENTMAN CORP		110923	VEH# 2803 PARTS	1,300.55	
75343	11/22/21	58.07	007	UNITED PARCEL SERVICE		111009	RED MARKING PAINT	717.73	
75344	11/22/21	829.93	434	VERIZON WIRELESS	0	110926	FREIGHT	58.07	
						110901	10/2-11/1 PAGERS MMF	64.60	
						110932	10/2-11/1 PARACRUZ	714.39	
						110968	10/2-11/1 CS	50.94	
75345	11/22/21	133.72	003525	WCDJR, LLC		110976	VEH# PC1125 PARTS	133.72	
75346	11/22/21	240.00	003550	WORKWELL MEDICAL PROF. CORP.		110951	DMV RENEWAL EXAMS	120.00	
						110952	DMV RENEWAL EXAMS	120.00	
75347	11/22/21	1,092.01	E329	ZARAGOZA, DANIEL		111003	11/1-11/4 CTA CONF	1,092.01	
75348	11/22/21	826.98	147	ZEE MEDICAL SERVICE CO.		110969	FIRSTAID RESTOCK SMC	84.82	
						110986	FIRSTAID RESTOCK MMF	245.64	
						110987	FIRSTAID RESTOCK VER	163.77	
						110988	FIRSTAID RESTOCK MMF	105.98	
						110989	FIRSTAID RESTOCK MMF	56.84	
						110990	FIRSTAID RESTOCK OPS	169.93	
75349	11/22/21	393.54	003530	ZORO TOOLS, INC.		110918	INVENTORY ORDER MMF	393.54	
75350	11/29/21	176.00	003151	ABC BUS INC		111087	INVENTORY ORDER	176.00	
75351	11/29/21	240.00	382	AIRTEC SERVICE INC.		111025	SERVICE CALL SMC	240.00	
75352	11/29/21	477.30	002828	ALLIED ELECTRONICS		111055	INVENTORY ORDER	477.30	
75353	11/29/21	1,204.42	003596	AMAZON CAPITAL SERVICES, INC.		111051	VEH# 0103 PARTS	61.86	
						111052	CHARGING CABLES	53.90	
						111078	SECURITY LIGHT ADMIN	89.56	
						111097	HANDSFREE FAUCET SVT	753.30	
						111137	BULLETIN BOARD OPS	245.80	
75354	11/29/21	2,765.10	001D	AT&T		111029	10/13-11/12 VER/SMC	1,831.75	
						111124	10/10-11/9 INTERNET	933.35	
						111075	ETHERNET ADAPTERS	32.76	
75355	11/29/21	32.76	003199	B & H FOTO & ELECTRONICS CORP		111034	FY21 KITE HILL	124.10	
75356	11/29/21	124.10	001346	CITY OF SANTA CRUZ-FINANCE		111033	10/13-11/9 WTC	39.79	
75357	11/29/21	39.79	130	CITY OF WATSONVILLE UTILITIES		111086	VEH# 1304 RPR/PAINT	2,839.46	
75358	11/29/21	2,839.46	909	CLASSIC GRAPHICS		111056	PRV REPLACEMENT SBF	11,168.70	
75359	11/29/21	50,158.32	001124	CLEAN ENERGY		111057	SITE INV REPLENISH	667.52	
						111065	11/5 LNG CHARGES	9,630.08	
						111066	11/9 LNG CHARGES	9,946.81	
						111067	11/12 LNG CHARGES	8,929.83	
						111068	11/2 LNG CHARGES	9,815.38	
75360	11/29/21	273.87	002814	CREATIVE BUS SALES, INC.		111136	VEH PCI706 ADA PARTS	273.87	
75361	11/29/21	11,784.06	003116	CUMMINS, INC		111022	VEH# 3208 PARTS	443.01	
						111045	INVENTORY ORDER	1,287.14	
						111046	INVENTORY ORDER	1,848.39	
						111049	INVENTORY ORDER	482.68	
						111050	INVENTORY ORDER	3,217.85	
						111128	INVENTORY ORDER	4,504.99	

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75362	11/29/21	6,447.77	EAST BAY TIRE CO.		111113	NON REVENUE TIRES	1,083.15	
					111114	NON REVENUE TIRES	124.62	
					111115	REVENUE TIRES	5,031.68	
					111116	VEH# 1116 TIRE RPR	101.01	
					111117	REVENUE TIRES	107.31	
75363	11/29/21	998.24	EXPRESS SERVICES INC.		111139	TEMP W/E 10/31	998.24	
75364	11/29/21	1,457.35	FASTENAL COMPANY INC		111044	NON INVENTORY ORDER	1,118.64	
75365	11/29/21	14,140.22	FLYERS ENERGY LLC		111084	11/1-11/15NONREVFUEL	2,289.96	
					111085	11/1-11/15 REV FUEL	11,850.26	
75366	11/29/21	496.82	GILLIG LLC		111043	INVENTORY ORDER	449.09	
					111106	INVENTORY ORDER	47.73	
75367	11/29/21	931.73	GLOBAL EQUIPMENT COMPANY, INC		111042	CHAIRS FOR FLEET	931.73	
75368	11/29/21	110.17	GOUVEIA, ANNA		111135	INTERVIEWPANEL LUNCH	110.17	
75369	11/29/21	1,465.63	GRAINGER		111120	REPLACEMENT BOOTS	255.71	
					111121	REPLACEMENT BOOTS	85.24	
					111122	INVENTORY ORDER	170.43	
					111123	NON INVENTORY ORDER	7.69	
					111125	BALL BEARINGS WTC	9.25	
					111126	EXTENSION CORDS	45.19	
					111127	INVENTORY ORDER	28.76	
					111130	SAFETY CABINET	863.36	
75370	11/29/21	8,122.17	IO, RODNEY H		111089	VEH 803 REPAIRS	8,122.17	
75371	11/29/21	972.33	J.J.R ENTERPRISES, INC.		111131	TONER CARTRIDGES	633.65	
					111038	TONER CARTRIDGES	338.68	
75372	11/29/21	99.49	JOBBER'S EQUIPMENT WAREHOUSE		111098	INVENTORY ORDER	99.49	
75373	11/29/21	27,069.10	MANSFIELD OIL CO OF GAINSVILLE		111101	11/15 DIESEL FUEL	27,069.10	
75374	11/29/21	31,255.42	MARK THOMAS & COMPANY INC		111074	1911 AUTO GATES JKS	31,159.04	
					111138	1901 10/31 PRC FAC	96.38	
75375	11/29/21	1,538.00	MCCAMPBELL ANALYTICAL, INC.		111020	WATER SAMPLING OPS	769.00	
					111021	WATER SAMPLING MMF	769.00	
75376	11/29/21	460.60	MID VALLEY SUPPLY INC.		111077	INVENTORY ORDER	460.60	
75377	11/29/21	5,162.50	MILLER MAXFIELD INC		111047	BUS WRAP DESIGN	5,162.50	
75378	11/29/21	1,113.07	MISSION UNIFORM		111023	TOWELS/MOPS/MATS	41.75	
					111028	LAUNDRY/CUSTODIAL	68.29	
					111031	COVID/FUEL ST TOWELS	156.00	
					111032	COVID/UNIFORM SUPPL	326.26	
					111095	TOWELS/MOPS/MATS	41.75	
					111129	COVID/UNIFORM SUPPL	323.02	
					111144	COVID/FUEL ST TOWELS	156.00	
75379	11/29/21	53.25	NIDAL HALABI & NADA ALGHARIB		111076	BUS OP NAME BADGES	53.25	
75380	11/29/21	2,655.23	NORTH BAY FORD LINC-MERCURY		111069	VEH# PCI703 PARTS	2,424.18	
					111100	INVENTORY ORDER	231.05	
75381	11/29/21	195.00	OJO TECHNOLOGY, INC.		111033	SECURITY CAMERA RPR	195.00	
75382	11/29/21	209.50	PIED PIPER EXTERMINATORS, INC.		111058	NOV 21 PEST SVT	65.00	
					111059	NOV 21 PEST WTC	65.00	

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75383	11/29/21	107A	481.02	PROBUILD COMPANY LLC		111060	NOV 21 PEST WTC MKT	79.50	
						111019	QUICKLINKS SBF	17.68	
						111062	PLUMBING SUPPLI SMC	28.54	
						111091	FLASHING SMC	9.82	
						111092	CAULKING SMC	15.28	
						111093	CAULK/ROOF NAILS SMC	12.56	
						111094	LUMBER SMC	178.58	
						111096	BALCONY REPAIR SMC	218.56	
						111036	STOCK ORDER	79.45	
						111037	STOCK ORDER PT PM	105.25	
						111039	STOCK ORDER PT PM	813.96	
						111061	LIGHT REPLACEMENTMF	118.49	
						111024	INVENTORY ORDER	2,906.05	
						111134	INTERVIEWPANEL LUNCH	71.09	
						111027	TEMP W/E 11/14	2,673.76	
						111030	TEMP W/E 11/14	1,215.00	
						111102	TEMP W/E 11/14	209.25	
						111140	NOV 21 LEGISLATE SVC	2,500.00	
						111026	TEMP W/E 11/7 430037	673.20	
						111064	TEMPW/E 11/14 430172	1,122.00	
						111132	10/27-10/28 CALACT	95.27	
						111104	DEC 21 RENT RESEARCH	9,739.50	
						111141	1901 MAR-MAY PRC FAC	1,539.00	
						111142	1901 JUN-AUG15PRCFAC	1,215.00	
						111143	1901 AUG-NOV15PRCFAC	1,988.75	
						111090	INVENTORY ORDER	219.17	
						111048	OFFICE SUPPLIES	18.56	
						111040	INVENTORY ORDER	169.62	
						111053	VEH 3208 PARTS	320.24	
						111070	VEH# 1001 WO202408T3	243.98	
						111071	INVENTORY ORDER	85.95	
						111072	VEH 1001 PARTS200120	438.93	
						111079	INVENTORY ORDER	358.34	
						111080	SR1594 HOSE CAMPAIGN	31.72	
						111081	SR1594 HOSE CAMPAIGN	150.70	
						111082	INVENTORY ORDER	716.68	
						111105	SR1594 HOSE CAMPAIGN	295.03	
						111107	SR19/20HOSE CAMPAIGN	166.06	
						111108	SR19/20 HOSECAMPAIGN	349.60	
						111109	INVENTORY ORDER	263.52	
						111110	INVENTORY ORDER	268.97	
						111118	INVENTORY ORDER	364.74	
						111119	VEH# 2802 PARTS	475.47	
						111018	OIL REEL HOSE ASSY	158.42	
						111041	INVENTORY ORDER	87.93	
						111054	VEH# 9817 PARTS	194.93	
75397	11/29/21	166	441.28	THE HOSE SHOP, INC					

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75398	11/29/21	2,501.83 003242	2,501.83	THE JANEK CORPORATION		111083	ELECTRONIC RPR ITEMS	2,501.83	
75399	11/29/21	230.60 007	230.60	UNITED PARCEL SERVICE		111111	FREIGHT	230.60	
75400	11/29/21	64.85 E1084	64.85	VAQUERO, VIRGINIA		111133	REIMB BUS OP GRAD	64.85	
75401	11/29/21	3,725.06 434	3,725.06	VERIZON WIRELESS	0	111073	10/13-11/12 WIFI BUS	3,725.06	VOIDED
75402	11/29/21	1,260.38 001353	1,260.38	VISION COMMUNICATIONS		111063	VEH# 2218 WO202917T1	1,260.38	
75402	11/29/21	-1,260.38 001353	-1,260.38	VISION COMMUNICATIONS		111063	VEH# 2218 WO202917T1	-1,260.38	**VOID
75403	11/29/21	477.20 003525	477.20	WCDOR, LLC		111099	VEH PC 1101 REPAIRS	477.20	
75404	11/23/21	84.56 M148	84.56	ABACHERLI, ARLETTE		9004076	MEDICAL SUPPLEMENTAL	84.56	
75405	11/23/21	19.06 M149	19.06	ADAMS, ELLEN		9004077	MEDICAL SUPPLEMENTAL	19.06	
75406	11/23/21	15.58 M150	15.58	ALLEN, ROBERT		9004078	MEDICAL SUPPLEMENTAL	15.58	
75407	11/23/21	17.50 M333	17.50	ANDERSON, WILLIAM		9004252	MEDICAL SUPPLEMENTAL	17.50	
75408	11/23/21	76.68 M151	76.68	ANDRADE, GERALD		9004079	MEDICAL SUPPLEMENTAL	76.68	
75409	11/23/21	19.06 M334	19.06	ANDRADE, OSCAR		9004253	MEDICAL SUPPLEMENTAL	19.06	
75410	11/23/21	19.17 M152	19.17	ANN, DORICE		9004080	MEDICAL SUPPLEMENTAL	19.17	
75411	11/23/21	15.58 M153	15.58	ARCHIBEQUE, ELEANOR		9004081	MEDICAL SUPPLEMENTAL	15.58	
75412	11/23/21	38.12 M154	38.12	ARCHIBEQUE, JUANITA		9004082	MEDICAL SUPPLEMENTAL	38.12	
75413	11/23/21	35.00 M155	35.00	ASPESTI, JOHN		9004083	MEDICAL SUPPLEMENTAL	35.00	
75414	11/23/21	35.00 M156	35.00	BAILLEY, EDWIN		9004084	MEDICAL SUPPLEMENTAL	35.00	
75415	11/23/21	17.50 M157	17.50	BAKER, DALE		9004085	MEDICAL SUPPLEMENTAL	17.50	
75416	11/23/21	38.34 M158	38.34	BAN, MARK		9004086	MEDICAL SUPPLEMENTAL	38.34	
75417	11/23/21	121.66 M159	121.66	BARNES, SCOTT		9004087	MEDICAL SUPPLEMENTAL	121.66	
75418	11/23/21	15.58 M335	15.58	BARRY, BARTHOLOMEW		9004254	MEDICAL SUPPLEMENTAL	15.58	
75419	11/23/21	17.50 M336	17.50	BARTZ, GLENN		9004255	MEDICAL SUPPLEMENTAL	17.50	
75420	11/23/21	17.50 M160	17.50	BASS, BETTY		9004088	MEDICAL SUPPLEMENTAL	17.50	
75421	11/23/21	103.36 M161	103.36	BAUER, FRANK		9004089	MEDICAL SUPPLEMENTAL	103.36	
75422	11/23/21	15.58 M162	15.58	BLAIR, GARY		9004090	MEDICAL SUPPLEMENTAL	15.58	
75423	11/23/21	17.50 M164	17.50	BLAKE, GENEVA		9004091	MEDICAL SUPPLEMENTAL	17.50	
75424	11/23/21	35.00 M165	35.00	BLIGHT, KAREN		9004092	MEDICAL SUPPLEMENTAL	35.00	
75425	11/23/21	46.79 M166	46.79	BOOTON, EMMA		9004093	MEDICAL SUPPLEMENTAL	46.79	
75426	11/23/21	38.12 M167	38.12	BOYD, MICHAEL		9004094	MEDICAL SUPPLEMENTAL	38.12	
75427	11/23/21	15.58 M169	15.58	BREGANTE, BATTISTA		9004095	MEDICAL SUPPLEMENTAL	15.58	
75428	11/23/21	19.06 M337	19.06	BRONSTATER, CHERYL		9004256	MEDICAL SUPPLEMENTAL	19.06	
75429	11/23/21	64.29 M170	64.29	BROWN, ERNEST		9004096	MEDICAL SUPPLEMENTAL	64.29	
75430	11/23/21	64.29 M171	64.29	BROWN, KENNETH		9004097	MEDICAL SUPPLEMENTAL	64.29	
75431	11/23/21	17.50 M338	17.50	BRYANT, KATHLEEN		9004257	MEDICAL SUPPLEMENTAL	17.50	
75432	11/23/21	19.06 M172	19.06	BURKET, JANET		9004098	MEDICAL SUPPLEMENTAL	19.06	
75433	11/23/21	15.58 M173	15.58	BYTHEWAY, MARY		9004099	MEDICAL SUPPLEMENTAL	15.58	
75434	11/23/21	32.45 M339	32.45	CANALES, DONNA		9004258	MEDICAL SUPPLEMENTAL	32.45	
75435	11/23/21	84.56 M174	84.56	CAPELLA, KATHLEEN		9004100	MEDICAL SUPPLEMENTAL	84.56	
75436	11/23/21	15.58 M175	15.58	CARLSON, MERRYL		9004101	MEDICAL SUPPLEMENTAL	15.58	
75437	11/23/21	17.50 M176	17.50	CARR, DALE		9004102	MEDICAL SUPPLEMENTAL	17.50	
75438	11/23/21	15.58 M177	15.58	CASANEGA, RICHARD		9004103	MEDICAL SUPPLEMENTAL	15.58	
75439	11/23/21	31.16 M178	31.16	CAVATAIO, PASQUALE		9004104	MEDICAL SUPPLEMENTAL	31.16	
75440	11/23/21	15.58 M340	15.58	CENTER, DOUGLAS		9004259	MEDICAL SUPPLEMENTAL	15.58	

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75441	11/23/21	15.58 M179	CERVANTES, GLORIA	9004105	MEDICAL SUPPLEMENTAL	15.58			
75442	11/23/21	15.58 M341	CHAVARRIA, JOHNNY	9004260	MEDICAL SUPPLEMENTAL	15.58			
75443	11/23/21	35.00 M342	CILBERIO, ANTHONY	9004261	MEDICAL SUPPLEMENTAL	35.00			
75444	11/23/21	17.50 M343	CLARKE, PATRICIA	9004262	MEDICAL SUPPLEMENTAL	17.50			
75445	11/23/21	15.58 M180	CLAYTON, MICHAEL	9004106	MEDICAL SUPPLEMENTAL	15.58			
75446	11/23/21	32.45 M344	CODD, FREDERICK	9004263	MEDICAL SUPPLEMENTAL	32.45			
75447	11/23/21	100.81 M181	COLWELL, ARLAN	9004107	MEDICAL SUPPLEMENTAL	100.81			
75448	11/23/21	35.00 M345	CONKLIN, CAROLYN	9004264	MEDICAL SUPPLEMENTAL	35.00			
75449	11/23/21	17.50 M182	CONTRERAS-NAVARRO, FRANCISCO	9004108	MEDICAL SUPPLEMENTAL	17.50			
75450	11/23/21	38.01 M183	COON, RICHARD	9004109	MEDICAL SUPPLEMENTAL	38.01			
75451	11/23/21	46.28 M184	COTRONEO, MICHAEL	9004110	MEDICAL SUPPLEMENTAL	46.28			
75452	11/23/21	17.50 M346	COUSINS, DOROTHY	9004265	MEDICAL SUPPLEMENTAL	17.50			
75453	11/23/21	46.95 M185	COWELL, RICHARD	9004111	MEDICAL SUPPLEMENTAL	46.95			
75454	11/23/21	58.50 M347	CRAIG, CRAIG	9004266	MEDICAL SUPPLEMENTAL	58.50			
75455	11/23/21	19.06 M186	CRAMBLETT, LAWRENCE	9004112	MEDICAL SUPPLEMENTAL	19.06			
75456	11/23/21	38.01 M376	CRANDELL, DANA	9004294	MEDICAL SUPPLEMENTAL	38.01			
75457	11/23/21	17.50 M187	CRAWFORD, FLOYD	9004113	MEDICAL SUPPLEMENTAL	17.50			
75458	11/23/21	13.09 M348	CRAWFORD, TERRI	9004267	MEDICAL SUPPLEMENTAL	13.09			
75459	11/23/21	19.06 M188	CRUISE, RICHARD	9004114	MEDICAL SUPPLEMENTAL	19.06			
75460	11/23/21	35.00 M190	CRUTCH, SHELTON	9004115	MEDICAL SUPPLEMENTAL	35.00			
75461	11/23/21	15.58 M349	CUMMINGS, CYNTHIA	9004268	MEDICAL SUPPLEMENTAL	15.58			
75462	11/23/21	38.34 M191	CUMMINGS, PATRICIA	9004116	MEDICAL SUPPLEMENTAL	38.34			
75463	11/23/21	35.00 M192	CUMMINS, MAJOR	9004117	MEDICAL SUPPLEMENTAL	35.00			
75464	11/23/21	46.79 M193	DAKTIWAG, FRED	9004118	MEDICAL SUPPLEMENTAL	46.79			
75465	11/23/21	46.79 M194	DANIEL, REBECCA	9004119	MEDICAL SUPPLEMENTAL	46.79			
75466	11/23/21	38.34 M195	DAVIDOSKI, PATTI	9004120	MEDICAL SUPPLEMENTAL	38.34			
75467	11/23/21	15.58 M196	DAVILLA, ANA	9004121	MEDICAL SUPPLEMENTAL	15.58			
75468	11/23/21	13.09 M351	DEAN, RONALD	9004269	MEDICAL SUPPLEMENTAL	13.09			
75469	11/23/21	15.58 M373	DEL PO, CAROLYN	9004291	RETIREE SUPPLEMENTAL	15.58			
75470	11/23/21	46.95 M197	DEVIVO, WILLIAM	9004122	MEDICAL SUPPLEMENTAL	46.95			
75471	11/23/21	31.16 M198	DOBBS, GLENN	9004123	MEDICAL SUPPLEMENTAL	31.16			
75472	11/23/21	15.58 M199	DRAKE, JUDITH	9004124	MEDICAL SUPPLEMENTAL	15.58			
75473	11/23/21	15.58 M200	ELIA, IAKRY	9004125	MEDICAL SUPPLEMENTAL	15.58			
75474	11/23/21	35.00 M201	ESCARCEGA, MIGUEL	9004126	MEDICAL SUPPLEMENTAL	35.00			
75475	11/23/21	40.68 M202	FALLAU, NICHOLAS	9004127	MEDICAL SUPPLEMENTAL	40.68			
75476	11/23/21	16.22 M203	FLAGG, PAULA	9004128	MEDICAL SUPPLEMENTAL	16.22			
75477	11/23/21	15.58 M352	FLOREZ, ROSIE	9004270	MEDICAL SUPPLEMENTAL	15.58			
75478	11/23/21	13.09 M353	FLYNN, CHRISTINA	9004271	MEDICAL SUPPLEMENTAL	13.09			
75479	11/23/21	17.50 M204	FREEMAN, MARY	9004129	MEDICAL SUPPLEMENTAL	17.50			
75480	11/23/21	46.79 M205	GABRIEL, RICHARD	9004130	MEDICAL SUPPLEMENTAL	46.79			
75481	11/23/21	15.87 M354	GABRIELE, BERNARD	9004272	MEDICAL SUPPLEMENTAL	15.87			
75482	11/23/21	15.87 M355	GABRIELE, CARHLEEN	9004273	MEDICAL SUPPLEMENTAL	15.87			
75483	11/23/21	15.58 M206	GARBEB, LINDA	9004131	MEDICAL SUPPLEMENTAL	15.58			
75484	11/23/21	15.58 M207	GARBEB, MANNY	9004132	MEDICAL SUPPLEMENTAL	15.58			
75485	11/23/21	38.01 M208	GARCIA, DANIEL	9004133	MEDICAL SUPPLEMENTAL	38.01			
75486	11/23/21	15.58 M209	GARCIA, HELEN	9004134	MEDICAL SUPPLEMENTAL	15.58			

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75487	11/23/21	103.36 M210	GARCIA, SAMUEL		9004135	MEDICAL SUPPLEMENTAL	103.36		
75488	11/23/21	15.58 M211	GOSE, JOHN		9004136	MEDICAL SUPPLEMENTAL	15.58		
75489	11/23/21	58.50 M041	GOUBEIA, ROBERT	0	9004074	MEDICAL SUPPLEMENTAL	58.50		
75490	11/23/21	84.56 M213	GRANADOS-BOYCE, MARIA		9004137	MEDICAL SUPPLEMENTAL	84.56		
75491	11/23/21	15.58 M214	GROBMAN, BRUCE		9004138	MEDICAL SUPPLEMENTAL	15.58		
75492	11/23/21	31.16 M215	GROSJEAN, DOUGLAS		9004139	MEDICAL SUPPLEMENTAL	31.16		
75493	11/23/21	15.58 M216	HALL, SHIRLEY		9004140	MEDICAL SUPPLEMENTAL	15.58		
75494	11/23/21	15.58 M217	HAMM, CAROLYN		9004141	MEDICAL SUPPLEMENTAL	15.58		
75495	11/23/21	19.06 M218	HAMMER, ALLYNE		9004142	MEDICAL SUPPLEMENTAL	19.06		
75496	11/23/21	38.34 M219	HERNANDEZ, JUAN		9004143	MEDICAL SUPPLEMENTAL	38.34		
75497	11/23/21	15.58 M220	HERNANDEZ, MARGARITO		9004144	MEDICAL SUPPLEMENTAL	15.58		
75498	11/23/21	46.95 M221	HERSHEY, ANDREA		9004145	MEDICAL SUPPLEMENTAL	46.95		
75499	11/23/21	17.50 M222	HILL, ANDREW		9004146	MEDICAL SUPPLEMENTAL	17.50		
75500	11/23/21	92.37 M380	HILTNER, THOMAS		9004296	MEDICAL SUPPLEMENTAL	92.37		
75501	11/23/21	15.58 M223	HINDIN, LENORE		9004147	MEDICAL SUPPLEMENTAL	15.58		
75502	11/23/21	35.00 M224	HOBBS, JAMES		9004148	MEDICAL SUPPLEMENTAL	35.00		
75503	11/23/21	55.51 M225	HOLCOMB, MICHAEL		9004149	MEDICAL SUPPLEMENTAL	55.51		
75504	11/23/21	99.71 M226	HOLONICK, JAMES		9004150	MEDICAL SUPPLEMENTAL	99.71		
75505	11/23/21	38.12 M227	HORTON, JOE		9004151	MEDICAL SUPPLEMENTAL	38.12		
75506	11/23/21	17.50 M356	HOWARD, CAROL		9004274	MEDICAL SUPPLEMENTAL	17.50		
75507	11/23/21	64.29 M228	HOWARD, WARD		9004152	MEDICAL SUPPLEMENTAL	64.29		
75508	11/23/21	64.29 M229	HYMAN, JOE		9004153	MEDICAL SUPPLEMENTAL	64.29		
75509	11/23/21	38.34 M230	JACINTO, FRANK		9004154	MEDICAL SUPPLEMENTAL	38.34		
75510	11/23/21	19.06 M231	JAHNKE, EILEEN		9004155	MEDICAL SUPPLEMENTAL	19.06		
75511	11/23/21	31.16 M232	JENSEN, MERAL		9004156	MEDICAL SUPPLEMENTAL	31.16		
75512	11/23/21	15.58 M357	JUSSEL, PETE		9004275	MEDICAL SUPPLEMENTAL	15.58		
75513	11/23/21	38.12 M233	KALE, RICKY		9004157	MEDICAL SUPPLEMENTAL	38.12		
75514	11/23/21	15.58 M235	KELLY, ELOISE		9004158	MEDICAL SUPPLEMENTAL	15.58		
75515	11/23/21	35.00 M236	KORBA, PATRICIA		9004159	MEDICAL SUPPLEMENTAL	35.00		
75516	11/23/21	19.06 M237	LANTHIER, BURT		9004160	MEDICAL SUPPLEMENTAL	19.06		
75517	11/23/21	17.50 M238	LAWON, JACK		9004161	MEDICAL SUPPLEMENTAL	17.50		
75518	11/23/21	19.06 M239	LAWSON, LOIS		9004162	MEDICAL SUPPLEMENTAL	19.06		
75519	11/23/21	64.29 M240	LEE, HENRY		9004163	MEDICAL SUPPLEMENTAL	64.29		
75520	11/23/21	19.06 M241	LEFFLER, JEAN		9004164	MEDICAL SUPPLEMENTAL	19.06		
75521	11/23/21	81.36 M242	LEGORRETA, PETE		9004165	MEDICAL SUPPLEMENTAL	81.36		
75522	11/23/21	19.06 M243	LOGIUDICE, FRED		9004166	MEDICAL SUPPLEMENTAL	19.06		
75523	11/23/21	38.12 M244	LONGNECKER, LLOYD		9004167	MEDICAL SUPPLEMENTAL	38.12		
75524	11/23/21	83.80 M379	LORENZANO, JAMES		9004295	MEDICAL SUPPLEMENTAL	83.80		
75525	11/23/21	15.58 M245	LUCIER, MARILYN		9004168	MEDICAL SUPPLEMENTAL	15.58		
75526	11/23/21	38.12 M246	LYNCH, GLENN		9004169	MEDICAL SUPPLEMENTAL	38.12		
75527	11/23/21	52.01 M247	MAHAN, DAVID		9004170	MEDICAL SUPPLEMENTAL	52.01		
75528	11/23/21	19.17 M248	MALPHRUS, BRENDA		9004171	MEDICAL SUPPLEMENTAL	19.17		
75529	11/23/21	38.01 M249	MARCUS, STEVEN		9004172	MEDICAL SUPPLEMENTAL	38.01		
75530	11/23/21	35.00 M250	MARTIN, DAWN		9004173	MEDICAL SUPPLEMENTAL	35.00		
75531	11/23/21	123.80 M251	MARTINEZ, MANUEL		9004174	MEDICAL SUPPLEMENTAL	123.80		
75532	11/23/21	65.45 M252	MARTINEZ, MARK		9004175	MEDICAL SUPPLEMENTAL	65.45		

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75533	11/23/21	28.33	MCDONALD, JANIE		9004176	MEDICAL SUPPLEMENTAL	28.33	
75534	11/23/21	15.58	MCDONALD, KEVIN		9004177	MEDICAL SUPPLEMENTAL	15.58	
75535	11/23/21	19.06	MCADDEN, IAN		9004276	MEDICAL SUPPLEMENTAL	19.06	
75536	11/23/21	31.16	MCGINNIS, POLLY		9004277	MEDICAL SUPPLEMENTAL	31.16	
75537	11/23/21	35.00	MCHALE, BRIAN		9004292	MEDICAL SUPPLEMENTAL	35.00	
75538	11/23/21	17.50	MEJIA, INDELISSA		9004278	MEDICAL SUPPLEMENTAL	17.50	
75539	11/23/21	15.58	MELTON, JOHN		9004279	MEDICAL SUPPLEMENTAL	15.58	
75540	11/23/21	15.58	MESECK, MARGARITA		9004178	MEDICAL SUPPLEMENTAL	15.58	
75541	11/23/21	15.58	MILLER, FOREST		9004280	MEDICAL SUPPLEMENTAL	15.58	
75542	11/23/21	46.28	MILLER, MARY		9004179	MEDICAL SUPPLEMENTAL	46.28	
75543	11/23/21	52.01	MITCHELL, LISA		9004180	MEDICAL SUPPLEMENTAL	52.01	
75544	11/23/21	52.01	MITCHELL, TODD		9004181	MEDICAL SUPPLEMENTAL	52.01	
75545	11/23/21	17.50	MORGAN, JEANNETTE		9004182	MEDICAL SUPPLEMENTAL	17.50	
75546	11/23/21	38.34	MORR, BONNIE		9004183	MEDICAL SUPPLEMENTAL	38.34	
75547	11/23/21	122.64	MULLIS, MICHAEL		9004184	MEDICAL SUPPLEMENTAL	122.64	
75548	11/23/21	19.06	MUNGOLI, LARRY		9004185	MEDICAL SUPPLEMENTAL	19.06	
75549	11/23/21	31.16	MUNGUIA, GUSTAVO		9004186	MEDICAL SUPPLEMENTAL	31.16	
75550	11/23/21	17.50	NAUKKARINEN, JUUKKA		9004187	MEDICAL SUPPLEMENTAL	17.50	
75551	11/23/21	15.58	NELSON, EDWARD		9004188	MEDICAL SUPPLEMENTAL	15.58	
75552	11/23/21	35.00	NELSON, RICHARD		9004189	MEDICAL SUPPLEMENTAL	35.00	
75553	11/23/21	31.16	NIETO, MANUEL		9004190	MEDICAL SUPPLEMENTAL	31.16	
75554	11/23/21	93.58	NJAA, N		9004191	MEDICAL SUPPLEMENTAL	93.58	
75555	11/23/21	84.56	NORTH, JEFFREY		9004192	MEDICAL SUPPLEMENTAL	84.56	
75556	11/23/21	52.01	NORTHON, M		9004193	MEDICAL SUPPLEMENTAL	52.01	
75557	11/23/21	38.12	O'DONNELL, SHAWN		9004194	MEDICAL SUPPLEMENTAL	38.12	
75558	11/23/21	19.06	O'HAGIN, JUSTINA		9004195	MEDICAL SUPPLEMENTAL	19.06	
75559	11/23/21	19.06	O'MARA, KATHLEEN		9004198	MEDICAL SUPPLEMENTAL	19.06	
75560	11/23/21	35.00	OJEDA, ROBERTO		9004196	MEDICAL SUPPLEMENTAL	35.00	
75561	11/23/21	47.38	OLANDER, MARTIN		9004197	MEDICAL SUPPLEMENTAL	47.38	
75562	11/23/21	17.50	ORTEGA, MANUELA		9004199	MEDICAL SUPPLEMENTAL	17.50	
75563	11/23/21	84.56	OWENS, ROLAND		9004200	MEDICAL SUPPLEMENTAL	84.56	
75564	11/23/21	19.06	PARHAM, WALLACE		9004201	MEDICAL SUPPLEMENTAL	19.06	
75565	11/23/21	35.00	PENDRAGON, LINDA		9004202	MEDICAL SUPPLEMENTAL	35.00	
75566	11/23/21	31.16	PEREZ, ANTONIO		9004203	MEDICAL SUPPLEMENTAL	31.16	
75567	11/23/21	58.50	PEREZ, CHERYL		9004075	MEDICAL SUPPLEMENTAL	58.50	
75568	11/23/21	17.50	PETERS, TERRIE		9004204	MEDICAL SUPPLEMENTAL	17.50	
75569	11/23/21	15.58	PHILLIPS, THOMAS		9004205	MEDICAL SUPPLEMENTAL	15.58	
75570	11/23/21	15.58	PICARELLA, FRANCIS		9004206	MEDICAL SUPPLEMENTAL	15.58	
75571	11/23/21	56.91	POLANCO, JOSE		9004207	MEDICAL SUPPLEMENTAL	56.91	
75572	11/23/21	50.40	PONS, JUAN		9004208	MEDICAL SUPPLEMENTAL	50.40	
75573	11/23/21	50.40	POTEETE, BEVERLY		9004209	MEDICAL SUPPLEMENTAL	50.40	
75574	11/23/21	15.58	PRECIADO, MARY LOU		9004281	MEDICAL SUPPLEMENTAL	15.58	
75575	11/23/21	38.12	PRICE, HARRY		9004210	MEDICAL SUPPLEMENTAL	38.12	
75576	11/23/21	19.06	PRINCE, DEBRA		9004211	MEDICAL SUPPLEMENTAL	19.06	
75577	11/23/21	84.56	PRINCE, PETER		9004212	MEDICAL SUPPLEMENTAL	84.56	
75578	11/23/21	35.00	PRUDDEN, RICHARD		9004213	MEDICAL SUPPLEMENTAL	35.00	

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CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
75579	11/23/21	19.06	M294		9004214	MEDICAL SUPPLEMENTAL	19.06	
75580	11/23/21	16.22	M295		9004215	MEDICAL SUPPLEMENTAL	16.22	
75581	11/23/21	131.05	M296		9004216	MEDICAL SUPPLEMENTAL	131.05	
75582	11/23/21	15.58	M364		9004282	MEDICAL SUPPLEMENTAL	15.58	
75583	11/23/21	84.56	M297		9004217	MEDICAL SUPPLEMENTAL	84.56	
75584	11/23/21	38.12	M298		9004218	MEDICAL SUPPLEMENTAL	38.12	
75585	11/23/21	19.17	M299		9004219	MEDICAL SUPPLEMENTAL	19.17	
75586	11/23/21	17.50	M300		9004220	MEDICAL SUPPLEMENTAL	17.50	
75587	11/23/21	19.06	M365		9004283	MEDICAL SUPPLEMENTAL	19.06	
75588	11/23/21	38.34	M301		9004221	MEDICAL SUPPLEMENTAL	38.34	
75589	11/23/21	64.73	M302		9004222	MEDICAL SUPPLEMENTAL	64.73	
75590	11/23/21	19.06	M303		9004223	MEDICAL SUPPLEMENTAL	19.06	
75591	11/23/21	84.56	M304		9004224	MEDICAL SUPPLEMENTAL	84.56	
75592	11/23/21	31.16	M305		9004225	MEDICAL SUPPLEMENTAL	31.16	
75593	11/23/21	38.34	M306		9004226	MEDICAL SUPPLEMENTAL	38.34	
75594	11/23/21	17.50	M366		9004284	MEDICAL SUPPLEMENTAL	17.50	
75595	11/23/21	92.56	M307		9004227	MEDICAL SUPPLEMENTAL	92.56	
75596	11/23/21	17.50	M308		9004228	MEDICAL SUPPLEMENTAL	17.50	
75597	11/23/21	84.56	M309		9004229	MEDICAL SUPPLEMENTAL	84.56	
75598	11/23/21	15.58	M367		9004285	MEDICAL SUPPLEMENTAL	15.58	
75599	11/23/21	15.58	M310		9004230	MEDICAL SUPPLEMENTAL	15.58	
75600	11/23/21	39.16	M311		9004231	MEDICAL SUPPLEMENTAL	39.16	
75601	11/23/21	35.00	M368		9004286	MEDICAL SUPPLEMENTAL	35.00	
75602	11/23/21	31.16	M369		9004287	MEDICAL SUPPLEMENTAL	31.16	
75603	11/23/21	35.00	M312		9004232	MEDICAL SUPPLEMENTAL	35.00	
75604	11/23/21	15.58	M370		9004288	MEDICAL SUPPLEMENTAL	15.58	
75605	11/23/21	26.18	M371		9004289	MEDICAL SUPPLEMENTAL	26.18	
75606	11/23/21	35.00	M313		9004233	MEDICAL SUPPLEMENTAL	35.00	
75607	11/23/21	77.57	M314		9004234	MEDICAL SUPPLEMENTAL	77.57	
75608	11/23/21	15.58	M315		9004235	MEDICAL SUPPLEMENTAL	15.58	
75609	11/23/21	17.50	M316		9004236	MEDICAL SUPPLEMENTAL	17.50	
75610	11/23/21	19.17	M317		9004237	MEDICAL SUPPLEMENTAL	19.17	
75611	11/23/21	64.29	M318		9004238	MEDICAL SUPPLEMENTAL	64.29	
75612	11/23/21	38.34	M319		9004239	MEDICAL SUPPLEMENTAL	38.34	
75613	11/23/21	92.37	M320		9004240	MEDICAL SUPPLEMENTAL	92.37	VOIDED
75614	11/23/21	38.01	M321		9004241	MEDICAL SUPPLEMENTAL	38.01	
75615	11/23/21	19.06	M375		9004293	MEDICAL SUPPLEMENTAL	19.06	
75616	11/23/21	19.06	M323		9004242	MEDICAL SUPPLEMENTAL	19.06	
75617	11/23/21	15.58	M324		9004243	MEDICAL SUPPLEMENTAL	15.58	
75618	11/23/21	31.16	M325		9004244	MEDICAL SUPPLEMENTAL	31.16	
75619	11/23/21	35.00	M326		9004245	MEDICAL SUPPLEMENTAL	35.00	
75620	11/23/21	17.50	M327		9004246	MEDICAL SUPPLEMENTAL	17.50	
75621	11/23/21	35.00	M372		9004290	MEDICAL SUPPLEMENTAL	35.00	
75622	11/23/21	84.56	M328		9004247	MEDICAL SUPPLEMENTAL	84.56	
75623	11/23/21	46.28	M329		9004248	MEDICAL SUPPLEMENTAL	46.28	
75624	11/23/21	15.58	M330		9004249	MEDICAL SUPPLEMENTAL	15.58	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
75625	11/23/21	17.50 M331	17.50	YANCY, TERRY		9004250	MEDICAL SUPPLIMENTAL	17.50	
75626	11/23/21	40.68 M332	40.68	ZENKER, JEFFREY		9004251	MEDICAL SUPPLIMENTAL	40.68	
75627	11/29/21	76.40 003596	76.40	AMAZON CAPITAL SERVICES, INC.		111149	HOLIDAY SUPPLIES	76.40	
75628	11/29/21	4,106.00 001348	4,106.00	ATHENS INSURANCE SERVICE, INC.		111150	DEC 21 MONTHLY FEES	4,106.00	
75629	11/29/21	75.00 298	75.00	ERGOMETRICS & APPLIED		111147	TRANSIT OP TESTS	75.00	
75630	11/29/21	57.79 003418	57.79	FRONTIER COMMUNICATIONS - 6145		111146	11/13-12/12 SKYLINE	57.79	
75631	11/29/21	1,121.38 003327	1,121.38	IO, RODNEY H		111153	VEH# PC1101 REPAIRS	1,121.38	
75632	11/29/21	131.19 043	131.19	PALACE ART & OFFICE SUPPLY		111145	OFFICE SUPPLIES CS	131.19	
75633	11/29/21	3,218.75 003502	3,218.75	RICHARD IRISH		111152	1906 FOR DEMO PERMIT	3,218.75	
75634	11/29/21	267.66 215	267.66	RICOH USA, INC. TX		111148	12/3-1/2/22 C/S	267.66	
75635	11/29/21	6,346.85 001253	6,346.85	SANTA CRUZ COUNTY REGIONAL		111154	6/21 BUS ON SHOULDER	6,346.85	
75636	11/29/21	139.00 001353	139.00	VISION COMMUNICATIONS		111151	VEH#2218 WC#202917T1	139.00	
TOTAL			1,251,841.39	ACCOUNTS PAYABLE			TOTAL CHECKS	1,251,841.39	525

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK VENDOR	VENDOR	VENDOR	TRANS.	TRANSACTION	TRANSACTION	TRANSACTION
		AMOUNT	NAME	NAME	TYPE	NUMBER	DESCRIPTION	AMOUNT	COMMENT
75613	12/13/21	-92.37	M320	VAN DE VEER, JOHN	9004240		MEDICAL SUPPLIMENTAL	-92.37	**VOID
75637	12/06/21	1,707.92	003151	ABC BUS INC	111230		INVENTORY ORDER	1,207.84	
					111231		INVENTORY ORDER	422.14	
75638	12/06/21	2,299.74	192	ALWAYS UNDER PRESSURE	111232		INVENTORY ORDER	77.94	
75639	12/06/21	264.56	003596	AMAZON CAPITAL SERVICES, INC.	111251		REPLACE INFEED PUMP	2,299.74	
					111176		CALENDAR REFILL PAGE	18.56	
					111177		1099 TAX FORMS	74.25	
					111178		BOXES COVID SAMPLES	58.98	
					111179		OFFICE SUPPLIES	57.98	
					111180		OFFICE SUPPLIES	15.51	
					111229		SHOP TOOLING CABLES	39.28	
75640	12/06/21	98.38	002861	AMERICAN MESSAGING SVCS, LLC	111233		DEC 21 PAGER/DAMAGE	98.38	
75641	12/06/21	5,494.22	001D	AT&T	111157		10/19-11/18 OCEAN LG	283.26	
					111158		10/19-11/18DAVENPORT	166.16	
					111249		10/19-11/18 OPS ELEV	157.41	
					111275		10/19-11/18 MAIN	4,887.39	
75642	12/06/21	795.29	003199	B & H FOTO & ELECTRONICS CORP	111277		OFFICE SUPPLIES	434.79	
					111278		UPS UNITS AT OPS	360.50	
75643	12/06/21	1,033.50	003393	BRASS KEY LOCKSMITH INC	111288		REKEY ELEVATOR ROOMS	495.44	
					111290		INSTALL TTURN CYLSMC	139.06	
					111291		RPR LOCK/REKEYCASES	399.00	
75644	12/06/21	101.34	667	CITY OF SCOTTS VALLEY	111283		9/16-11/15 SVT	101.34	
75645	12/06/21	1,565.54	130	CITY OF WATSONVILLE UTILITIES	111213		11/17 WASTE WTC	1,113.34	
					111214		10/18-11/15 WTC	50.36	
					111215		10/18-11/15 WTC	103.98	
					111216		10/18-11/15 WTC	297.86	
75646	12/06/21	15,380.09	001124	CLEAN ENERGY	111239		CORRECTIVE SERVICE	538.09	
					111292		NOV 21 MAINT	14,842.00	
75647	12/06/21	2,004.96	075	COAST PAPER & SUPPLY INC.	111248		INVENTORY ORDER	1,721.78	
					111274		INVENTORY ORDER	283.18	
75648	12/06/21	1,737.08	438	COUNTY OF SANTA CRUZ PLANNING	111252		1901 METROCALLCENTER	1,737.08	
75649	12/06/21	3,691.48	E1022	CRUMMIE, DAWN	111242		11/6-11/10 APTA CONF	1,824.92	
					111243		11/15-11/19 CALPELRA	1,866.56	
75650	12/06/21	6,445.56	003116	CUMMINS, INC	111197		INVENTORY ORDER	4,792.07	
					111198		INVENTORY ORDER	272.50	
					111199		VEH# 3208 PARTS	141.28	
					111246		INVENTORY ORDER	433.16	
					111257		INVENTORY ORDER	50.20	
					111258		VEH# 3208 PARTS	122.39	
					111259		INVENTORY ORDER	433.16	
					111260		INVENTORY ORDER	200.80	
75651	12/06/21	19.61	003608	DRACO HYGIENIC PRODUCTS, INC.	111218		MESH SCREENS	19.61	
75652	12/06/21	865.56	003274	EAST BAY TIRE CO.	111196		REVENUE TIRES	865.56	
75653	12/06/21	300.00	002953	EPICOR SOFTWARE CORP	111276		APPLICATION CONSULT	300.00	
75654	12/06/21	878.01	002962	FIS	111204		OCT 21 MERCHANT FEES	878.01	
75655	12/06/21	16.75	002952	FLYERS ENERGY LLC	111261		PROPANE	16.75	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
75656	12/06/21	57.79 003279	FRONTIER COMMUNICATIONS - 3025		111217	11/16-12/15SKY/RIVER	57.79	
75657	12/06/21	7,872.56 001302	GARDA CL WEST, INC.		111245	DEC 21 VAULT SERVICE	7,075.48	
					111285	NOV 21 SERVICES	398.54	
75658	12/06/21	59.53 647	GENFARE A DIV OF SPX CORP		111286	DEC 21 SERVICES	398.54	
75659	12/06/21	2,707.43 117	GILLIG LLC		111223	INVENTORY ORDER	59.53	
					111221	INVENTORY ORDER	1,673.65	
					111222	INVENTORY ORDER	110.51	
					111262	VEH# 4202 PARTS	3.51	
					111263	INVENTORY ORDER	447.31	
					111264	INVENTORY ORDER	472.45	
75660	12/06/21	275.00 003316	GLOBAL WATER TECHNOLOGY INC		111284	NOV 21 CHEM TEST OPS	275.00	
75661	12/06/21	485.57 282	GRAINGER		111172	BUFFER SOLUTION TEST	89.62	
					111173	BUFFER SOLUTION MMF	47.86	
					111181	INVENTORY ORDER MMF	348.09	
75662	12/06/21	20,575.00 003404	INSIGHT STRATEGIES INC		111182	BODCONSULTASK 3,5,7	18,375.00	
					111247	TRAVEL EXPENSES	2,200.00	
75663	12/06/21	4,908.44 003293	MAKAI SOLUTIONS		111189	STEAM RACK LIFT RPR	4,908.44	
75664	12/06/21	1,203.77 001052	MID VALLEY SUPPLY INC.		111168	INVENTORY ORDER	1,203.77	
75665	12/06/21	631.31 041	MISSION UNIFORM		111159	LAUNDRY/CUSTODIAL	34.27	
					111163	TOWELS/MATS PRC	10.50	
					111250	LAUNDRY/CUSTODIAL	34.27	
					111253	TOWELS/MATS PRC	10.50	
					111254	TOWELS/MATS PRC	10.50	
					111255	TOWELS/MATS PRC	10.50	
					111265	COVID/FUEL ST TOWELS	156.00	
					111266	COVID/UNIFORM SUPPL	323.02	
					111282	TOWELS/MOPS/MATS	41.75	
75666	12/06/21	360.63 004	NORTH BAY FORD LINC-MERCURY		111224	VEH# 802 PARTS	244.46	
					111225	VEH# 1101 PARTS	116.17	
75667	12/06/21	5,746.76 009	PACIFIC GAS & ELECTRIC		111234	10/5-11/2 SVT/WTC/PS	2,225.55	
					111235	10/14-11/12 PARACRUZ	852.03	
75668	12/06/21	751.59 023	PACIFIC TRUCK PARTS, INC.		111289	10/25-11/22RIVER	2,669.18	
					111226	INVENTORY ORDER	250.53	
					111227	INVENTORY ORDER	417.55	
75669	12/06/21	718.02 043	PALACE ART & OFFICE SUPPLY		111228	INVENTORY ORDER	83.51	
					111155	OFFICE SUPPLIES	9.53	
					111169	OFFICE SUPPLIES OPS	19.50	
					111170	OFFICE SUPPLIES OPS	97.83	
					111171	OFFICE SUPPLIES OPS	225.55	
					111174	OFFICE SUPPLIES	361.08	
					111175	OFFICE SUPPLIES	4.53	
75670	12/06/21	3,320.25 003376	PASSPORT SOFTWARE INC		111287	21 1095 ACA FULL SVC	3,320.25	
75671	12/06/21	3,574.87 003506	PHILIP J CROUCH		111220	INVENTORY ORDER	3,574.87	
75672	12/06/21	225.50 481	PIED PIPER EXTERMINATORS, INC.		111184	NOV 21 PEST SMC MKT	55.50	
					111185	NOV 21 PEST SMC TAO	40.00	
					111186	NOV 21 PEST SMC CTR	65.00	

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75673	12/06/21	204.13 107A		PROBULD COMPANY LLC		111187	NOV 21 PEST VERNON	65.00	
						111165	METACRYLICS SMC	128.90	
						111166	ANCHOR BOLTS FLD	2.90	
						111167	ADHESIVE MMF	57.01	
						111236	CAULK SMC	15.32	
75674	12/06/21	282.96 882		RANDY & LARAE WEST	7	111162	SCMTD PROPERTY REC	282.96	
75675	12/06/21	155.11 003024		RICOH USA, INC CA		111280	11/12-12/11 RIVER	88.35	
						111281	11/14-12/13 PARACRUZ	66.76	
75676	12/06/21	12.45 536		RIVERSIDE LIGHTING & ELECTRIC		111238	ELECTRICAL OPS	12.45	
75677	12/06/21	195.89 135		SANTA CRUZ AUTO PARTS, INC.		111200	INVENTORY ORDER	85.49	
						111201	CREDIT 14508-426267	-1.97	
						111202	INVENTORY ORDER	105.25	
						111203	INVENTORY ORDER	7.12	
75678	12/06/21	8,812.52 079		SANTA CRUZ MUNICIPAL UTILITIES		111205	10/7-11/5 BUSSTOP26	1,050.60	
						111206	10/7-11/5 VERNON	373.99	
						111207	10/7-11/5 MMF	1,490.67	
						111208	10/7-11/5 SBF/RIVER	3,301.31	
						111209	10/7-11/5 SMC/PACIFIC	2,092.97	
						111210	10/7-11/5 SPACIFIC ISL	113.00	
						111211	10/7-11/5 OPS	309.81	
						111212	10/7-11/5 SMC/BETTYS	53.87	
						111219	10/7-11/5 IRRIG MMF	26.30	
75679	12/06/21	80.00 001292		SANTA CRUZ RECORDS MNGMT INC		111183	11/1 SHREDDING PC	40.00	
75680	12/06/21	6,999.44 001307		SANTA CRUZ STAFFING, LLC		111188	11/5 SHREDDING WTC	40.00	
						111156	TEMP W/E 11/21	418.50	
						111160	TEMP W/E 11/21	2,655.93	
						111161	TEMP W/E 11/21	708.75	
						111164	TEMP W/E 11/21	1,612.00	
						111244	TEMP W/E 11/28	1,604.26	
						111190	TEMP W/E 11/21	1,122.00	
75681	12/06/21	1,122.00 003292		SLINGSHOT CONNECTIONS LLP		111237	OFFICE SUPPLIES	98.10	
75682	12/06/21	98.10 003595		STAPLES INC		111192	INVENTORY ORDER	11.09	
75683	12/06/21	2,741.47 003285		THE AFTERMARKET PARTS CO LLC		111193	INVENTORY ORDER	110.36	
						111194	VEH# 1303 PARTS	277.63	
						111195	INVENTORY ORDER	182.20	
						111240	VEH# 3208 WC#202983	128.14	
						111267	VEH# 1209 PARTS	487.96	
						111268	VEH# 2803 PARTS 1607	5.78	
						111269	VEH# 2802 PARTS 2561	38.16	
						111270	VEH# 2805 PARTS 3127	771.38	
						111271	VEH# 2224 PARTS 5412	94.79	
						111272	SR1594'SHOSECAMPAIGN	61.29	
						111273	HOSECAMPAIGN 1219/20	70.77	
						111279	HOSECAMPAIGN 1219/20	501.92	
75684	12/06/21	33.30 007		UNITED PARCEL SERVICE		111241	FREIGHT	33.30	
75685	12/06/21	156.01 221		VEHICLE MAINTENANCE PROG INC		111191	INVENTORY ORDER	156.01	

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CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
75686	12/06/21	68.00	WORKFORCEQA LLC		111256	OCT 21 DOT DRUG TEST	68.00	
75687	12/13/21	2,119.48	ABC BUS INC		111345	INVENTORY ORDER	2,030.99	
75688	12/13/21	735.00	ACTION TOWING & ROAD SVC CORP		111355	INVENTORY ORDER	88.49	
75689	12/13/21	170.80	ACUITY SPECIALTY PRODUCTS, INC		111356	VEH# 4206 REPAIRS	735.00	
75690	12/13/21	1,293.71	AIRTEC SERVICE INC.		111380	INVENTORY ORDER	170.80	
75691	12/13/21	838.20	AMAZON CAPITAL SERVICES, INC.		111385	COOLING TOWER OPS	1,293.71	
					111343	VEH PC1125 PARTS2150	596.77	
					111344	INVENTORY ORDER	33.56	
					111371	OFFICE SUPPLIES	85.55	
					111373	SHIPPING BOXES	122.32	
75692	12/13/21	997.02	AT&T MOBILITY		111342	10/24-11/23 BUS WIFI	997.02	
75693	12/13/21	7,652.70	BATTERY SYSTEMS INC.		111354	INVENTORY ORDER	7,652.70	
75694	12/13/21	18,000.00	CALIFORNIA TRANSIT ASSOC.		111391	1/22-1/23 MEMB DUES	18,000.00	
75695	12/13/21	4,165.54	CARLON'S FIRE EXTINGUISHER		111408	ANL FIRE EXT SVC SMC	685.03	
					111410	ANL FIRE EXT SVC SVT	125.36	
					111411	ANL FIRE EXT SVC VER	953.61	
					111412	ANL FIRE EXT SVC OPS	396.85	
					111413	ANL FIRE EXT SVC WTC	219.98	
					111414	ANL FIRE EXT SVC MMF	1,195.00	
					111415	ANL FIRE EXT SVC PRC	185.00	
					111416	ANL FIRE EXT SVC SBF	147.50	
					111417	ANL FIRE EXT SVC WTC	257.21	
75696	12/13/21	2,303.43	CATTO'S GRAPHICS, INC.		111311	WINTER ROUTESTICKERS	485.62	
					111334	QUEEN SIZED BUS ADS	974.40	
					111346	FALL BUSSTOPSTICKERS	712.31	
					111353	RECEIVING HOURS SIGN	131.10	
75697	12/13/21	12,648.85	CENTER FOR TRANSPORTATION AND		111332	1937 7/1-9/30LECBUS	12,648.85	
75698	12/13/21	684.40	CLAREMONT RAP		111368	DEC 21 EAP PREMIUM	2,601.23	
75699	12/13/21	2,601.23	CLASSIC GRAPHICS		111341	VEH# 1303 RPRS	9,342.44	
75700	12/13/21	26,466.30	CLEAN ENERGY		111316	11/16 LNG CHARGES	8,702.52	
					111317	11/19 LNG CHARGES	8,421.34	
					111318	11/23 LNG CHARGES	395.00	
75701	12/13/21	395.00	CLEAR VIEW SOUTH BAY, INC.		111307	WINDOW CLEANING VER	78.66	
75702	12/13/21	1,297.37	COAST PAPER & SUPPLY INC.		111350	INVENTORY ORDER MMF	1,218.71	
75703	12/13/21	2,890.00	COASTAL LANDSCAPING INC.		111392	INVENTORY ORDER	2,890.00	
75704	12/13/21	493.00	COMMUNITY TELEVISION OF		111398	DEC 21 LANDSCAPING	493.00	
75705	12/13/21	332.10	CREATIVE BUS SALES, INC.		111394	10/22 BOD MEETING	273.83	
					111386	VEH# PC1711 PARTS	58.27	
					111387	VEH# PC1711 PARTS	195.87	
75706	12/13/21	195.87	CUMMINS, INC		111340	VEH# 2333 PARTS 3568	72.47	
75707	12/13/21	72.47	DELFIN, MONIK		111405	MILEAGE/SUPPLIES	42,557.64	
75708	12/13/21	42,557.64	DEPT OF INDUSTRIAL RELATIONS-SIP		111336	7/1-6/22 WC ASSESS	6,289.63	
75709	12/13/21	12,764.89	EAST BAY TIRE CO.		111319	REVENUE TIRES	521.11	
					111320	REVENUE TIRES	924.48	
					111321	REVENUE TIRES	616.00	
					111327	NONREV TIRE DISPOSAL		

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75710	12/13/21	6,342.66	432	EXPRESS SERVICES INC.		111337	REVENUE TIRES	322.78	
						111338	REVENUE TIRES	3,643.93	
						111339	REVENUE TIRES	432.77	
						111388	REVENUE TIRES	14.19	
						111295	TEMP W/E 10/31	1,427.85	
						111298	TEMP W/E 11/7	1,608.21	
						111399	TEMP W/E 11/28	961.92	
						111400	TEMP W/E 11/21	1,202.40	
						111401	TEMP W/E 11/14	1,142.28	
75711	12/13/21	15.64	001297	FASTENAL COMPANY INC		111323	NON INVENTORY ORDER	15.64	
75712	12/13/21	613.93	039	FEDEX OFFICE		111369	ROSA PARKS FLYERS	348.49	
						111422	VETERANS DAY BANNER	265.44	
75713	12/13/21	12,467.22	002952	FLYERS ENERGY LLC		111309	11/16-11/30 REV FUEL	10,341.04	
						111310	11/16-11/30 NON REV	2,126.18	
75714	12/13/21	2,413.18	647	GENFARE A DIV OF SPX CORP		111322	COACH DOWN VAULT 2	529.36	
						111328	INVENTORY ORDER	212.13	
75715	12/13/21	2,411.47	117	GILLIG LLC		111370	INVENTORY ORDER	1,671.69	
75716	12/13/21	49.10	1117	KELLEY'S SERVICE INC.		111308	VEH# 4210 PARTS 0263	2,411.47	
						111382	INVENTORY ORDER	101.54	
						111383	CREDIT INV 2955/1259	-34.96	
						111384	CREDIT INV 1515476	-17.48	
75717	12/13/21	23,627.38	003366	KEY GOVERNMENT FINANCE INC		111300	DEC 21 LEASE PAYMENT	23,627.38	
75718	12/13/21	648.00	003271	KJRB, INC.		111357	VEH# 9817 RPRS 3608	648.00	
75719	12/13/21	100.00	003450	LANGUAGE LINE SERVICES INC		111397	NOV 21 TRANSLATE SVC	100.00	
75720	12/13/21	1,374.05	852	LAW OFFICES OF MARIE F. SANG	7	111381	CL# 19009481	1,374.05	
75721	12/13/21	88.00	E1085	LAZARO, ABIGAIL		111404	DRIVERS LIC RENEWAL	88.00	
75722	12/13/21	1,615.05	003607	LIGHTNING PRESS		111358	VEHICLE COND SHEETS	1,615.05	
75723	12/13/21	5,800.00	003579	LOIZU, LOUIE		111333	RETENTION PAID OUT	5,800.00	
75724	12/13/21	520.09	003293	MAKAI SOLUTIONS		111360	SVC CALL BAY#7 MMF	520.09	
75725	12/13/21	27,260.51	003017	MANSFIELD OIL CO OF GAINSVILLE		111303	11/26 DIESEL FUEL	27,260.51	
75726	12/13/21	366.00	003249	MAXIMUM OIL SERVICE LLC		111379	USED OIL PICKUP MMF	366.00	
75727	12/13/21	2,256.12	001052	MID VALLEY SUPPLY INC.		111395	INVENTORY ORDER MMF	2,112.18	
						111396	INVENTORY ORDER	143.94	
75728	12/13/21	581.41	041	MISSION UNIFORM		111389	TOWELS/MOPS/MATS MMF	41.75	
						111392	COVID/UNIFORM SUPPL	352.14	
						111393	COVID/FUEL ST TOWELS	156.00	
75729	12/13/21	850.00	003542	NATALIE NIEMAN		111407	LAUNDRY/CUSTODIAL	31.52	
						111312	STUFFTHEBUSACTION	300.00	
						111313	ROSA PARKS FLYERS	550.00	
75730	12/13/21	90.02	002721	NEXTEL COMMUNICATIONS/SPRINT		111359	09/26-10/25 OPS	90.02	
75731	12/13/21	5,180.68	002940	OJO TECHNOLOGY, INC.		111390	REPLACE CAMERAS	5,180.68	
75732	12/13/21	15,076.45	009	PACIFIC GAS & ELECTRIC		111331	10/28-11/29 CHG STA	3,969.25	
						111372	10/25-11/22 VER	4,154.19	
						111374	10/26-11/231122RIVER	63.65	
						111375	10/25-11/22 MMF	6,419.37	
						111376	2/7-10/21 MANGOTANGO	438.42	

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75733	12/13/21	043	183.92	PALACE ART & OFFICE SUPPLY		111377	10/22-11/21MANGOTANG	31.57	
75734	12/13/21	481	829.50	PIED PIPER EXTERMINATORS, INC.		111347	OFFICE SUPPLIES	130.38	
						111402	OFFICE SUPPLIES	53.54	
						111361	DEC 21 PEST MMF	217.50	
						111362	DEC 21 PEST OPS PARK	212.50	
						111363	DEC 21 PEST SBFCREEK	255.00	
						111364	DEC 21 PEST WTC CTR	65.00	
						111365	DEC 21 PEST WTC MKT	79.50	
						111314	BALCONY RPR SUPPLIES	25.55	
						111315	BALCONY RPR SUPPL	41.89	
						111326	METACRYLICS TOP COAT	268.79	
						111348	WINDOW INSTALL SMC	81.45	
						111349	WINDOW INSTALL SMC	77.79	
						111406	11/28-2/27/22 QLEASE	474.70	
						111378	11/24 DOT DRUG TESTS	511.00	
						111330	SHOP TOOL RPR	160.00	
						111324	INVENTORY ORDER	650.04	
						111409	PRFUNDCL2010226708	30,903.79	
						111294	TEMP W/E 11/28	675.00	
						111297	TEMP W/E 11/28	967.20	
						111335	TEMP W/E 12/5	2,673.76	
						111418	AN ST HYDRAULIC TEST	798.00	
						111419	DEC 21 MAINT MULLI	660.13	
						111299	11/1-11/30 SVT	78.19	
						111403	PHYSICAL EXAM	120.00	
						111293	TEMP W/E 11/28	471.96	
						111296	TEMP W/E 11/28	1,122.00	
						111366	TEMP W/E 11/14	978.88	
						111367	TEMP W/E 11/21	1,258.56	
						111420	CARPET CLEANING VER	1,000.00	
						111421	CARPET CLEANING OPS	350.00	
						111301	VEH# 2802 PARTS 2561	7.39	
						111302	VEH# 2802 PARTS 2561	46.54	
						111304	INVENTORY ORDER	81.28	
						111305	HOSE CAMPAIGN	4.17	
						111306	INVENTORY ORDER	1,572.81	
						111351	RED-Z ABSORBENT	146.63	
						111325	FREIGHT	15.45	
						111329	INVENTORY ORDER	4,790.15	
						111423	MEDICAL SUPPLEMENTAL	92.37	
						111512	DIAL CALIPER	40.15	
						111513	CORDLESS PHONE	268.74	
						111514	MOUSE PADS OPS	22.93	
						111515	2 TB HARD DRIVE	65.54	
						111516	CERTIFICATE FRAMES	128.90	
						111517	FIBER PATCH CABLES	41.50	
75742	12/13/21	003545	1,458.13	SCHINDLER ELEVATOR CORPORATION					
75743	12/13/21	002459	78.19	SCOTTS VALLEY WATER DISTRICT					
75744	12/13/21	E622	120.00	SELLS, MARY					
75745	12/13/21	003292	3,831.40	SLINGSHOT CONNECTIONS LLP					
75746	12/13/21	003611	1,350.00	SONIA MENDEZ-PACHECO					
75747	12/13/21	003285	1,712.19	THE AFTERMARKET PARTS CO LLC					
75748	12/13/21	003612	146.63	THE BETTY MILLS COMPANY, INC.					
75749	12/13/21	007	15.45	UNITED PARCEL SERVICE					
75750	12/13/21	001506	4,790.15	WESTERN STATES OIL CO.					
75751	12/13/21	M320	92.37	VAN DE VEER, JOHN					
75752	12/20/21	003596	602.65	AMAZON CAPITAL SERVICES, INC.					

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75753	12/20/21		578.55	AT&T	0	111518	2022 CALENDARS OPS	24.00	
75754	12/20/21		76.80	CALIFORNIA NEWSPAPERS P'SHIP	0	111519	CLEANING SUPPL OPS	10.89	
75755	12/20/21		73,297.00	CALTIP	0	111473	11/1-11/30 WTC/VER	578.55	
						111522	11/30 LEGAL ADS	76.80	
						111545	OCT21 CODE=5100 ADJ	-45.00	
75756	12/20/21		10,500.00	CAPITALEGE ADVOCACY, INC.		111546	NOV 21 CODE=5100	73,342.00	
						111482	NOV 21 LEGISLATE SVC	5,250.00	
75757	12/20/21		6,489.75	CAPITOLA PUMP COMPANY INC		111483	DEC 21 LEGISLATE SVC	5,250.00	
75758	12/20/21		1,328.23	CATTO'S GRAPHICS, INC.		111504	PUMP BUS WASH SBF	6,489.75	
75759	12/20/21		21,125.50	CLEAN ENERGY		111507	HOLIDAY SHIRTS	1,328.23	
						111440	REPLACE COLD END INV	6,771.86	
						111441	CORRECTIVE SVC SBF	114.84	
						111456	11/30 LNG CHARGES	8,025.96	
						111477	11/26 LNG CHARGES	6,212.84	
75760	12/20/21		2,331.83	COAST PAPER & SUPPLY INC.		111448	INVENTORY ORDER	2,331.83	
75761	12/20/21		2,945.00	COASTAL LANDSCAPING INC.		111494	REMOVE PINE TREE VER	2,945.00	
75762	12/20/21		3,775.75	COMCAST HOLDINGS CORPORATION		111509	BUS DRIVER HIRING AD	3,775.75	
75763	12/20/21		229.70	DELFIN, MONIK		111521	11/16-11/19 CALPELRA	229.70	
75764	12/20/21		5,067.83	EAST BAY TIRE CO.		111480	REVENUE TIRES	3,773.79	
						111481	REVENUE TIRES	1,294.04	
75765	12/20/21		528.00	EMPLOYNET, INC		111425	TEMP W/E 11/28	528.00	
75766	12/20/21		4,477.13	EXPRESS SERVICES INC.		111424	TEMP W/E 11/7	301.32	
						111426	TEMP W/E 10/31	1,672.32	
						111427	TEMP W/E 11/7	1,119.87	
						111428	TEMP W/E 11/14	1,383.62	
75767	12/20/21		3,004.75	FASTENAL COMPANY INC		111461	NON INVENTORY ORDER	7.66	
						111462	NON INVENTORY ORDER	72.42	
						111471	INVENTORY ORDER	2,472.04	
						111472	NON INVENTORY ORDER	452.63	
75768	12/20/21		5,128.40	FEDEX OFFICE		111530	LAMINATED SIGNS	868.53	
						111531	OUTDOOR COLOR BANNER	294.94	
						111547	LARGE PRINT HEADWAYS	833.79	
						111548	POCKET SCHEDULES	1,650.21	
						111549	POSTERS	950.08	
						111550	POSTER REPRINT	530.85	
75769	12/20/21		80.20	FLYERS ENERGY LLC		111508	PROPANE	80.20	
75770	12/20/21		1,723.96	GILLIG LLC		111469	VEH 4210 PARTS 0263	130.60	
						111470	VEH# 4210 PARTS 0263	39.41	
						111478	INVENTORY ORDER	1,514.66	
						111479	INVENTORY ORDER	39.29	
75771	12/20/21		87,679.00	GIRO, INC.		111526	1/22-12/22MAINT/SUPP	87,679.00	
75772	12/20/21		142.70	GLAGOLA, DANIELLE		111537	REIMB STUFF THE BUS	142.70	
75773	12/20/21		564.85	GRAINGER		111436	NON INVENTORY ORDER	201.02	
						111437	NON INVENTORY ORDER	9.24	
75774	12/20/21		1,140.72	GREENWASTE RECOVERY, INC.		111446	INVENTORY ORDER	354.59	
						111495	NOV 21 GREEN VALLEY	61.29	

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75775	12/20/21	14,964.80	001745	HARTFORD LIFE AND ACCIDENT INS		111496	NOV 21 PRC	376.84	
						111497	NOV 21 SVT	334.92	
						111498	NOV 21 FREEDOM	61.28	
						111499	NOV 21 FREED/BOWKR	61.28	
						111500	NOV 21 HWY1/BOULDER	183.84	
						111501	NOV 21 AIRPORT/FREED	61.28	
						111541	DEC 21 LTD	10,647.68	
						111542	DEC 21 LIFE AD&D	4,317.12	
						111527	VEH# PC1702 REPAIRS	127.71	
						111528	OPINION LETTER BA	750.00	
						111444	INVENTORY ORDER	456.56	
						111524	NOV 21 OUTFALL MITIG	2,472.31	
						111433	INVENTORY ORDER	10.09	
						111435	VEH# 505 PARTS	220.63	
						111511	NON INVENTORY ORDER	3.87	
						111543	1901 11/28 PRC FAC	6,133.55	
						111544	1911 GATECONTROL JKS	25,345.06	
						111525	1907 TRAFFIC SIGNS	677.90	
						111447	INVENTORY ORDER	170.43	
						111506	WINTER HEADWAYS	4,306.25	
						111505	TOWELS/MAT PARACRUZ	10.50	
						111455	10/26-11/25 OPS	146.11	
						111536	JAN22 SURVIVOR COBRA	2,959.66	
						111452	10/28-11/29 SMC	3,985.34	
						111453	10/28-11/29 OPS	4,859.23	
						111445	OFFICE SUPPLIES MMF	382.86	
						111450	OFFICE SUPPLIES	170.62	
						111451	OFFICE SUPPLIES	124.79	
						111465	OFFICE SUPPLIES MMF	37.65	
						111502	OFFICE SUPPLIES CS	315.32	
						111503	OFFICE SUPPLIES CS	6.95	
						111532	CREDIT RET SHREDDER	-148.73	
						111484	NOV 21 COURIER SVC	1,595.00	
						111491	INVENTORY ORDER	200.00	
						111539	DEC 21 VSP	8,235.00	
						111540	DEC 21 DENTAL	34,082.90	
						111442	LUMBER SMC	43.02	
						111443	BUS WASH HARDWARE	14.49	
						111529	NOV 21 POSTAGE 1598	400.00	
						111476	ELECTRICAL WORK VER	122.01	
						111492	NOV 21 REPLENISH W/C	37,335.79	
						111463	TEMP W/E 12/5	1,289.60	
						111464	TEMP W/E 12/5	232.50	
						111429	TEMP W/E 12/5	839.04	
						111474	TEMP W/E 12/5 430572	1,122.00	
						111534	JAN 22 RENT RESEARCH	9,739.50	
						111453	MARK THOMAS & COMPANY INC		
						111543	MDSOLUTIONS, INC.		
						111544	MID VALLEY SUPPLY INC.		
						111447	MILLER MAXFIELD INC		
						111506	MISSION UNIFORM		
						111455	NEXTEL COMMUNICATIONS/SPRINT		
						111536	NOTT-FERREZ, DAWN		
						111452	PACIFIC GAS & ELECTRIC		
						111445	PALACE ART & OFFICE SUPPLY		
						111450	PEDX COURIER AND CARGO		
						111491	PHILIP J CROUCH		
						111539	PREFERRED BENEFIT		
						111540	PROBUILD COMPANY LLC		
						111442	QUADRIENT FINANCE USA INC		
						111529	RIVERSIDE LIGHTING & ELECTRIC		
						111476	SANTA CRUZ METRO TRANSIT W/C		
						111463	SANTA CRUZ STAFFING, LLC		
						111429	SLINGSHOT CONNECTIONS LLP		
						111474	SOQUEL III ASSOCIATES		

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75800	12/20/21	1,880.00 003465		SWIFT CONSULTING SERVICES INC		111493	1901 NOV23 PCFAC DEV	1,880.00	
75801	12/20/21	14,271.48 003285		THE AFTERMARKET PARTS CO LLC		111430	VEH# 1005 PARTS 3462	129.90	
						111431	VEH# 1005 PARTS 3462	16.13	
						111432	VEH# 1005 PARTS 3462	113.44	
						111434	VEH# 2210 PARTS 3130	349.35	
						111438	INVENTORY ORDER	48.72	
						111439	VEH# 2811 PARTS 3397	331.96	
						111449	VEH# 2802 PARTS 2561	14.22	
						111457	VEH# 2316 PARTS 3495	4,265.77	
						111458	VEH# 3208 PARTS 3300	182.73	
						111459	VEH# 3218 PARTS 3498	4,265.77	
						111460	VEH# 2333 PARTS 3499	4,265.77	
						111466	INVENTORY ORDER	169.62	
						111467	INVENTORY ORDER	101.76	
						111468	INVENTORY ORDER	16.34	
75802	12/20/21	13,515.16 057		U.S. BANK		111538	*****-*****-9971	13,515.16	
75803	12/20/21	15.45 007		UNITED PARCEL SERVICE		111510	FREIGHT	15.45	
75804	12/20/21	165.83 002829		VALLEY POWER SYSTEMS, INC.		111475	INVENTORY ORDER	31.14	
						111485	CREDIT INV#K94745	-20.83	
						111486	INVENTORY ORDER	155.52	
						111487	CREDIT INV# K 94928	-337.77	
						111488	INVENTORY ORDER	337.77	
						111489	INVENTORY ORDER	1,802.61	
						111490	CREDIT INV# K 94797	-1,802.61	
75805	12/20/21	1,318.80 E1086		VALTIERRA, JOSE		111520	9/19-9/24 TSI FUND	1,318.80	
75806	12/20/21	1,089.18 434		VERIZON WIRELESS	0	111454	10/2-11/1 PARACRUZ	308.88	
						111533	11/2-12/1 PARACRUZ	714.39	
						111535	11/2-12/01 PARACRUZ	65.91	
75807	12/20/21	375.00 001353		VISION COMMUNICATIONS		111523	HANDHELD RADIO RPR	375.00	
75808	12/27/21	2,515.00 382		AIRTEC SERVICE INC.		111630	NEW COUNTERTOP SMC	1,126.00	
						111631	PREV MAINT WTC	416.00	
						111632	PREV MAINT MMF	973.00	
75809	12/27/21	531.43 003596		AMAZON CAPITAL SERVICES, INC.		111594	SPACE HEATER	65.79	
						111595	SHOP TOOLS	465.64	
75810	12/27/21	2,765.10 001D		AT&T		111596	11/13-12/12 VER/SMC	1,831.75	
						111609	11/10-12/9 INTERNET	933.35	
75811	12/27/21	17.58 002363		BATTERIES PLUS #314		111635	BATTERY VERNON	17.58	
75812	12/27/21	5,767.31 001089		CASEY PRINTING, INC		111644	WINTER 2021 HEADWAYS	5,767.31	
75813	12/27/21	286.78 001159		CATTO'S GRAPHICS, INC.		111599	INVENTORY ORDER	286.78	
75814	12/27/21	14,842.00 001124		CLEAN ENERGY		111553	DEC 21 MAINT	14,842.00	
75815	12/27/21	1,008.65 075		COAST PAPER & SUPPLY INC.		111614	INVENTORY ORDER	39.33	
						111627	COVID SUPPLIES OPS	969.32	
75816	12/27/21	54,490.74 003116		CUMMINS, INC		111565	CREDIT INV# Y9-95441	-68.28	
						111566	VEH4206 ENGINE LABOR	18,304.88	
						111567	VEH4206ENGINEERPLACE	33,692.17	
						111600	VEH# 1304 REPAIRS	2,561.97	

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75817	12/27/21	003274	15,304.44	EAST BAY TIRE CO.		111563	REVENUE TIRES	5,031.68	
						111564	REVENUE TIRES	1,083.15	
						111568	REVENUE TIRES	2,899.98	
						111569	REVENUE TIRES	6,289.63	
						111641	TEMP W/E 12/12	1,563.12	
						111642	TEMP W/E 12/5	1,202.40	
						111593	INV/NON INV ORDER	1,169.20	
						111649	NOV 21 MERCHANT FEES	1,020.68	
						111638	CLP FEE NEW OPERATOR	83.00	
						111637	CLP FEE NEW OPERATOR	83.00	
						111578	WINDSHIELD WIPER KIT	845.68	
						111574	DRAIN VALVE MMF	202.65	
						111575	PADLOCK MMF	14.05	
						111576	CREDITDRAINVALVEWARR	-202.65	
						111598	INVENTORY ORDER	205.63	
						111636	CASE#ARB-21-0004	8,125.00	
						111645	1/22-3/22 ALARM SMC	414.65	
						111646	1/22-3/22 ALARM SVT	711.17	
						111647	1/22-3/22 ALARM WTC	445.70	
						111615	INVENTORY ORDER	153.74	
						111616	INVENTORY ORDER	157.52	
						111619	CREDIT INV# 1537081	-17.48	
						111620	CREDIT INV# 1534156	-68.83	
						111633	1901 JUL21 PRC FAC	8,468.66	
						111648	1911 GATE CONTRL JKS	13,491.85	
						111554	JAN 22 CAPITOLA MALL	2,248.49	
						111597	COVID/FUEL ST TOWELS	156.00	
						111608	TOWELS/MATS PRC	10.50	
						111610	TOWELS/MOPS/MATS MMF	41.75	
						111625	COVID/UNIFORM SUPPL	323.02	
						111629	LAUNDRY/CUSTODIAL	81.02	
						111603	INVENTORY ORDER	19.92	
						111604	INVENTORY ORDER	711.30	
						111605	INVENTORY ORDER	41.12	
						111606	VEH# PC1715 PARTS	46.73	
						111556	OFFICE SUPPLIES	80.47	
						111579	DEC 21 PEST VERNON	65.00	
						111580	DEC 21 PEST SMC CTR	65.00	
						111581	DEC 21 PEST SMC TAO	40.00	
						111582	DEC 21 PEST SMC MKT	55.50	
						111555	LIQUID ANT BAIT PRC	6.86	
						111559	AERATOR VERNON	4.41	
						111560	LOCKS SVT	14.04	
						111571	PORTABLE HEATER OPS	349.56	
						111572	EXT CORD/GARDEN HOSE	126.80	
						111573	CS WINDOW INSTALL	103.66	

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75836	12/27/21	1,028.00	003502	RICHARD IRISH		111613	FRP PANEL MMF	65.54	
75837	12/27/21	513.45	003010	RJMS CORPORATION	7	111634	CAULK MMF	15.32	
						111621	1906 10/31 MAINT FAC	1,028.00	
						111622	VEH# 701 PM SERVICE	186.57	
						111623	VEH# 700 PM SERVICE	186.57	
						111623	VEH# 704PM SERVICE	140.31	
75838	12/27/21	83.00	E1089	RODRIGUEZ, ROBERTA		111639	CLP FEE NEW OPERATOR	83.00	
75839	12/27/21	3,010.22	003154	ROMAINE ELECTRIC CORP		111611	INVENTORY ORDER	3,010.22	
75840	12/27/21	14.25	135	SANTA CRUZ AUTO PARTS, INC.		111577	INVENTORY ORDER	14.25	
75841	12/27/21	24.96	079	SANTA CRUZ MUNICIPAL UTILITIES		111557	11/1-11/30 IRRIG VER	13.70	
						111558	11/1-11/30 IRRIG SBF	11.26	
75842	12/27/21	6,942.44	001307	SANTA CRUZ STAFFING, LLC		111551	TEMP W/E 12/12	2,673.76	
						111552	TEMP W/E 12/12	1,501.18	
						111617	TEMP W/E 12/05	1,620.00	
						111618	TEMP W/E 12/12	1,147.50	
75843	12/27/21	2,500.00	002267	SHAW YODER ANTWIH		111561	DEC 21 LEGISLATE SVC	2,500.00	
75844	12/27/21	219.00	001817	SOCIETY FOR HUMAN RESOURCE		111626	2/22-1/23MEMBERSHIP	219.00	
75845	12/27/21	4,161.44	003285	THE AFTERMARKET PARTS CO LLC		111582	VEH# 1005 PARTS 3462	163.05	
						111570	INVENTORY ORDER	566.37	
						111583	TOOL FOR SHOP	152.74	
						111584	VEH# 2316 PARTS 1698	141.51	
						111585	VEH# 2810 PARTS 3674	487.96	
						111586	VEH# 2813/1612 PARTS	56.73	
						111587	VEH# 2811 PARTS 3397	5.61	
						111588	VEH# 1612 PARTS 3655	72.99	
						111589	INVENTORY ORDER	13.46	
						111590	INVENTORY ORDER	1,557.86	
						111591	VEH# 2224 PARTS 5412	471.58	
						111592	VEH# 2224 PARTS 5412	471.58	
75846	12/27/21	2,479.86	166	THE HOSE SHOP, INC		111601	VEH# 2811 PARTS 3397	580.01	
						111602	NON INVENTORY ORDER	1,899.85	
75847	12/27/21	2,887.26	001800	THERMO KING OF SALINAS, INC		111624	INVENTORY ORDER	2,887.26	
75848	12/27/21	61.33	002829	VALLEY POWER SYSTEMS, INC.		111607	INVENTORY ORDER	61.33	
75849	12/27/21	359.82	434	VERIZON WIRELESS	0	111628	11/2-12/1 PARACRUZ	308.88	
						111643	11/2-12/01 CS	50.94	
75850	12/27/21	37,834.04	001353	VISION COMMUNICATIONS		111640	1948 DISPATCH CONSOL	37,834.04	
75851	12/27/21	83.21	M148	ABACHERLI, ARLETTE		9004299	MEDICAL SUPPLIMENTAL	83.21	
75852	12/27/21	19.10	M149	ADAMS, ELLEN		9004300	MEDICAL SUPPLEMENTAL	19.10	
75853	12/27/21	15.13	M381	AGUIRRE, CIRO		9004509	MEDICAL SUPPLEMENTAL	15.13	
75854	12/27/21	145.08	M382	AITKEN, ANGELA		9004510	MEDICAL SUPPLEMENTAL	145.08	
75855	12/27/21	14.73	M150	ALLEN, ROBERT		9004301	MEDICAL SUPPLEMENTAL	14.73	
75856	12/27/21	19.10	M333	ANDERSON, WILLIAM		9004467	MEDICAL SUPPLEMENTAL	19.10	
75857	12/27/21	36.02	M151	ANDRADE, GERALD		9004302	MEDICAL SUPPLEMENTAL	36.02	
75858	12/27/21	19.10	M334	ANDRADE, OSCAR		9004468	MEDICAL SUPPLEMENTAL	19.10	
75859	12/27/21	18.01	M152	ANN, DORICE		9004303	MEDICAL SUPPLEMENTAL	18.01	
75860	12/27/21	14.73	M153	ARCHIBEQUE, ELEANOR		9004304	MEDICAL SUPPLEMENTAL	14.73	

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75861	12/27/21	M154	38.19	ARCHIBEQUE, JUANITA		9004305	MEDICAL SUPPLEMENTAL	38.19	
75862	12/27/21	M155	38.19	ASPESI, JOHN		9004306	MEDICAL SUPPLEMENTAL	38.19	
75863	12/27/21	M383	38.19	AVILES, PATRICIA		9004511	MEDICAL SUPPLEMENTAL	38.19	
75864	12/27/21	M156	38.19	BAILEY, EDWIN		9004307	MEDICAL SUPPLEMENTAL	38.19	
75865	12/27/21	M158	36.02	BAN, MARK		9004308	MEDICAL SUPPLEMENTAL	36.02	
75866	12/27/21	M159	137.41	BARNES, SCOTT		9004309	MEDICAL SUPPLEMENTAL	137.41	
75867	12/27/21	M335	14.73	BARRY, BARTHLOMEW		9004469	MEDICAL SUPPLEMENTAL	14.73	
75868	12/27/21	M336	19.10	BARTZ, GLENN		9004470	MEDICAL SUPPLEMENTAL	19.10	
75869	12/27/21	M160	19.10	BASS, BETTY		9004310	MEDICAL SUPPLEMENTAL	19.10	
75870	12/27/21	M161	88.22	BAUER, FRANK		9004311	MEDICAL SUPPLEMENTAL	88.22	
75871	12/27/21	M162	14.73	BLAIR, GARY		9004312	MEDICAL SUPPLEMENTAL	14.73	
75872	12/27/21	M164	19.10	BLAKE, GENEVA		9004313	MEDICAL SUPPLEMENTAL	19.10	
75873	12/27/21	M165	38.19	BLIGHT, KAREN		9004314	MEDICAL SUPPLEMENTAL	38.19	
75874	12/27/21	M166	52.85	BOOTON, EMMA		9004315	MEDICAL SUPPLEMENTAL	52.85	
75875	12/27/21	M167	38.19	BOYD, MICHAEL		9004316	MEDICAL SUPPLEMENTAL	38.19	
75876	12/27/21	M169	14.73	BREGANTE, BATTISTA		9004317	MEDICAL SUPPLEMENTAL	14.73	
75877	12/27/21	M337	19.10	BRONSTATTER, CHERYL		9004471	MEDICAL SUPPLEMENTAL	19.10	
75878	12/27/21	M384	38.19	BRONSTATTER, WALLACE		9004512	MEDICAL SUPPLEMENTAL	38.19	
75879	12/27/21	M170	71.95	BROWN, ERNEST		9004318	MEDICAL SUPPLEMENTAL	71.95	
75880	12/27/21	M171	71.95	BROWN, KENNETH		9004319	MEDICAL SUPPLEMENTAL	71.95	
75881	12/27/21	M338	19.10	BRYANT, KATHLEEN		9004472	MEDICAL SUPPLEMENTAL	19.10	
75882	12/27/21	M172	19.10	BURKET, JANET		9004320	MEDICAL SUPPLEMENTAL	19.10	
75883	12/27/21	M385	84.77	BUSH, DEBBIE		9004513	MEDICAL SUPPLEMENTAL	84.77	
75884	12/27/21	M173	14.73	BYTHEWAY, MARY		9004321	MEDICAL SUPPLEMENTAL	14.73	
75885	12/27/21	M339	30.25	CANALES, DONNA		9004473	MEDICAL SUPPLEMENTAL	30.25	
75886	12/27/21	M174	83.21	CAPELLA, KATHLEEN		9004322	MEDICAL SUPPLEMENTAL	83.21	
75887	12/27/21	M175	14.73	CARLSON, MERRYL		9004323	MEDICAL SUPPLEMENTAL	14.73	
75888	12/27/21	M176	19.10	CARR, DALE		9004324	MEDICAL SUPPLEMENTAL	19.10	
75889	12/27/21	M177	14.73	CASANEGA, RICHARD		9004325	MEDICAL SUPPLEMENTAL	14.73	
75890	12/27/21	M178	34.72	CAVATAIO, PASQUALE		9004326	MEDICAL SUPPLEMENTAL	34.72	
75891	12/27/21	M340	14.73	CENTER, DOUGLAS		9004474	MEDICAL SUPPLEMENTAL	14.73	
75892	12/27/21	M179	14.73	CERVANTES, GLORIA		9004327	MEDICAL SUPPLEMENTAL	14.73	
75893	12/27/21	M386	14.73	CHANDLEY, PAUL		9004514	MEDICAL SUPPLEMENTAL	14.73	
75894	12/27/21	M341	14.73	CHAVARRIA, JOHNNY		9004475	MEDICAL SUPPLEMENTAL	14.73	
75895	12/27/21	M342	38.19	CILIBERTO, ANTHONY		9004476	MEDICAL SUPPLEMENTAL	38.19	
75896	12/27/21	M343	19.10	CLARKE, PATRICIA		9004477	MEDICAL SUPPLEMENTAL	19.10	
75897	12/27/21	M180	14.73	CLAYTON, MICHAEL		9004328	MEDICAL SUPPLEMENTAL	14.73	
75898	12/27/21	M344	25.19	CODD, FREDERICK		9004478	MEDICAL SUPPLEMENTAL	25.19	
75899	12/27/21	M181	84.77	COLWELL, ARLAN		9004329	MEDICAL SUPPLEMENTAL	84.77	
75900	12/27/21	M345	38.19	CONKLIN, CAROLYN		9004479	MEDICAL SUPPLEMENTAL	38.19	
75901	12/27/21	M182	19.10	CONTRERAS-NAVARRO, FRANCISCO		9004330	MEDICAL SUPPLEMENTAL	19.10	
75902	12/27/21	M183	42.39	COON, RICHARD		9004331	MEDICAL SUPPLEMENTAL	42.39	
75903	12/27/21	M387	38.19	COTTER, ROBERT		9004515	MEDICAL SUPPLEMENTAL	38.19	
75904	12/27/21	M346	19.10	COUSINS, DOROTHY		9004480	MEDICAL SUPPLEMENTAL	19.10	
75905	12/27/21	M185	45.01	COWELL, RICHARD		9004332	MEDICAL SUPPLEMENTAL	45.01	
75906	12/27/21	M186	19.10	CRAMBLETT, LAWRENCE		9004333	MEDICAL SUPPLEMENTAL	19.10	

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75907	12/27/21		42.39	CRANDELL, DANA		9004506	MEDICAL SUPPLEMENTAL	42.39	
75908	12/27/21		19.10	CRAWFORD, FLOYD		9004334	MEDICAL SUPPLEMENTAL	19.10	
75909	12/27/21		19.10	CRAWFORD, TERRI		9004481	MEDICAL SUPPLEMENTAL	19.10	
75910	12/27/21		19.10	CRUISE, RICHARD		9004335	MEDICAL SUPPLEMENTAL	19.10	
75911	12/27/21		38.19	CRUTCH, SHELTON		9004336	MEDICAL SUPPLEMENTAL	38.19	
75912	12/27/21		14.73	CUMMINGS, CYNTHIA		9004482	MEDICAL SUPPLEMENTAL	14.73	
75913	12/27/21		36.02	CUMMINGS, PATRICIA		9004337	MEDICAL SUPPLEMENTAL	36.02	
75914	12/27/21		38.19	CUMMINS, MAJOR		9004338	MEDICAL SUPPLEMENTAL	38.19	
75915	12/27/21		52.85	DAKIWAG, FRED		9004339	MEDICAL SUPPLEMENTAL	52.85	
75916	12/27/21		52.85	DANIEL, REBECCA		9004340	MEDICAL SUPPLEMENTAL	52.85	
75917	12/27/21		36.02	DAVIDOSKI, PATTI		9004341	MEDICAL SUPPLEMENTAL	36.02	
75918	12/27/21		14.73	DAVILLA, ANA		9004342	MEDICAL SUPPLEMENTAL	14.73	
75919	12/27/21		19.10	DEAN, RONALD		9004483	MEDICAL SUPPLEMENTAL	19.10	
75920	12/27/21		14.73	DEL PO, CAROLYN		9004503	RETIREE SUPPLEMENTAL	14.73	
75921	12/27/21		45.01	DEVIVO, WILLIAM		9004343	MEDICAL SUPPLEMENTAL	45.01	
75922	12/27/21		29.46	DOBBS, GLENN		9004344	MEDICAL SUPPLEMENTAL	29.46	
75923	12/27/21		19.10	DORFMAN, IRIS		9004516	MEDICAL SUPPLEMENTAL	19.10	
75924	12/27/21		14.73	DRAKE, JUDITH		9004345	MEDICAL SUPPLEMENTAL	14.73	
75925	12/27/21		14.73	ELIA, LARRY		9004346	MEDICAL SUPPLEMENTAL	14.73	
75926	12/27/21		38.19	EMERSON, WILLIAM		9004517	MEDICAL SUPPLEMENTAL	38.19	
75927	12/27/21		38.19	ESCARCEGA, MIGUEL		9004347	MEDICAL SUPPLEMENTAL	38.19	
75928	12/27/21		42.85	FALLAU, NICHOLAS		9004348	MEDICAL SUPPLEMENTAL	42.85	
75929	12/27/21		19.10	FENN, MARIILYN		9004518	MEDICAL SUPPLEMENTAL	19.10	
75930	12/27/21		17.36	FIKE, LOUIS		9004519	MEDICAL SUPPLEMENTAL	17.36	
75931	12/27/21		15.13	FLAGG, PAULA		9004349	MEDICAL SUPPLEMENTAL	15.13	
75932	12/27/21		73.46	FLORES, JUAN		9004520	MEDICAL SUPPLEMENTAL	73.46	
75933	12/27/21		14.73	FLOREZ, ROSIE		9004484	MEDICAL SUPPLEMENTAL	14.73	
75934	12/27/21		30.25	FRANCIS, RUFUS		9004521	MEDICAL SUPPLEMENTAL	30.25	
75935	12/27/21		19.10	FREEMAN, MARY		9004350	MEDICAL SUPPLEMENTAL	19.10	
75936	12/27/21		52.85	GABRIEL, RICHARD		9004351	MEDICAL SUPPLEMENTAL	52.85	
75937	12/27/21		14.78	GABRIELE, BERNARD		9004485	MEDICAL SUPPLEMENTAL	14.78	
75938	12/27/21		14.78	GABRIELE, CATHLEEN		9004486	MEDICAL SUPPLEMENTAL	14.78	
75939	12/27/21		61.48	GALE, TERRY		9004522	MEDICAL SUPPLEMENTAL	61.48	
75940	12/27/21		14.73	GALLOWAY, SCOTT		9004523	MEDICAL SUPPLEMENTAL	14.73	
75941	12/27/21		14.73	GARBEZ, LINDA		9004352	MEDICAL SUPPLEMENTAL	14.73	
75942	12/27/21		14.73	GARBEZ, MANNY		9004353	MEDICAL SUPPLEMENTAL	14.73	
75943	12/27/21		42.39	GARCIA, DANIEL		9004354	MEDICAL SUPPLEMENTAL	42.39	
75944	12/27/21		14.73	GARCIA, HELEN		9004355	MEDICAL SUPPLEMENTAL	14.73	
75945	12/27/21		88.22	GARCIA, SAMUEL		9004356	MEDICAL SUPPLEMENTAL	88.22	
75946	12/27/21		14.73	GOSE, JOHN		9004357	MEDICAL SUPPLEMENTAL	14.73	
75947	12/27/21		55.80	GOUVEIA, ROBERT		9004297	MEDICAL SUPPLEMENTAL	55.80	
75948	12/27/21		83.21	GRANADOS-BOYCE, MARIA		9004358	MEDICAL SUPPLEMENTAL	83.21	
75949	12/27/21		14.73	GROBMAN, BRUCE		9004359	MEDICAL SUPPLEMENTAL	14.73	
75950	12/27/21		29.46	GROSFAN, DOUGLAS		9004360	MEDICAL SUPPLEMENTAL	29.46	
75951	12/27/21		14.73	HALL, SHIRLEY		9004361	MEDICAL SUPPLEMENTAL	14.73	
75952	12/27/21		14.73	HAMM, CAROLYN		9004362	MEDICAL SUPPLEMENTAL	14.73	

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75953	12/27/21	19.10 M218		HAMMER, ALLYNE		9004363	MEDICAL SUPPLEMENTAL	19.10	
75954	12/27/21	36.02 M219		HERNANDEZ, JUAN		9004364	MEDICAL SUPPLEMENTAL	36.02	
75955	12/27/21	14.73 M220		HERNANDEZ, MARGARITO		9004365	MEDICAL SUPPLEMENTAL	14.73	
75956	12/27/21	45.01 M221		HERSHEY, ANDREA		9004366	MEDICAL SUPPLEMENTAL	45.01	
75957	12/27/21	19.10 M397		HETH, KATHRYN		9004524	MEDICAL SUPPLEMENTAL	19.10	
75958	12/27/21	19.10 M398		HICKLIN, LUCILLE		9004525	MEDICAL SUPPLEMENTAL	19.10	
75959	12/27/21	19.10 M222		HILL, ANDREW		9004367	MEDICAL SUPPLEMENTAL	19.10	
75960	12/27/21	103.66 M380		HILTNER, THOMAS		9004508	MEDICAL SUPPLEMENTAL	103.66	
75961	12/27/21	14.73 M223		HINDIN, LENORE		9004368	MEDICAL SUPPLEMENTAL	14.73	
75962	12/27/21	38.19 M224		HOBBS, JAMES		9004369	MEDICAL SUPPLEMENTAL	38.19	
75963	12/27/21	61.48 M225		HOLCOMB, MICHAEL		9004370	MEDICAL SUPPLEMENTAL	61.48	
75964	12/27/21	86.91 M226		HOLONICK, JAMES		9004371	MEDICAL SUPPLEMENTAL	86.91	
75965	12/27/21	38.19 M227		HORTON, JOE		9004372	MEDICAL SUPPLEMENTAL	38.19	
75966	12/27/21	19.10 M356		HOWARD, CAROL		9004487	MEDICAL SUPPLEMENTAL	19.10	
75967	12/27/21	71.95 M228		HOWARD, WARD		9004373	MEDICAL SUPPLEMENTAL	71.95	
75968	12/27/21	71.95 M229		HYMAN, JOE		9004374	MEDICAL SUPPLEMENTAL	71.95	
75969	12/27/21	36.02 M230		JACINTO, FRANK		9004375	MEDICAL SUPPLEMENTAL	36.02	
75970	12/27/21	19.10 M231		JAHNKE, EILEEN		9004376	MEDICAL SUPPLEMENTAL	19.10	
75971	12/27/21	29.46 M232		JENSEN, MERAL		9004377	MEDICAL SUPPLEMENTAL	29.46	
75972	12/27/21	14.73 M357		JUSSEL, PETE		9004488	MEDICAL SUPPLEMENTAL	14.73	
75973	12/27/21	38.19 M233		KALE, RICKY		9004378	MEDICAL SUPPLEMENTAL	38.19	
75974	12/27/21	14.73 M235		KELLY, ELOISE		9004379	MEDICAL SUPPLEMENTAL	14.73	
75975	12/27/21	50.43 M399		KONNO, DAVID		9004526	MEDICAL SUPPLEMENTAL	50.43	
75976	12/27/21	38.19 M236		KORBA, PATRICIA		9004380	MEDICAL SUPPLEMENTAL	38.19	
75977	12/27/21	19.10 M237		LANTHIER, BURT		9004381	MEDICAL SUPPLEMENTAL	19.10	
75978	12/27/21	19.10 M238		LAWHON, JACK		9004382	MEDICAL SUPPLEMENTAL	19.10	
75979	12/27/21	19.10 M239		LAWSON, LOIS		9004383	MEDICAL SUPPLEMENTAL	19.10	
75980	12/27/21	71.95 M240		LEE, HENRY		9004384	MEDICAL SUPPLEMENTAL	71.95	
75981	12/27/21	19.10 M241		LEFFLER, JEAN		9004385	MEDICAL SUPPLEMENTAL	19.10	
75982	12/27/21	85.71 M242		LEGORRETA, PETE		9004386	MEDICAL SUPPLEMENTAL	85.71	
75983	12/27/21	19.10 M243		LOGIUDICE, FRED		9004387	MEDICAL SUPPLEMENTAL	19.10	
75984	12/27/21	38.19 M244		LONGNECKER, LLOYD		9004388	MEDICAL SUPPLEMENTAL	38.19	
75985	12/27/21	71.95 M379		LORENZANO, JAMES		9004507	MEDICAL SUPPLEMENTAL	71.95	
75986	12/27/21	14.73 M245		LUCIER, MARILYN		9004389	MEDICAL SUPPLEMENTAL	14.73	
75987	12/27/21	38.19 M246		LYNCH, GLENN		9004390	MEDICAL SUPPLEMENTAL	38.19	
75988	12/27/21	14.73 M400		MACHADO, MARGARET		9004527	MEDICAL SUPPLEMENTAL	14.73	
75989	12/27/21	18.01 M248		MALPHRUS, BRENDA		9004391	MEDICAL SUPPLEMENTAL	18.01	
75990	12/27/21	42.39 M249		MARCUS, STEVEN		9004392	MEDICAL SUPPLEMENTAL	42.39	
75991	12/27/21	38.19 M250		MARTIN, DAWN		9004393	MEDICAL SUPPLEMENTAL	38.19	
75992	12/27/21	122.33 M251		MARTINEZ, MANUEL		9004394	MEDICAL SUPPLEMENTAL	122.33	
75993	12/27/21	68.80 M252		MARTINEZ, MARK		9004395	MEDICAL SUPPLEMENTAL	68.80	
75994	12/27/21	35.06 M254		MCDONALD, JANIE		9004396	MEDICAL SUPPLEMENTAL	35.06	
75995	12/27/21	14.73 M255		MCDONALD, KEVIN		9004397	MEDICAL SUPPLEMENTAL	14.73	
75996	12/27/21	19.10 M358		MCADDEN, IAN		9004489	MEDICAL SUPPLEMENTAL	19.10	
75997	12/27/21	29.46 M359		MCGINNIS, POLLY		9004490	MEDICAL SUPPLEMENTAL	29.46	
75998	12/27/21	38.19 M374		MCHALE, BRIAN		9004504	MEDICAL SUPPLEMENTAL	38.19	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
75999	12/27/21	19.10 M360	MEJIA, INDELIASA		9004491	MEDICAL SUPPLIMENTAL	19.10	
76000	12/27/21	14.73 M361	MELTON, JOHN		9004492	MEDICAL SUPPLIMENTAL	14.73	
76001	12/27/21	14.73 M256	MESECK, MARGARITA		9004398	MEDICAL SUPPLIMENTAL	14.73	
76002	12/27/21	14.73 M362	MILLER, FOREST		9004493	MEDICAL SUPPLIMENTAL	14.73	
76003	12/27/21	50.79 M257	MILLER, MARY		9004399	MEDICAL SUPPLEMENTAL	50.79	
76004	12/27/21	83.21 M401	MOREAU, DAVID		9004528	MEDICAL SUPPLEMENTAL	83.21	
76005	12/27/21	19.10 M261	MORGAN, JEANETTE		9004400	MEDICAL SUPPLEMENTAL	19.10	
76006	12/27/21	36.02 M262	MORR, BONNIE		9004401	MEDICAL SUPPLEMENTAL	36.02	
76007	12/27/21	103.66 M263	MULLIS, MICHAEL		9004402	MEDICAL SUPPLEMENTAL	103.66	
76008	12/27/21	19.10 M264	MUNGIOLI, LARRY		9004403	MEDICAL SUPPLEMENTAL	19.10	
76009	12/27/21	29.46 M265	MUNGUIA, GUSTAVO		9004404	MEDICAL SUPPLEMENTAL	29.46	
76010	12/27/21	52.85 M402	NABOR, GLEN		9004529	MEDICAL SUPPLEMENTAL	52.85	
76011	12/27/21	19.10 M266	NAUKKARINEN, JURKA		9004405	MEDICAL SUPPLEMENTAL	19.10	
76012	12/27/21	14.73 M267	NELSON, EDWARD		9004406	MEDICAL SUPPLEMENTAL	14.73	
76013	12/27/21	38.19 M268	NELSON, RICHARD		9004407	MEDICAL SUPPLEMENTAL	38.19	
76014	12/27/21	29.46 M269	NIETO, MANUEL		9004408	MEDICAL SUPPLEMENTAL	29.46	
76015	12/27/21	105.70 M270	NJAA, N		9004409	MEDICAL SUPPLEMENTAL	105.70	
76016	12/27/21	83.21 M271	NORTH, JEFFREY		9004410	MEDICAL SUPPLEMENTAL	83.21	
76017	12/27/21	56.95 M272	NORTHON, M		9004411	MEDICAL SUPPLEMENTAL	56.95	
76018	12/27/21	38.19 M273	O'DONNELL, SHAWN		9004412	MEDICAL SUPPLEMENTAL	38.19	
76019	12/27/21	19.10 M274	O'HAGIN, JUSTINA		9004413	MEDICAL SUPPLEMENTAL	19.10	
76020	12/27/21	19.10 M277	O'MARA, KATHLEEN		9004415	MEDICAL SUPPLEMENTAL	19.10	
76021	12/27/21	38.19 M275	OJEDA, ROBERTO		9004414	MEDICAL SUPPLEMENTAL	38.19	
76022	12/27/21	19.10 M278	ORTEGA, MANUELA		9004416	MEDICAL SUPPLEMENTAL	19.10	
76023	12/27/21	83.21 M279	OWENS, ROLAND		9004417	MEDICAL SUPPLEMENTAL	83.21	
76024	12/27/21	19.10 M280	PARHAM, WALLACE		9004418	MEDICAL SUPPLEMENTAL	19.10	
76025	12/27/21	61.48 M403	PAULSON, STEVEN		9004530	MEDICAL SUPPLEMENTAL	61.48	
76026	12/27/21	38.19 M281	PENDRAGON, LINDA		9004419	MEDICAL SUPPLEMENTAL	38.19	
76027	12/27/21	29.46 M282	PEREZ, ANTONIO		9004420	MEDICAL SUPPLEMENTAL	29.46	
76028	12/27/21	55.80 M109	PEREZ, CHERYL		9004298	MEDICAL SUPPLEMENTAL	55.80	
76029	12/27/21	19.10 M284	PETERS, TERRIE		9004421	MEDICAL SUPPLEMENTAL	19.10	
76030	12/27/21	14.73 M285	PHILLIPS, THOMAS		9004422	MEDICAL SUPPLEMENTAL	14.73	
76031	12/27/21	14.73 M404	PHILLIPS, TYRONE		9004531	MEDICAL SUPPLEMENTAL	14.73	
76032	12/27/21	14.73 M286	PICARELLA, FRANCIS		9004423	MEDICAL SUPPLEMENTAL	14.73	
76033	12/27/21	57.98 M287	POLANCO, JOSE		9004424	MEDICAL SUPPLEMENTAL	57.98	
76034	12/27/21	42.39 M288	PONS, JUAN		9004425	MEDICAL SUPPLEMENTAL	42.39	
76035	12/27/21	14.73 M363	PRECIADO, MARY LOU		9004494	MEDICAL SUPPLEMENTAL	14.73	
76036	12/27/21	38.19 M290	PRICE, HARRY		9004426	MEDICAL SUPPLEMENTAL	38.19	
76037	12/27/21	19.10 M291	PRINCE, DEBRA		9004427	MEDICAL SUPPLEMENTAL	19.10	
76038	12/27/21	83.21 M292	PRINCE, PETER		9004428	MEDICAL SUPPLEMENTAL	83.21	
76039	12/27/21	38.19 M293	PRUDDEN, RICHARD		9004429	MEDICAL SUPPLEMENTAL	38.19	
76040	12/27/21	19.10 M294	RACKLEY, BOBBIE		9004430	MEDICAL SUPPLEMENTAL	19.10	
76041	12/27/21	15.13 M295	RAMIREZ, MANUEL		9004431	MEDICAL SUPPLEMENTAL	15.13	
76042	12/27/21	110.20 M296	RAMOS, ROSALIO		9004432	MEDICAL SUPPLEMENTAL	110.20	
76043	12/27/21	14.73 M364	READ, TIMON		9004495	MEDICAL SUPPLEMENTAL	14.73	
76044	12/27/21	83.21 M297	REGAN, MICHAEL		9004433	MEDICAL SUPPLEMENTAL	83.21	

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CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
76045	12/27/21	38.19	RHODES, BRUCE		9004434	MEDICAL SUPPLEMENTAL	38.19	
76046	12/27/21	18.01	ROCHA, SHERRI		9004435	MEDICAL SUPPLEMENTAL	18.01	
76047	12/27/21	19.10	RODGERS, MARYLYN		9004436	MEDICAL SUPPLEMENTAL	19.10	
76048	12/27/21	19.10	RODGERS, SYLVIA		9004496	MEDICAL SUPPLEMENTAL	19.10	
76049	12/27/21	19.10	ROSS, ELISABETH		9004532	MEDICAL SUPPLEMENTAL	19.10	
76050	12/27/21	19.10	ROSS, EMERY		9004533	MEDICAL SUPPLEMENTAL	19.10	
76051	12/27/21	36.02	ROSSI, DENISE		9004437	MEDICAL SUPPLEMENTAL	36.02	
76052	12/27/21	52.85	ROWE, RUBY		9004438	MEDICAL SUPPLEMENTAL	52.85	
76053	12/27/21	19.10	ROY, ARLEN		9004439	MEDICAL SUPPLEMENTAL	19.10	
76054	12/27/21	83.21	RUIZ, ESTEVAN		9004440	MEDICAL SUPPLEMENTAL	83.21	
76055	12/27/21	34.72	RYLANDER, REED		9004441	MEDICAL SUPPLEMENTAL	34.72	
76056	12/27/21	36.02	SALGUEIRO, MICHAEL		9004442	MEDICAL SUPPLEMENTAL	36.02	
76057	12/27/21	71.95	SANCHEZ, ASCENCION		9004534	MEDICAL SUPPLEMENTAL	71.95	
76058	12/27/21	19.10	SANDOVAL, ANGEL		9004497	MEDICAL SUPPLEMENTAL	19.10	
76059	12/27/21	101.58	SCARGILL, RAYMOND		9004443	MEDICAL SUPPLEMENTAL	101.58	
76060	12/27/21	29.46	SCHRAEDER, PAUL		9004535	MEDICAL SUPPLEMENTAL	29.46	
76061	12/27/21	19.10	SCILLA, JOSEPH		9004444	MEDICAL SUPPLEMENTAL	19.10	
76062	12/27/21	83.21	SERRATO, JUAN		9004445	MEDICAL SUPPLEMENTAL	83.21	
76063	12/27/21	14.73	SILVA, EDUARDO		9004498	MEDICAL SUPPLEMENTAL	14.73	
76064	12/27/21	99.27	SLATER, ROBYN		9004536	MEDICAL SUPPLEMENTAL	99.27	
76065	12/27/21	14.73	SLOAN, SUZANNE		9004446	MEDICAL SUPPLEMENTAL	14.73	
76066	12/27/21	44.11	SMITH, DONNA		9004447	MEDICAL SUPPLEMENTAL	44.11	
76067	12/27/21	18.01	STARKEY, THOMAS		9004537	MEDICAL SUPPLEMENTAL	18.01	
76068	12/27/21	29.46	STICKEL, THOMAS		9004538	MEDICAL SUPPLEMENTAL	29.46	
76069	12/27/21	38.19	STRICKLAND, JAMES		9004499	MEDICAL SUPPLEMENTAL	38.19	
76070	12/27/21	29.46	SWART, RANDY		9004500	MEDICAL SUPPLEMENTAL	29.46	
76071	12/27/21	68.01	SYREN, LESLYN		9004539	MEDICAL SUPPLEMENTAL	68.01	
76072	12/27/21	38.19	TAYLOR, JAMES		9004448	MEDICAL SUPPLEMENTAL	38.19	
76073	12/27/21	14.73	TAYLOR, THOMAS		9004501	MEDICAL SUPPLEMENTAL	14.73	
76074	12/27/21	38.19	THOMAS, RUSSELL		9004449	MEDICAL SUPPLEMENTAL	38.19	
76075	12/27/21	75.14	TICHENOR, KENNETH		9004450	MEDICAL SUPPLEMENTAL	75.14	
76076	12/27/21	14.73	TOLINE, DONALD		9004451	MEDICAL SUPPLEMENTAL	14.73	
76077	12/27/21	19.10	TOVAR, SERENA		9004452	MEDICAL SUPPLEMENTAL	19.10	
76078	12/27/21	18.01	TRENT, VICKI		9004453	MEDICAL SUPPLEMENTAL	18.01	
76079	12/27/21	71.95	TUTTLE CALLIS, CHERI		9004454	MEDICAL SUPPLEMENTAL	71.95	
76080	12/27/21	36.02	VALDEZ, JOSE		9004455	MEDICAL SUPPLEMENTAL	36.02	
76081	12/27/21	103.66	VAN DE VEER, JOHN		9004456	MEDICAL SUPPLEMENTAL	103.66	
76082	12/27/21	42.39	VAN DYKE, CURTIS		9004457	MEDICAL SUPPLEMENTAL	42.39	
76083	12/27/21	38.19	VANDERZANDE, ED		9004540	MEDICAL SUPPLEMENTAL	38.19	
76084	12/27/21	19.10	VEST, SHELLY		9004505	MEDICAL SUPPLEMENTAL	19.10	
76085	12/27/21	19.10	VONWAL, YVETTE		9004458	MEDICAL SUPPLEMENTAL	19.10	
76086	12/27/21	17.36	WADSWORTH, RITA		9004459	MEDICAL SUPPLEMENTAL	17.36	
76087	12/27/21	29.46	WALTER, KEVIN		9004460	MEDICAL SUPPLEMENTAL	29.46	
76088	12/27/21	55.80	WARNOCK, APRIL		9004541	MEDICAL SUPPLEMENTAL	55.80	
76089	12/27/21	19.10	WHITE, LESLIE		9004542	MEDICAL SUPPLEMENTAL	19.10	
76090	12/27/21	38.19	WHITNEY, LUCERE		9004461	MEDICAL SUPPLEMENTAL	38.19	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
76091	12/27/21	M416	145.08	WILLIS, GREGORY		9004543	MEDICAL SUPPLEMENTAL	145.08	
76092	12/27/21	M372	38.19	WILSON, BONNIE		9004502	MEDICAL SUPPLEMENTAL	38.19	
76093	12/27/21	M328	83.21	WOODBIDGE, ELIZABETH		9004462	MEDICAL SUPPLEMENTAL	83.21	
76094	12/27/21	M329	50.79	WU, PETER		9004463	MEDICAL SUPPLEMENTAL	50.79	
76095	12/27/21	M417	19.10	WYANT, JUDI		9004544	MEDICAL SUPPLEMENTAL	19.10	
76096	12/27/21	M330	14.73	YAGI, RANDY		9004464	MEDICAL SUPPLEMENTAL	14.73	
76097	12/27/21	M331	19.10	YANCY, TERRY		9004465	MEDICAL SUPPLEMENTAL	19.10	
76098	12/27/21	M332	42.85	ZENKER, JEFFREY		9004466	MEDICAL SUPPLEMENTAL	42.85	
TOTAL			1,062,396.00	ACCOUNTS PAYABLE			TOTAL CHECKS	463	1,062,396.00



**DATE:** January 28, 2022

**TO:** Board of Directors

**FROM:** Dawn Crummié, Interim CEO/General Manager

**SUBJECT:** **ACCEPT AND FILE MINUTES OF THE DECEMBER 10, 2021 AND DECEMBER 17, 2021 METRO BOARD OF DIRECTORS SPECIAL MEETINGS, JANUARY 14, 2022 FINANCE, BUDGET & AUDIT STANDING COMMITTEE, AND JANUARY 14, 2022 PERSONNEL/HR STANDING COMMITTEE**

**I. RECOMMENDED ACTION**

**That the Board of Directors Accept and File the Minutes of the December 10, 2021 and December 17, 2021 METRO Board of Directors Special Meetings, January 14, 2022 Finance, Budget & Audit Standing Committee, and January 14, 2022 Personnel/HR Standing Committee**

**II. SUMMARY**

- Staff is providing minutes from the December 10, 2021 and December 17, 2021 Santa Cruz Metropolitan Transit District (METRO) Board of Directors Special Meetings, January 14, 2022 Finance, Budget, & Audit Standing Committee, and January 14, 2022 Personnel/HR Standing Committee.
- Each meeting staff will provide minutes from the previous METRO Board and Committee meetings.

**III. DISCUSSION/BACKGROUND**

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

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

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

**V. FINANCIAL CONSIDERATIONS/IMPACT**

None.

**VI. CHANGES FROM COMMITTEE**

N/A

**VII. ALTERNATIVES CONSIDERED**

None.

**VIII. ATTACHMENTS**

**Attachment A:** Draft minutes for the METRO Board of Directors Special Meeting of December 10, 2021

**Attachment B:** Draft minutes for the METRO Board of Directors Special Meeting of December 17, 2021

**Attachment C:** Draft minutes for the METRO Finance, Budget, & Audit Standing Committee

**Attachment D:** Draft minutes for the METRO Personnel/HR Standing Committee

Prepared by: Donna Bauer, Executive Assistant

**IX. APPROVALS**

Dawn Crummié  
Interim CEO/General Manager

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# Attachment A



## **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) BOARD OF DIRECTORS MEETING MINUTES\* December 10, 2021 – 9:00 AM MEETING HELD VIA TELECONFERENCE**

A special meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, December 10, 2021, via teleconference.

The Board Meeting Agenda Packet can be found online at [www.SCMTD.com](http://www.SCMTD.com). \*Minutes are “summary” minutes, not verbatim minutes. Audio recordings Board meeting open sessions are available to the public upon request.

This document was created with accessibility in mind. With the exception of certain third party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to [accessibility@scmttd.com](mailto:accessibility@scmttd.com).

- 1 CALL TO ORDER** at 9:02 AM by Board Chair Lind.
- 2 ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

<b>Director Jimmy Dutra</b>	<b>City of Watsonville</b>	<b>AR 9:06 AM</b>
<b>Director Shebreh Kalantari-Johnson</b>	<b>City of Santa Cruz</b>	
<b>Director Manu Koenig</b>	<b>County of Santa Cruz</b>	
<b>Director Donna Lind</b>	<b>City of Scotts Valley</b>	
Director Bruce McPherson	County of Santa Cruz	
<b>Director Donna Meyers</b>	<b>City of Santa Cruz</b>	
<b>Director Alta Northcutt</b>	<b>City of Watsonville</b>	<b>AR 9:04 AM</b>
<b>Director Larry Pageler</b>	<b>County of Santa Cruz</b>	
<b>Director Kristen Petersen</b>	<b>City of Capitola</b>	
Director - Vacant	County of Santa Cruz	
<b>Director Mike Rotkin</b>	<b>County of Santa Cruz</b>	
<b>Ex-Officio Director Dan Henderson</b>	<b>UC Santa Cruz</b>	
Ex-Officio Director - Vacant	Cabrillo College	
Additional METRO staff:		
Alex Clifford	CEO/General Manager	
Julie Sherman	General Counsel	

- 3 ANNOUNCEMENTS**  
Today’s meeting is being broadcast by Community Television of Santa Cruz County.
- 4 BOARD OF DIRECTORS COMMENTS**  
Hearing none, Chair Lind moved to the next agenda item.

# Attachment A

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**5 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**

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

**6 LABOR ORGANIZATION COMMUNICATIONS**

James Sandoval, SMART General Chairperson, spoke to an email sent to the Board of Directors (attached) requesting Board members to consider the unions' questions in the recruitment process as well as create an advisory committee comprised of union and department staff.

Hearing nothing further, Chair Lind moved to the next agenda item.

**7 METRO ADVISORY COMMITTEE (MAC) WRITTEN COMMUNICATION**

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

**8 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

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

**CONSENT AGENDA**

9.1 ACCEPT AND FILE: MINUTES FROM NOVEMBER 19, 2021 METRO BOARD OF DIRECTORS MEETING

9.2 CONSIDERATION OF APPROVAL TO APPLY FOR A BOND RATING FROM A RATING AGENCY REQUIRED FOR THE POTENTIAL SALE OF BONDS TO REFINANCE THE DISTRICT'S UNFUNDED PENSION LIABILITY

9.3 CONSIDERATION OF RATIFICATION OF CONTRACT WITH KRAUTHAMER & ASSOCIATES LLC FOR CEO/GM RECRUITMENT SERVICES

There were no public comments.

**ACTION: MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED**

**MOTION: DIRECTOR PAGELER**

**SECOND: DIRECTOR ROTKIN**

**MOTION PASSED WITH 9 AYES (Directors Dutra, Kalantari-Johnson, Koenig, Lind, Meyers, Northcutt, Pageler, Petersen, & Rotkin)**

**REGULAR AGENDA**

**10. RECESS TO CLOSED SESSION AT 9:09 AM**

Chair Lind reported there is one item for discussion regarding public employee appointments for the CEO/GM position and Interim CEO/GM position.

There were no public comments.

**SECTION II: CLOSED SESSION**

**11. PUBLIC EMPLOYEE APPOINTMENTS (GOVERNMENT CODE SECTION 54957); CEO/GM POSITION AND INTERIM CEO/GM POSITION**

**SECTION III: RECONVENE TO OPEN SESSION at 10:30 AM**

*Directors Dutra, Kalantari-Johnson, Koenig, Meyers, and Petersen were unable to return to the open session.*

# Attachment A

Board of Directors  
December 10, 2021  
Page 3 of 3

Chair Lind reported out that the recruitment process was discussed and Board members are encouraging public input from employees, the unions and other stakeholders in this recruitment. The recruiter has the understanding that this process is to be very inclusive. The Board emphasized this process needs to remain confidential so that applicants feel comfortable in applying and know that their application will be confidential so as not to interfere with their current employment. The interim position was discussed but no selection was made.

There were no public comments.

**12 ANNOUNCEMENT OF NEXT MEETING:**

Chair Lind announced the next regular Board Meeting will be on January 28, 2022 via teleconference.

**13 ADJOURNMENT**

Chair Lind adjourned the meeting at 10:33 AM.

Respectfully submitted,

Donna Bauer  
Executive Assistant

DRAFT

# Attachment A

**From:** [jasandoval607@yahoo.com](mailto:jasandoval607@yahoo.com)  
**To:** [Alta Northcutt](#); [Bruce McPherson](#); [Dan Rothwell](#); [Donna Lind](#); [Donna Meyers](#); [Jimmy Dutra](#); [Kristen Petersen](#); [Larry Mangioli](#); [Larry Pageler](#); [Manu Koenig](#); [Michael Rotkin](#); [Shebreh Kalantari-Johnson](#)  
**Cc:** [boardinquiries@scmted.com](mailto:boardinquiries@scmted.com)  
**Subject:** Labor Communications: Questionnaire for General Manager/CEO Applicants  
**Date:** Friday, December 10, 2021 8:22:12 AM  
**Attachments:** [image001.png](#)

## This Message Is From an External Sender

This message came from outside your organization.  
Please exercise caution when clicking links or opening attachments.

Good morning, Board of Directors,

Here are some questions SMART Local 0023 and SEIU 521 produced that are most important for us to know about the General Manager/CEO Applicants. We hope these questions can be implemented in the application process so we can have a better understanding of who they are and what they can bring to the table. We are also hoping if we are not on the hiring panel that we can create a METRO advisory committee that's composed of a few union representatives from SMART and SEIU, as well a representative from each department at METRO. That way we bring in someone that works for everyone at METRO. Here are the questions we have so far:

1. Name
2. Cell Phone
3. Email
4. Briefly describe your background, work history, education, and prior public service:
5. Please describe your membership, work, or experience with labor unions:
6. Are you willing to meet regularly with union representatives?
7. What steps will you take to be accessible to workers and their representatives?
8. In addition, will you ensure direct access to you?
9. Will you regularly visit Sacramento to lobby for grants?
10. How important is workplace safety to you?
11. What are your thoughts on flexible/remote work?
12. How will you ensure there will be good workplace morale at METRO?
13. Will you be flexible with work schedules for administrative staff? (Example: Starting before 6am or ending after 6pm)

Thank you,

***James Sandoval***

Organizer, General Chairperson  
SMART Local 0023  
8312470400

[td23.smart-local.org](http://td23.smart-local.org)



# Attachment B



## **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) BOARD OF DIRECTORS SPECIAL MEETING MINUTES\* December 17, 2021 – 9:00AM MEETING HELD VIA TELECONFERENCE**

A special meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, December 17, 2021, via teleconference, pursuant to AB 361.

The Board Special Meeting Agenda Packet can be found online at [www.SCMTD.com](http://www.SCMTD.com). \*Minutes are “summary” minutes, not verbatim minutes. Audio recordings Board meeting open sessions are available to the public upon request.

This document was created with accessibility in mind. With the exception of certain third party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to [accessibility@scmttd.com](mailto:accessibility@scmttd.com).

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

<b>Director Jimmy Dutra</b>	<b>City of Watsonville</b>
<b>Director Shebreh Kalantari-Johnson</b>	<b>City of Santa Cruz</b>
<b>Director Manu Koenig</b>	<b>County of Santa Cruz</b>
<b>Director Donna Lind</b>	<b>City of Scotts Valley</b>
<b>Director Bruce McPherson</b>	<b>County of Santa Cruz</b>
<b>Director Donna Meyers</b>	<b>City of Santa Cruz</b>
<b>Director Alta Northcutt</b>	<b>City of Watsonville</b>
<b>Director Larry Pageler</b>	<b>County of Santa Cruz</b>
<b>Director Kristen Petersen</b>	<b>City of Capitola</b>
Director - Vacant	County of Santa Cruz
<b>Director Mike Rotkin</b>	<b>County of Santa Cruz</b>
Ex-Officio Director Dan Henderson	UC Santa Cruz
Ex-Officio Director - Vacant	Cabrillo College
<b>Additional METRO staff:</b>	
Alex Clifford	CEO/General Manager
Julie Sherman	General Counsel

- 3 **BOARD OF DIRECTORS COMMENTS**  
Hearing none, Chair Lind moved to the next agenda item.
- 4 **ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**  
Hearing none, Chair Lind moved to the next agenda item.
- 5 **LABOR ORGANIZATION COMMUNICATIONS**  
Hearing none, Chair Lind moved to the next agenda item.
- 6 **ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**  
Hearing none, Chair Lind moved to the next agenda item.



# Attachment B

## RECESS TO CLOSED SESSION AT 9:10 AM

Chair Lind reported there is one item for discussion regarding public employee appointments for the CEO/GM position and Interim CEO/GM position.

There were no public comments.

## SECTION II: CLOSED SESSION

- 10. PUBLIC EMPLOYEE APPOINTMENTS (GOVERNMENT CODE SECTION 54957); CEO/GM POSITION AND INTERIM CEO/GM POSITION**

## SECTION III: RECONVENE TO OPEN SESSION at 9:19 AM

- 11 REPORT OF CLOSED SESSION ITEM**

Julie Sherman, General Counsel, reported out that the Board is appointing the current HR Director, Dawn Crummié, as the Interim CEO/GM for the period of time that METRO is recruiting for a new CEO/GM.

There were no public comments.

- 12 ANNOUNCEMENT OF NEXT MEETING:**

Chair Lind announced the next regular Board Meeting will be on January 28, 2022 via teleconference.

- 13 ADJOURNMENT**

Chair Lind adjourned the meeting at 9:20 AM.

Respectfully submitted,

Donna Bauer  
Executive Assistant

DRAFT

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# Attachment C



## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING MINUTES\* JANUARY 14, 2022 – 8:00AM

### MEETING HELD VIA TELECONFERENCE

A regular meeting of the Finance, Budget and Audit Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, January 14, 2022, via teleconference.

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

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- 1 **CALL TO ORDER** at 8:00 AM by Board Chair Lind.
- 2 **ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

<b>Director Shebreh Kalantari-Johnson</b>	<b>City of Scotts Valley</b>
<b>Director Manu Koenig</b>	<b>County of Santa Cruz</b>
<b>Director Donna Lind</b>	<b>City of Scotts Valley</b>
<b>Director Mike Rotkin</b>	<b>County of Santa Cruz AR 8:02 AM</b>
Alex Clifford	METRO CEO/General Manager
Dawn Crummié	METRO Interim CEO/General Manager
Julie Sherman	METRO General Counsel
- 3 **ORAL AND WRITTEN COMMUNICATIONS TO THE FINANCE, BUDGET AND AUDIT STANDING COMMITTEE**  
Hearing none, Chair Lind moved to the next agenda item.
- 4 **ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**  
Having none, Chair Lind moved to the next agenda item.
- 5 **MONTHLY FINANCIAL UPDATE**  
Chuck Farmer, CFO, provided brief commentary to the presentation. Discussion ensued on overtime and staffing shortages and the impacts of such on existing staff. CFO Farmer turned the presentation over to Sandi Woods, Project Manager, to review some of the capital projects that have been completed. James Sandoval, Bus Operator, commented that he likes the refurbished bus stop seating.

# Attachment C

Finance, Budget and Audit Standing Committee Agenda  
January 14, 2022  
Page 2 of 2

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

Chuck Farmer, CFO, introduced Lorraine Bayer, Accountant II. She spoke to the auditor's reports that were presented and emphasized that all of these reports were submitted to the appropriate governmental agencies on time, which is instrumental in receiving grant funding. The upshot is that there were no reportable findings.

CEO Clifford added that getting things right is part of the mindset and culture of METRO, especially when it comes to financial matters and these annual audits confirm that METRO is doing things right. Debbie Kinslow, former Finance Deputy Director, put that culture in place and now Kristina and Lorraine are instrumental in continuing that culture.

There was no public comment.

**7 ADJOURNMENT**

Chair Lind adjourned the meeting at 8:37 AM.

Respectfully submitted,

Donna Bauer  
Executive Assistant

DRAFT

# Attachment D



## **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) PERSONNEL/HR STANDING COMMITTEE MEETING MINUTES\* JANUARY 14, 2022 – 10:00AM MEETING HELD VIA TELECONFERENCE**

A regular meeting of the Personnel/HR Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, January 14, 2022, via teleconference.

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

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- 1 **CALL TO ORDER** at 10:00 AM by Director Lind.
- 2 **ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

Director Jimmy Dutra	City of Watsonville
<b>Director Donna Lind, 2021 Board Chair</b>	<b>City of Scotts Valley</b>
<b>Director Bruce McPherson, 2021 Board Vice Chair</b>	<b>County of Santa Cruz</b>
<b>Director Kristen Petersen</b>	<b>City of Capitola</b>
<b>Director Mike Rotkin, Immediate Past Board Chair</b>	<b>County of Santa Cruz</b>

Alex Clifford	METRO CEO/General Manager
Dawn Crummié	METRO Interim CEO/General Manager
Julie Sherman	METRO General Counsel

- 3 **ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**  
Having none, Director Lind moved to the next agenda item.
- 4 **ORAL AND WRITTEN COMMUNICATIONS TO THE PERSONNEL/HR STANDING COMMITTEE**  
Having none, Director Lind moved to the next agenda item.
- 5 **REVIEW REQUEST FOR AUTHORIZATION OF HUMAN RESOURCES ANALYST I POSITION IN THE HUMAN RESOURCES DEPARTMENT**  
HR Director Crummié spoke to the agenda item.

There was no public comment.

# Attachment D

Personnel/HR Standing Committee Agenda  
January 14, 2022  
Page 2 of 2

**MOTION TO RECOMMEND APPROVAL OF THE HUMAN RESOURCES ANALYST I POSITION TO THE FULL BOARD OF DIRECTORS AS PRESENTED**

**MOTION: DIRECTOR ROTKIN**

**SECOND: DIRECTOR MCPHERSON**

**MOTION PASSED WITH 4 AYES (Directors Lind, McPherson, Petersen and Rotkin)**

## **6 ADJOURNMENT**

Director Lind adjourned the meeting at 10:06 AM.

Respectfully submitted,

Donna Bauer  
Executive Assistant

DRAFT



**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Chuck Farmer, Chief Financial Officer  
**SUBJECT:** **ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF DECEMBER 31, 2021**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the Year to Date Monthly Financial Report as of December 31, 2021**

**II. SUMMARY OF ISSUES**

An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors (Board) regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.

This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of December 31, 2021."

Staff recommends that the Board accept and file the attached report.

**III. DISCUSSION/BACKGROUND**

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of December 31, 2021. The fiscal year has elapsed 50%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of December 31, 2021

Slide 2

December 2021 Key Financial Highlights

- Service
  - Fixed Route (inc Hwy 17) Cost per Revenue Service Hour is \$264 vs Budget of \$342
    - Zero canceled trips
  - ParaCruz Cost per Trip is \$90 vs Budget of \$107
  - Non-Student/Hwy 17 Passengers is 91,429 vs Budget of 111,338

- Financials (excluding all COVID related revenue/costs)
  - Revenue of \$5.0M is \$0.3M favorable to budget due to Sales Tax revenues
  - Expenses of \$4.4M is \$0.4M favorable to budget due to reduced spending in Mobile Materials, Utilities, and lower Wages/Fringe partially offset by increased Bus Operator OT costs
  - Net Operating Surplus of \$0.6M is \$0.8M favorable to budget
- Capital
  - Capital spend of \$36K is \$89K lower than budget of \$124K
  - JKS Gate Control spending of \$57K was completed in Nov, however the budget was planned in December
- Personnel
  - 287 Active Personnel vs 321 Funded Personnel
  - 34 Vacancies at end of December, 24 related to Paratransit and Bus Operators
  - Offers have been extended for Revenue Account Program Manager and Administrative Assistant for Ops
  - A class of 3 Operators was recently started; next class of 10 is anticipated for April or June

Slide 3

(Cover) December 2021, YTD Pre-Close Financials

Slide 4

December 31, 2021 Monthly Operating Revenue and Expenses

- Operating Revenues, net favorable by \$346K - due to higher Sales Tax revenues
  - Passenger Fares – unfavorable by \$15K
  - Sales Tax/including Measure D – favorable by \$359K
  - Federal/State Grants – no variance
  - All Other Revenues – favorable by \$2K
- Operating Expenses, net favorable by \$461K - due to lower labor/fringe costs as a result of vacant positions and extended unpaid leaves of absence along with reduced spending in Other Materials, Utilities, Casualty & Liability, and Misc. Expense; partially offset by higher OT costs and Mobile Materials

- Labor Regular – favorable by \$156K
- Labor OT – unfavorable by \$115K
- Fringe Benefits – favorable by \$397K
- Non-Personnel - favorable by \$23K
- Bus Replacement Fund – higher by \$41K due to increased Measure D sales tax revenues
  - Bus Replacement Fund – \$3M annual commitment from Measure D sales tax (\$2.2M) and STA-SGR (\$0.8M)
- Operating Balance – favorable by \$766K

Slide 5

December 31, 2021 YTD Operating Revenue and Expenses

- Operating Revenues, net favorable by \$9,865K – due to higher Sales Tax revenues and unbudgeted COVID related grants
  - Passenger Fares - unfavorable by \$160K
  - Sales Tax/including Measure D – favorable by \$3,086K
  - Federal/State Grants – unfavorable by \$369K
  - COVID Relief Grants – favorable by \$7,254K
  - All Other Revenues – favorable by \$54K
- Operating Expenses, net favorable by \$1,861K – due to lower labor/fringe costs as a result of vacant positions and extended unpaid leaves of absence along with reduced spending in Utilities, Lease & Rental, and Misc. expenses; partially offset by higher OT and Mobile Materials
  - Labor Regular – favorable by \$1,346K
  - Labor OT – unfavorable by \$784K
  - Fringe Benefits – favorable by \$1,293K
  - Non-Personnel – favorable by \$6K
- Bus Replacement Fund – higher by \$401K due to increased Measure D sales tax revenues
  - Bus Replacement Fund – \$3M annual commitment from Measure D sales tax (\$2.2M) and STA-SGR (\$0.8M)
- Operating Balance – favorable by \$11,325K

### Slide 6

#### December YTD FY22 Revenue Actual vs. Budget

- Actuals are \$9.9M higher than budget
  - Passenger Fares – lower by \$160K, Ridership is still below pre-pandemic levels, but is slowly recovering
  - Sales Tax Revenue (including Measure D) – higher by \$3,086K due to higher than anticipated receipts
  - Federal/State Grants – lower by \$369K as a result of lower FTA 5307/STIC grant payments
  - COVID Relief Grants – higher by \$7,254K due to Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) drawdown
  - All Other Revenues – higher by \$54K

### Slide 7

#### December YTD FY22 Expense Actual vs. Budget

- Actuals are \$1.9M lower than budget
  - Labor, Regular – lower by \$1,346K, due to funded/vacant positions
  - Labor, OT – higher by \$784K, increased overtime for Bus Operators
  - Fringe Benefits – lower by \$1,293K due to retirement and medical insurance savings from funded/vacant positions
  - Non-Personnel – lower by \$7K

### Slide 8

#### (Cover) FY 2022 Forecast

### Slide 9

#### June 30, 2022 Estimated Full Year Operating Revenue and Expenses

- Operating Revenues, net favorable by \$23,952K – due to higher Sales Tax revenues, increased FTA 5307/STIC grant payments, and unbudgeted COVID related grants
  - Passenger Fares - unfavorable by \$638K
  - Sales Tax/including Measure D – favorable by \$4,992K
  - Federal/State Grants – favorable by \$3,885K
  - COVID Relief Grants – favorable by \$15,754K
  - All Other Revenues – unfavorable by \$41K

- Operating Expenses, net favorable by \$2,027K – due to lower labor/fringe costs as a result of vacant positions and extended unpaid leaves of absence along with reduced spending in Utilities and lease costs for ParaCruz space; partially offset by higher OT costs as a result of unfilled Bus Operator vacancies along with increased Services and Mobile Materials costs
  - Labor Regular – favorable by \$1,996K
  - Labor OT – unfavorable by \$1,615K
  - Fringe Benefits – favorable by \$1,541K
  - Non-Personnel – favorable by \$105K
- Bus Replacement Fund – higher by \$548K due to increased Measure D sales tax revenues
  - Bus Replacement Fund – \$3M annual commitment from Measure D sales tax (\$2.2M) and STA-SGR (\$0.8M)
- All Other Transfers: \$2M UAL, \$3.4M Operations Sustainability Reserve, \$15.8M COVID Recovery
- Operating Balance – net Zero

#### Slide 10

##### Full Year FY22 Revenue Estimate vs. Budget

- Actuals are \$24.0M higher than budget
  - Passenger Fares – lower by \$638K, Ridership is still below pre-pandemic levels but is showing a strong recovery
  - Sales Tax Revenue (including Measure D) – higher by \$4,992K due to higher than anticipated receipts
  - Federal/State Grants – higher by \$3,885K due to increased FTA 5307 /STIC grant payments
  - COVID Relief Grants – higher by \$15,754K due to Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan Act (ARPA) drawdowns
  - All Other Revenues – lower by \$41K

#### Slide 11

##### Full Year FY22 Expense Estimate vs. Budget

- Actuals are \$2.0M lower than budget
  - Labor, Regular – lower by \$1,996K, due to funded/vacant positions
  - Labor, OT – higher by \$1,615K, increased overtime for Bus Operators

- Fringe Benefits – lower by \$1,541K due to retirement and medical insurance savings from funded/vacant positions
- Non-Personnel – lower by \$105K due to reduced spending for Utilities and lease costs for ParaCruz space; partially offset by higher Services and Mobile Materials costs

Slide 12

(Cover) Capital Spending & Project Completion

Slide 13

December 31, 2021 Capital Budget Spend

Total Capital Projects spending month to date is \$35K against budget of \$124K

- Construction Related Projects – no spending against budget of \$2K
- IT Projects – no spending, no budget
- Facilities Repair & Improvements – spending of \$13K against budget of \$94K
- Revenue Vehicle Replacement – spending of \$22K, against budget of \$22K
- Revenue Vehicle Electrification Projects – no spending, no budget
- Non-Revenue Vehicle Replacement – no spending, no budget
- Fleet & Maintenance Equipment – no spending, against budget of \$6K
- Miscellaneous – no spending, no budget

Total Capital Projects spending year to date is \$785K against budget of \$1,277K, which is 7.3% of \$10,722K annual budget

- Construction Related Projects – spending of \$40K against budget of \$30K, which is 6.2% of \$650K annual budget
- IT Projects – spending of \$49K against budget of \$49K, which is 100% of \$49K annual budget
- Facilities Repair & Improvements – spending of \$302K against budget of \$280K, which is 18.9% of \$1,602K annual budget
- Revenue Vehicle Replacement – spending of \$133K against budget of \$768K, which is 1.9% of \$7,092K annual budget
- Revenue Vehicle Electrification Projects – spending of \$61K, no budget, which is 9.7% of \$629K annual budget
- Non-Revenue Vehicle Replacement – spending of \$32K against budget of \$32K, which is 12.8% of \$250K annual budget
- Fleet & Maintenance Equipment – spending of \$45K against budget of \$45K, which is 36.0% of \$125K annual budget

- Miscellaneous – spending of \$123K against budget of \$73K, which is 37.8% of \$325K annual budget

December spending of \$35K driven by JKS Gate Control and monthly bus lease payment

YTD Spending of \$785K behind the target for fiscal year primarily due to cancelation of AVL/ITS contract; partially offset by the accelerated timing of ZEB licensing and Secondary Virtualization system

#### Slide 14

FY22 Capital Project Completion – Bus Stop Improvements

Purpose of project – Refurbish 20+ Bus Shelters to replace existing worn shelters throughout the county

Projected costs \$124,725, original budget; \$131,565, final budget

Budget Source – FY18 FTA 5339(a)

Projected timeline for completion – November 2021

Risks – Ability to obtain materials needed on time due to sourcing shortages and shipping delays

#### Slide 15

FY22 Capital Project Completion – Bus Stop Improvements

Results of project – Bus shelters have been refurbished and are ready for placement at selected locations

Actual costs - \$125,579; under \$5,986 (Original budget \$124,725, add'l funding of \$6,840 approved fall 2021)

Actual timeline for completion – November 2021

Hurdles to overcome – Obtaining replacement parts for obsolete shelters.

#### Slide 16

FY22 Capital Project Completion – Bus Stop Improvements

Before Images

#### Slide 17

FY22 Capital Project Completion – Bus Stop Improvements

After Images

#### Slide 18

FY22 Capital Project Completion – Hardware for Bus Stop Redesign

Purpose of project – Modernize outdated bus stop signs throughout the county

Projected costs \$70,000, original budget; \$19,599 add'l funding approved 9/2021

Budget Source – Operating and Capital Reserve Fund

Projected timeline for completion – September 2021

Risks – Unknown condition of 800 bus stops; which would need new poles, etc.

Meeting customer concerns regarding printed schedules at all 800 stops

Slide 19

FY22 Capital Project Completion – Hardware for Bus Stop Redesign

Results of project – New signs have been designed, manufactured, and installed

Actual costs - \$87,481; under \$2,118

Actual timeline for completion – September 2021

Hurdles to overcome – Created at stop schedules for high ridership and social service/school bus stops; Installation of replacement hardware

Slide 20

FY22 Capital Project Completion – Hardware for Bus Stop Redesign

Before Images

Slide 21

FY22 Capital Project Completion – Hardware for Bus Stop Redesign

After Images

Slide 22

FY22 Capital Project Completion – Paint Maintenance Building

Purpose of project – Paint the entire exterior of the Maintenance Building; seal cracks, replace door seals, perform minor repairs as needed prior to painting

Projected costs \$128,659

Budget Source – FY18 FTA 5339(a), FY19 FTA 5339(a)

Projected timeline for completion – August 30, 2021

Risks – Ability to obtain materials needed on time due to sourcing shortages and shipping delays

Slide 23

FY22 Capital Project Completion – Paint Maintenance Building

Results of project – Entire Maintenance Building has been painted, door seals repaired, cracks repaired

Actual costs - \$127,623, under budget \$1,036

Actual timeline for completion – November 4, 2021

Hurdles to overcome:

- Had two rounds of punch list corrections
- Delays in receiving selected paint
- Change order by METRO to have two tone paint
- Rust in areas after first rain

Slide 24

FY22 Capital Project Completion – Paint Maintenance Building  
Before Images

Slide 25

FY22 Capital Project Completion – Paint Maintenance Building  
After Images

Slide 26

(Cover) Questions?

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

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

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

Favorable budget variances in Operating Revenues and Expenses contribute to favorable budget variance in Operating Balance, Year to Date as of December 31, 2021.

#### **VI. CHANGES FROM COMMITTEE**

December non-student/Hwy 17 passenger count was updated on Slide 2

#### **VII. ALTERNATIVES CONSIDERED**

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

#### **VIII. ATTACHMENTS**

**Attachment A:** Year to Date Monthly Financial Report as of December 31, 2021  
Presentation

Prepared by: Cathy Downes, Sr. Financial Analyst

**IX. APPROVALS**

Chuck Farmer, Chief Financial Officer



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Dawn Crummié,  
Interim CEO/General Manager



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# **Year to Date Monthly Financial Report as of December 31, 2021**

Board of Directors

*January 28, 2022*

Chuck Farmer, Chief Financial Officer

# December 2021 Key Financial Highlights

<p><b>Service</b></p>	<ul style="list-style-type: none"> <li>• Fixed Route (including Hwy 17) Cost per Revenue Service Hour is \$264 vs Budget of \$365                         <ul style="list-style-type: none"> <li>• Zero canceled trips</li> </ul> </li> <li>• ParaCruz Cost per Trip is \$90 vs Budget of \$107</li> <li>• Non-Student/Hwy 17 Passengers is 91,429 vs Budget of 111,338</li> </ul>
<p><b>Financials*</b></p>	<ul style="list-style-type: none"> <li>• Revenue of \$5.0M is \$0.3M favorable to budget due to Sales Tax revenues</li> <li>• Expenses of \$4.4M is \$0.4M favorable to budget due to lower Wages/Fringe, partially offset by increased Bus Operator OT and Mobile Materials</li> <li>• Net Operating Surplus of \$0.6M is \$0.8M favorable to budget</li> </ul>
<p><b>Capital</b></p>	<ul style="list-style-type: none"> <li>• Capital spend of \$36K is \$89K lower than budget of \$124K</li> <li>• JKS Gate Control spending of \$57K was completed in Nov, however the budget was planned in December</li> </ul>
<p><b>Personnel</b></p>	<ul style="list-style-type: none"> <li>• 287 Active Personnel vs 321 Funded Personnel</li> <li>• 34 Vacancies at end of December, 24 related to Paratransit and Bus Operators</li> <li>• Offers have been extended for Revenue Account Program Manager and Administrative Assistant for Ops</li> <li>• A class of 3 Operators was recently started; next class of 10 is anticipated for April or June</li> </ul>

\* Excludes all COVID related revenues/costs and Transfers

# December 2021, Pre-Close Financials

# December 31, 2021 Monthly Operating Revenue and Expenses

- Revenues favorable due to higher Sales Tax revenues
- Expenses favorable due to lower labor/fringe costs as a result of vacant positions and extended unpaid leaves of absence along with reduced spending in Other Materials, Utilities, Casualty & Liability, and Misc. Expense; partially offset by higher OT and Mobile Materials
- Bus Replacement Fund higher due to increased Measure D sales tax revenues

	<u>December 31, 2021</u>		Fav / (Unfav)
	Actual*	Budget	
<b>Operating Revenue</b>			
Passenger Fares	\$ 622	\$ 637	\$ (15)
Sales Tax/including Measure D	2,474	2,115	359
Federal/State Grants	1,867	1,867	-
All Other	57	55	2
<b>Total Revenue</b>	<b>\$ 5,020</b>	<b>\$ 4,674</b>	<b>\$ 346</b>
<b>Operating Expense</b>			
Labor - Regular	\$ 1,421	\$ 1,577	\$ 156
Labor - OT	238	123	(115)
Fringe	1,927	2,324	397
Non-Personnel	839	862	23
<b>Total OpEx</b>	<b>\$ 4,425</b>	<b>\$ 4,886</b>	<b>\$ 461</b>
<b>Operating Surplus/(Deficit) before Transfers</b>	<b>\$ 595</b>	<b>\$ (212)</b>	<b>\$ 807</b>
<b>Transfers</b>			
Bus Replacement Fund*	\$ (214)	\$ (173)	\$ (41)
<b>Operating Surplus/(Deficit) after Transfers</b>	<b>\$ 381</b>	<b>\$ (385)</b>	<b>\$ 766</b>

\* Bus Replacement Fund – Minimum \$3M annual commitment from Measure D sales tax (\$2.2M) and STA-SGR (\$0.8M)

\* Pre-close financials, subject to adjustments post close

# December 31, 2021

## YTD Operating Revenue and Expenses

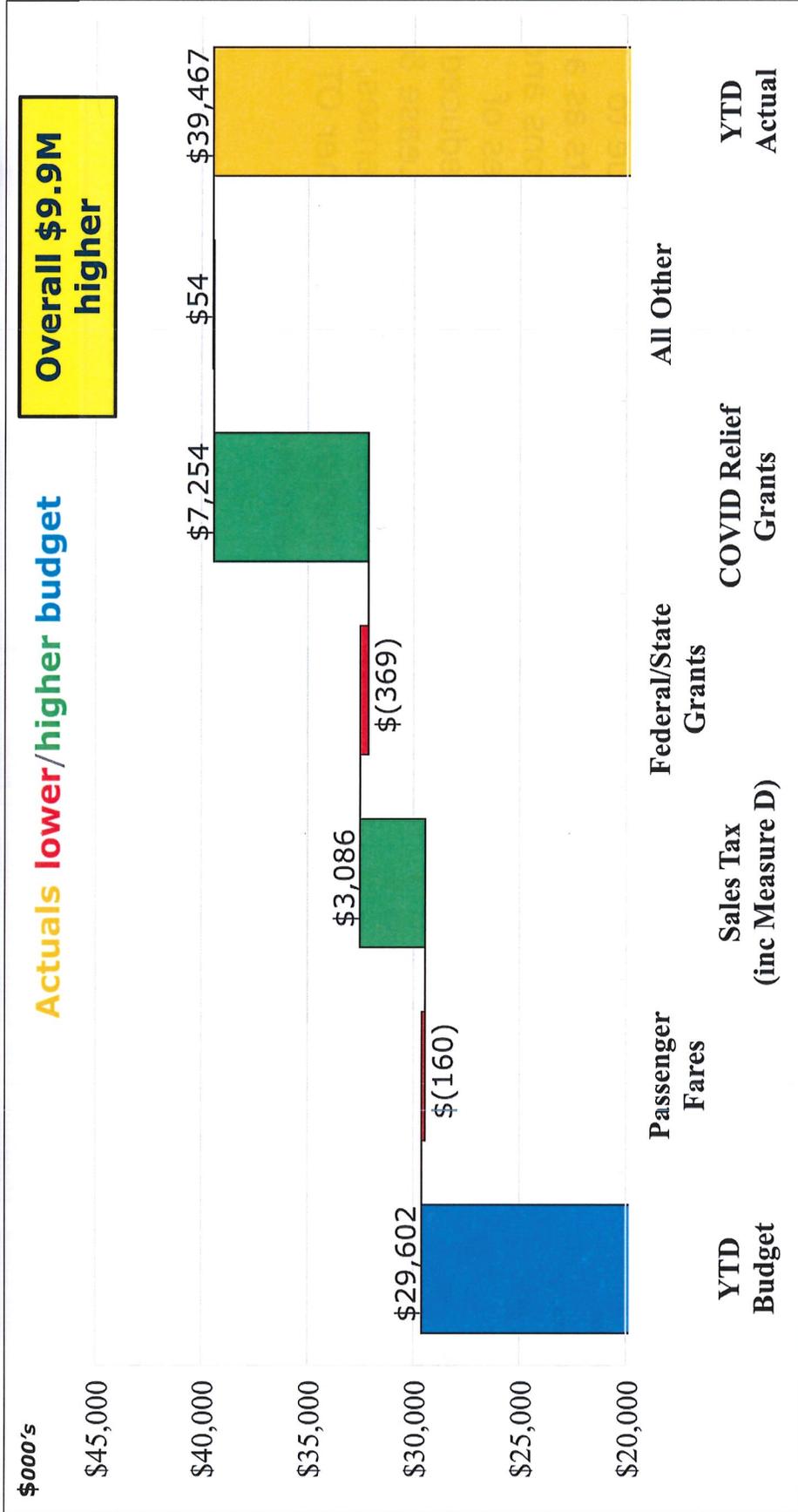
- Revenues favorable due to continued higher Sales Tax revenues and unbudgeted COVID related grants
- Expenses favorable due to lower labor/fringe costs as a result of vacant positions and extended unpaid leaves of absence, along with reduced spending in Utilities, Lease & Rental, and Misc. expenses; partially offset by higher OT and Mobile Materials
- Bus Replacement Fund higher due to increased Measure D sales tax revenues

	<u>YTD as of December 31, 2021</u>		
	Actual*	Budget	
	Fav /	(Unfav)	
<b>Operating Revenue</b>			
Passenger Fares	\$ 3,749	\$ 3,909	\$ (160)
Sales Tax/including Measure D	16,228	13,142	3,086
Federal/State Grants	11,891	12,260	(369)
COVID Relief Grants	7,254	-	7,254
All Other	345	291	54
<b>Total Revenue</b>	<b>\$ 39,467</b>	<b>\$ 29,602</b>	<b>\$ 9,865</b>
<b>Operating Expense</b>			
Labor - Regular	\$ 8,115	\$ 9,461	\$ 1,346
Labor - OT	1,382	598	(784)
Fringe	11,697	12,990	1,293
Non-Personnel	5,165	5,171	6
<b>Total OpEx</b>	<b>\$ 26,359</b>	<b>\$ 28,220</b>	<b>\$ 1,861</b>
<b>Operating Surplus/(Deficit) before Transfers</b>	<b>\$ 13,108</b>	<b>\$ 1,382</b>	<b>\$ 11,726</b>
<b>Transfers</b>			
Bus Replacement Fund*	\$ (1,471)	\$ (1,070)	\$ (401)
<b>Operating Surplus/(Deficit) after Transfers</b>	<b>\$ 11,637</b>	<b>\$ 312</b>	<b>\$ 11,325</b>

\* Bus Replacement Fund - Minimum \$3M annual commitment from Measure D sales tax (\$2.2M) and STA-SGR (\$0.8M)

\* Pre-close financials, subject to adjustments post close

## December YTD FY22 Revenue Actual\* vs. Budget

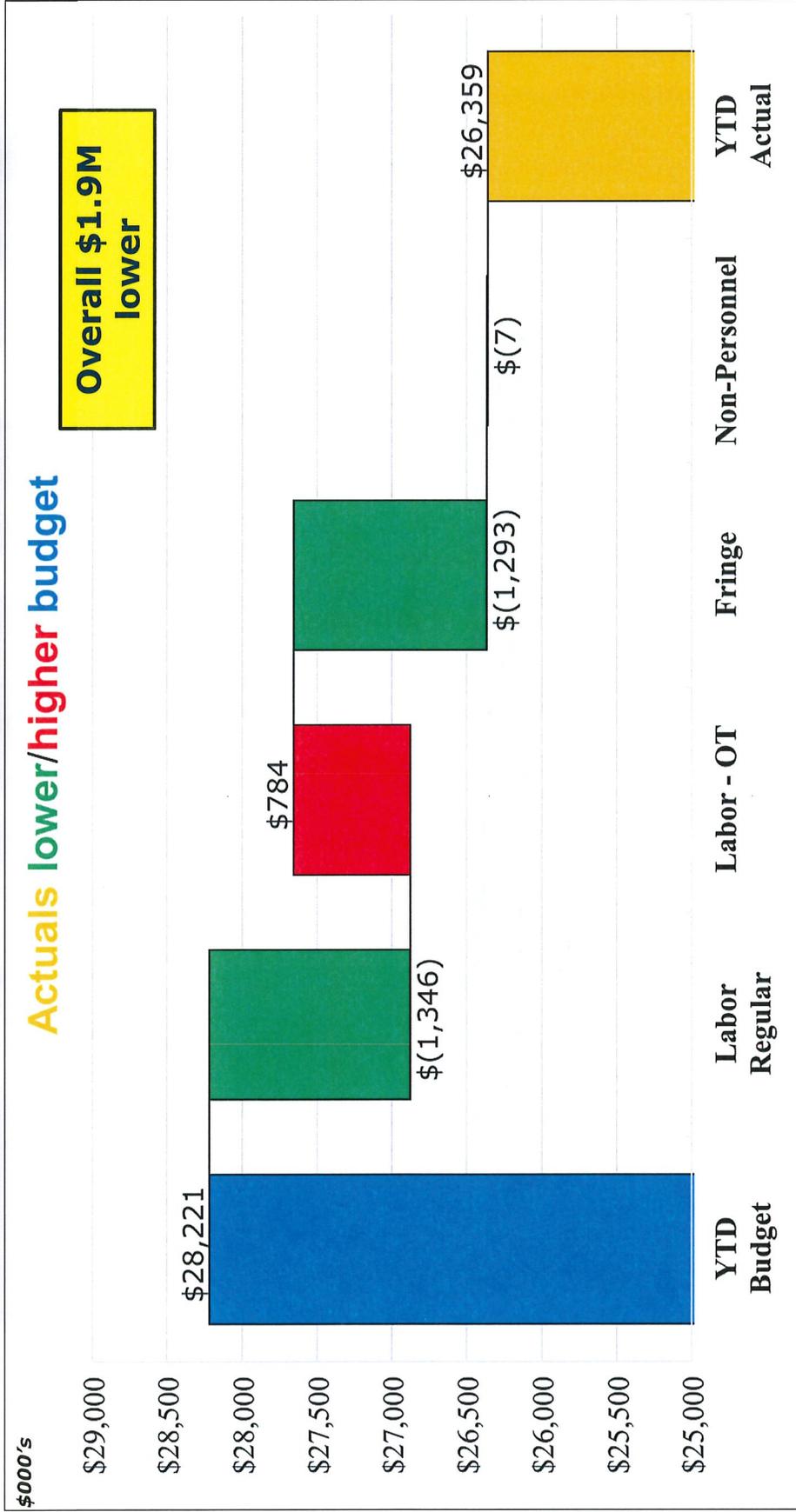


- Ridership is still below pre-pandemic levels, but is slowly recovering
- Sales tax higher than anticipated
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) drawdown

\* Excludes Transfers

\* Pre-close financials, subject to adjustments post close; excludes Transfers, includes COVID revenues

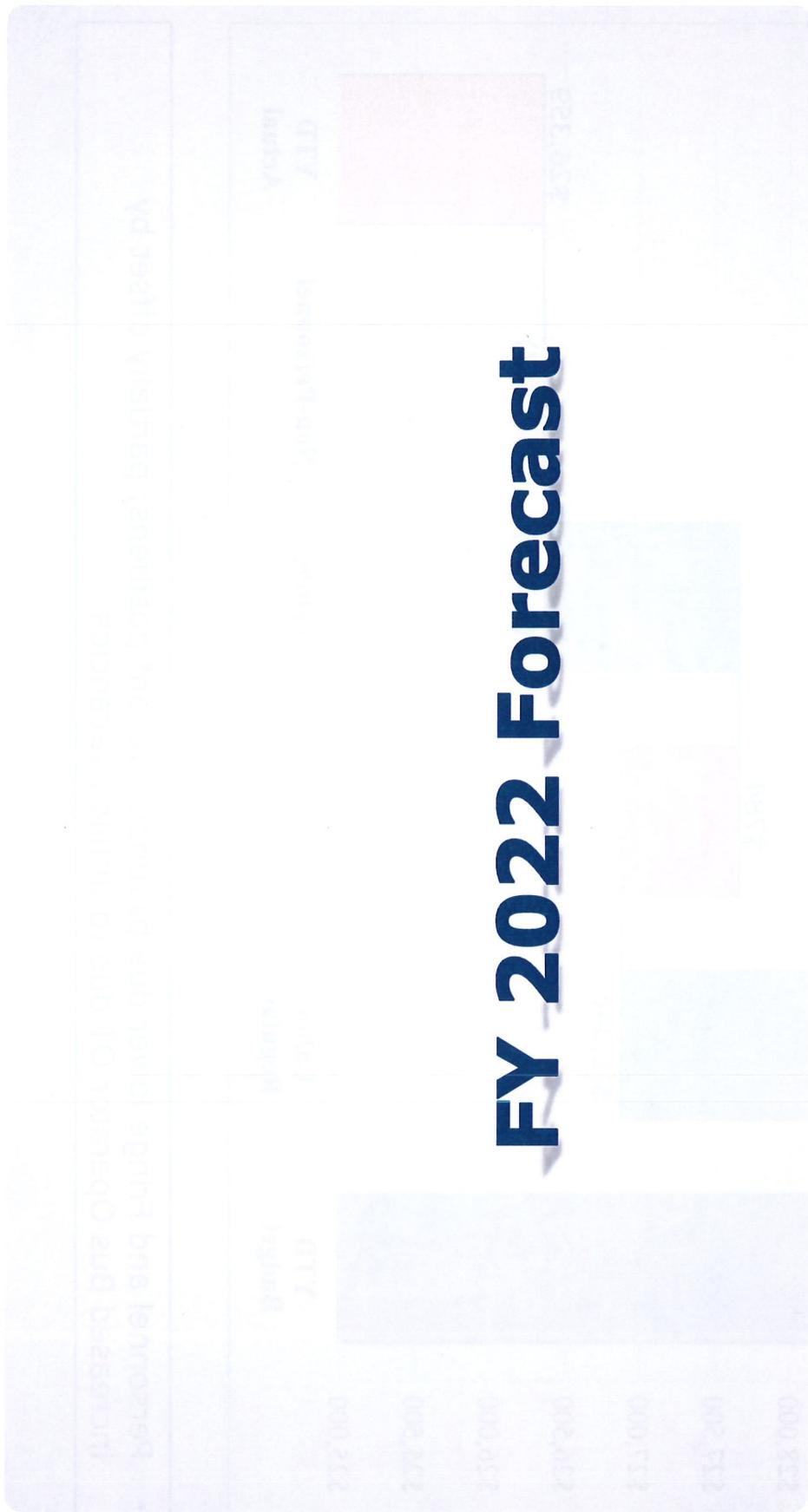
## December YTD FY22 Expense Actual\* vs. Budget



- Personnel and Fringe lower due to funded/vacant positions; partially offset by increased Bus Operator OT due to unfilled vacancies

\* Pre-close financials, subject to adjustments post close; includes COVID related costs

# FY 2022 Forecast



# June 30, 2022

## Estimated Full Year Operating Revenue & Expenses

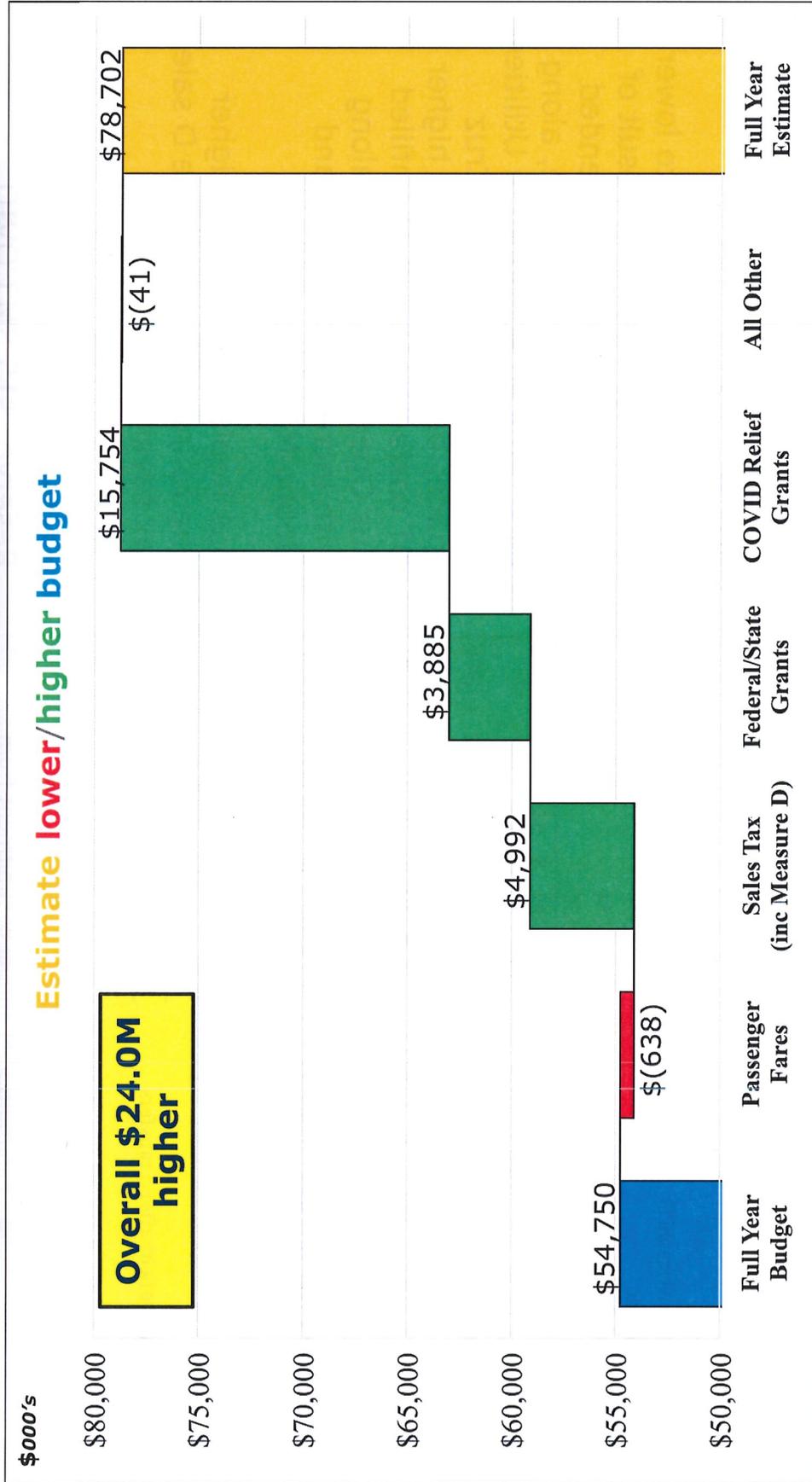
- Revenues favorable due to higher Sales Tax revenues, Federal/State Grants, and unbudgeted COVID related grants
- Expenses favorable due to lower labor/fringe costs as a result of vacant positions and extended unpaid leaves of absence, along with reduced spending in Utilities and lease costs for ParaCruz space; partially offset by higher OT costs as a result of unfilled Bus Operator vacancies along with increased Services and Mobile Materials costs
- Bus Replacement Fund higher due to increased Measure D sales tax revenues
- All Other Transfers: \$2M UAL, \$3.4M Operations Sustainability Reserve, \$15.8M COVID Recovery

	June 30, 2022		Fav /
	Actual*	Budget	(Unfav)
<b>Operating Revenue</b>			
Passenger Fares	\$ 7,681	\$ 8,319	\$ (638)
Sales Tax/including Measure D	31,295	26,303	4,992
Federal/State Grants	23,336	19,451	3,885
COVID Relief Grants	15,754	-	15,754
All Other	636	677	(41)
<b>Total Revenue</b>	<b>\$ 78,702</b>	<b>\$ 54,750</b>	<b>\$ 23,952</b>
<b>Operating Expense</b>			
Labor - Regular	\$ 16,926	\$ 18,922	\$ 1,996
Labor - OT	2,748	1,133	(1,615)
Fringe	24,590	26,131	1,541
Non-Personnel	10,324	10,429	105
<b>Total OpEx</b>	<b>\$ 54,588</b>	<b>\$ 56,615</b>	<b>\$ 2,027</b>
<b>Operating Surplus/(Deficit) before Transfers</b>	<b>\$ 24,114</b>	<b>\$ (1,865)</b>	<b>\$ 25,979</b>
<b>Transfers</b>			
Bus Replacement Fund*	\$ (2,788)	\$ (2,240)	\$ (548)
All Other Transfers	(21,326)	4,105	(25,431)
<b>Operating Surplus/(Deficit) after Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Bus Replacement Fund - Minimum \$3M annual commitment from Measure D sales tax (\$2.2M) and STA-SGR (\$0.8M)

\* Forecasted year end financials

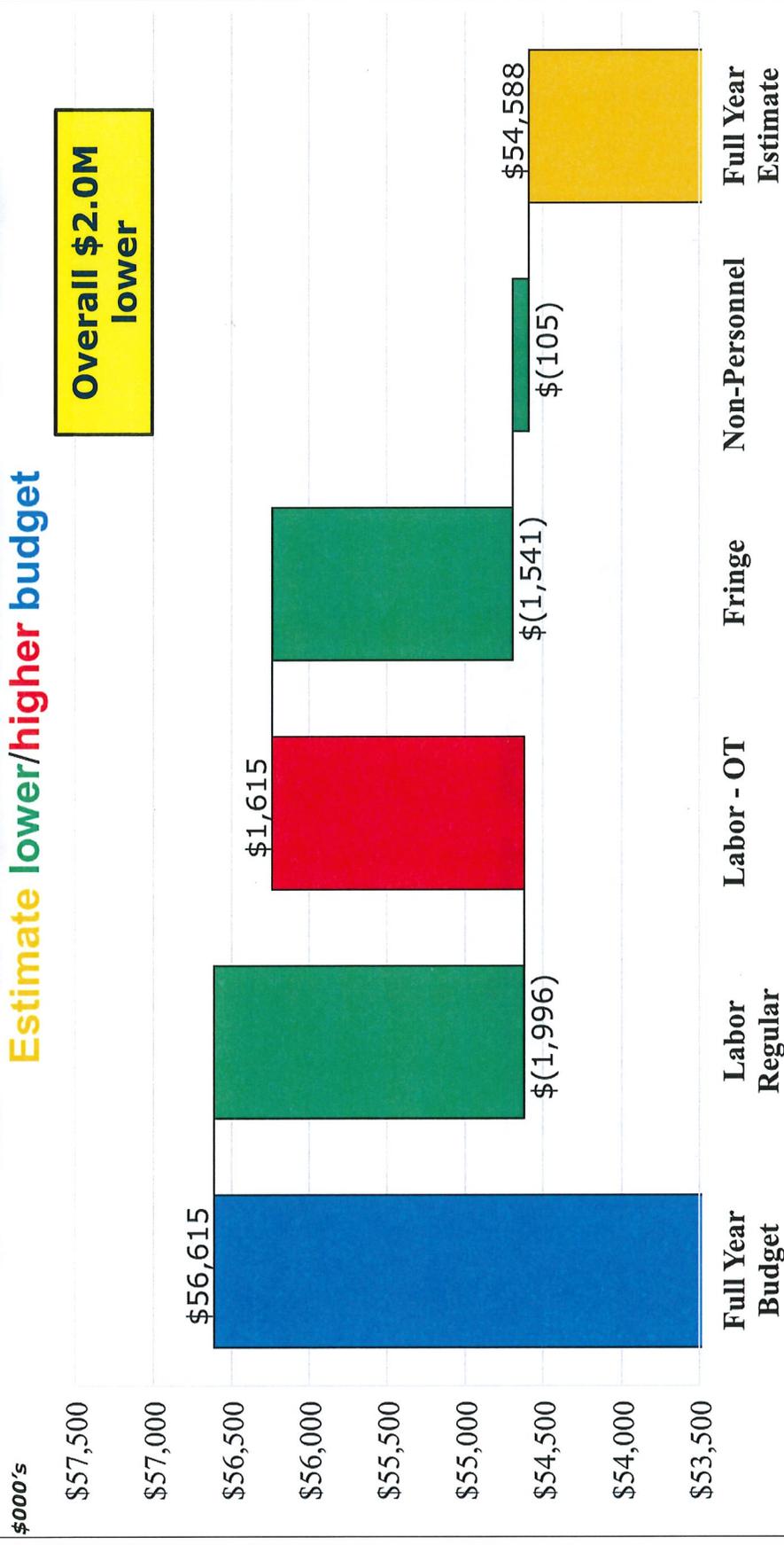
## Full Year FY22 Revenue Estimate\* vs. Budget



- Ridership is still below pre-pandemic levels but is showing strong recovery
  - Sales tax and FTA 5307 /STIC grant payments higher than anticipated
  - Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan Act (ARPA) drawdowns
- \* Excludes Transfers

\* Pre-close financials, subject to adjustments post close; excludes Transfers, includes COVID revenues

## Full Year FY22 Expense Estimate\* vs. Budget



- Personnel and Fringe lower due to funded/vacant positions; partially offset by higher Bus Operator OT
- Non-Personnel lower due to reduced spending for Utilities and lease costs for ParaCruz space; partially offset by higher Services and Mobile Materials costs

\* Pre-close financials, subject to adjustments post close; includes COVID related costs

# Capital Spending & Project Completion

## December 31, 2021 Capital Budget Spend

Project Category:	Month to Date		Year to Date		Full Year	
	Actuals*	Budget	Actuals*	Budget	Budget	% Spend
Construction Related Projects	\$ -	\$ 2	\$ 40	\$ 30	\$ 650	6.2%
IT Projects	-	-	49	49	49	100.0%
Facilities Repair & Improvements	13	94	302	280	1,602	18.9%
Revenue Vehicle Replacement	22	22	133	768	7,092	1.9%
Revenue Vehicle Electrification Projects	-	-	61	-	629	9.7%
Non-Revenue Vehicle Replacement	-	-	32	32	250	12.8%
Fleet & Maintenance Equipment	-	6	45	45	125	36.0%
Misc.	-	-	123	73	325	37.8%
<b>Total</b>	<b>\$ 35</b>	<b>\$ 124</b>	<b>\$ 785</b>	<b>\$ 1,277</b>	<b>\$ 10,722</b>	<b>7.3%</b>

1. December spending of \$35K is driven by JKS Gate Control and monthly lease payment
2. YTD Spending of \$785K is behind budget for the fiscal year primarily due to cancellation of AVL/ITS contract; partially offset by the accelerated timing of ZEB licensing and Secondary Virtualization system

\* Pre-close financials, subject to adjustments post close

## **FY22 Capital Project Completion** **Project: Bus Stop Improvements**

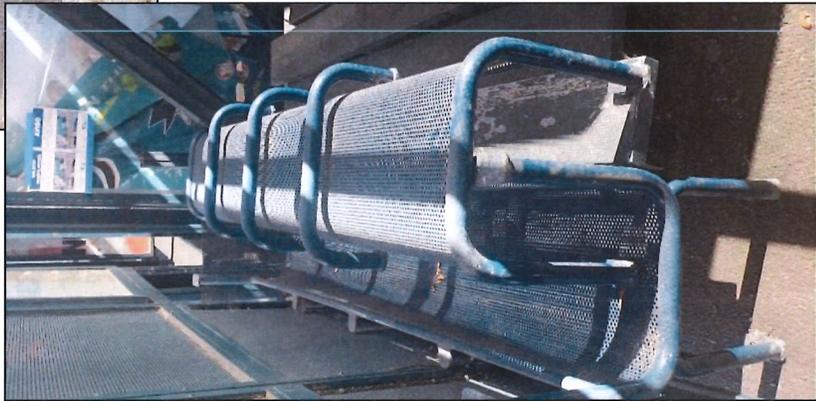
<b>19-0010</b>	<b>Purpose</b>
Purpose of project	Refurbish 20+ Bus Shelters to replace existing worn shelters throughout the county
Projected costs	\$124,725 – original budget \$131,565 – final budget
Budget source	FY18 FTA 5339(a)
Projected timeline for completion	November 2021
Risks	Ability to obtain materials needed on time due to sourcing shortages and shipping delays

## **FY22 Capital Project Completion**

### **Project: Bus Stop Improvements**

19-0010	Results
Results of project	Bus shelters have been refurbished and are ready for placement at selected locations
Actual costs	Spent \$125,579 Under \$5,986 (Original budget \$124,725, add'l funding of \$6,840 approved Fall 2021)
Actual timeline for completion	November 2021
Hurdles to overcome	Obtaining replacement parts for obsolete shelters

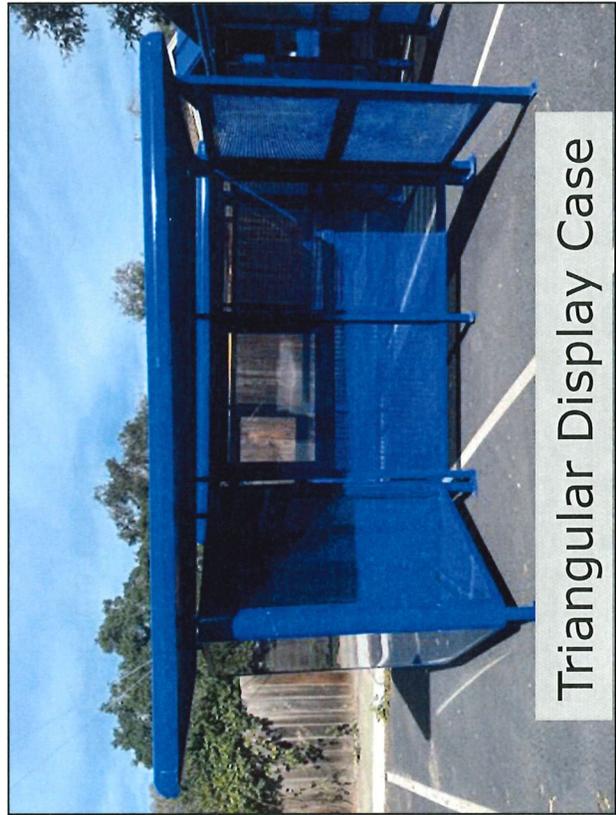
Before Images



After Images



Display Case



Triangular Display Case



## **FY22 Capital Project Completion**

### **Project: Hardware for Bus Stop Redesign**

21-0007	Purpose
Purpose of project	Modernize outdated bus stop signs throughout the county
Projected costs	\$70,000 original budget \$19,599 add'l funding approved 9/2021
Budget source	Operating and Capital Reserve Fund
Projected timeline for completion	September 2021
Risks	Unknown condition of 800 bus stops; which would need new poles, etc. Meeting customer concerns regarding printed schedules at all 800 stops

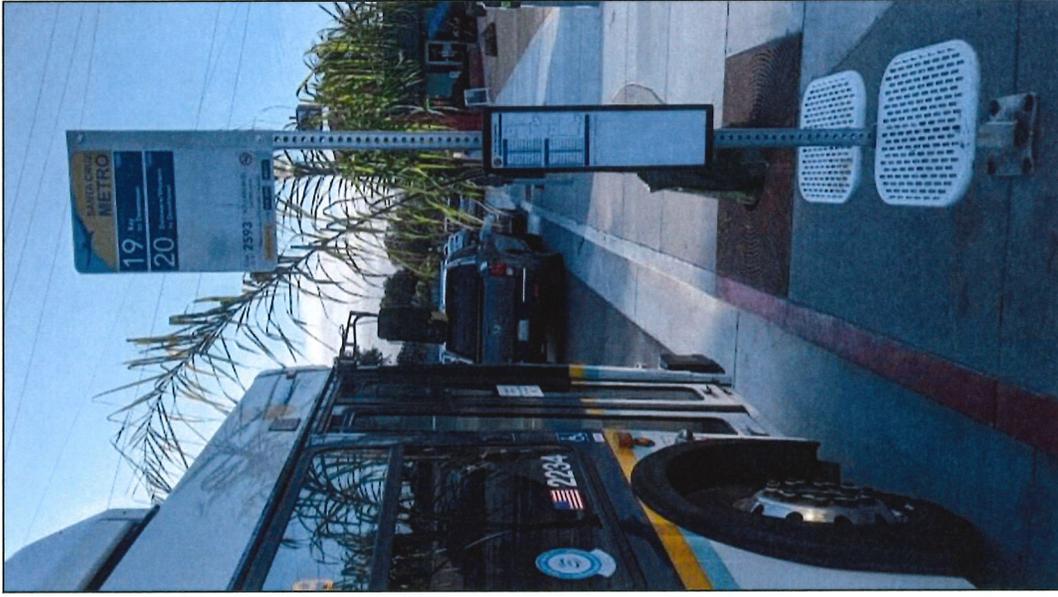
## **FY22 Capital Project Completion** **Project: Hardware for Bus Stop Redesign**

21-0007	Results
Results of project	New signs have been designed, manufactured and installed
Actual costs	\$87,481 Under \$2,118
Actual timeline for completion	September 2021
Hurdles to overcome	Created at stop schedules for high ridership and social service/school bus stops Installation of replacement hardware

Before Images



After Images



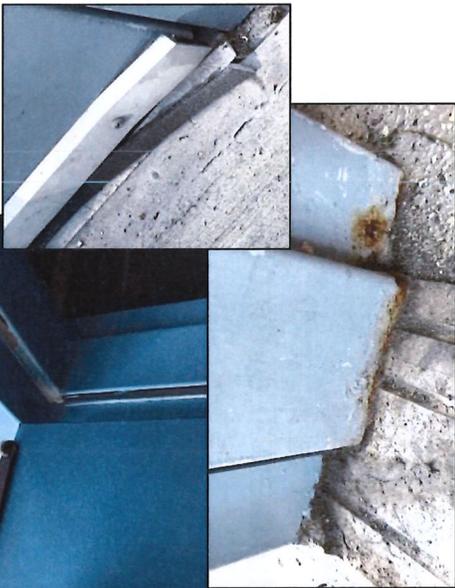
**FY22 Capital Project Completion**  
**Project: Paint Maintenance Building**  
**"Refurb Exterior of Maintenance Building"**

19-0016	Purpose
Purpose of project	Paint the entire exterior of the Maintenance Building; seal cracks, replace door seals, perform minor repairs as needed prior to painting
Projected costs	\$128,659
Budget source	FY18 FTA 5339(a), FY19 FTA 5339(a)
Projected timeline for completion	August 30, 2021
Risks	Ability to obtain materials needed on time due to sourcing shortages and shipping delays

**FY22 Capital Project Completion**  
**Project: Paint Maintenance Building**  
**"Refurb Exterior of Maintenance Building"**

19-0016	Results
Results of project	Entire Maintenance Building has been painted, door seals repaired, cracks repaired
Actual costs	\$127,623 Under by \$1,036
Actual timeline for completion	November 4, 2021
Hurdles to overcome	<ul style="list-style-type: none"> <li>• Had two rounds of punch list corrections</li> <li>• Delays in receiving selected paint</li> <li>• Change order by METRO to have two tone paint</li> <li>• Rust in areas after first rain</li> </ul>

Before Images



After Images



**Questions?**



**DATE:** January 28, 2022

**TO:** Board of Directors

**FROM:** Chuck Farmer, Chief Financial Officer

**SUBJECT: ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE  
30, 2021**

**I. RECOMMENDED ACTION**

**That the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ended June 30, 2021.**

**II. SUMMARY**

- The **Financial Statements with Independent Auditor's Report** (Attachment A) prepared by the firm Brown Armstrong, Certified Public Accountants present Santa Cruz METRO's financial position as of June 30, 2021, with a comparison to the financial position as of June 30, 2020. The auditors have found that Santa Cruz METRO's financial statements present fairly, in all material respects, the financial position of Santa Cruz METRO as of June 30, 2021.
- In the **Independent Auditor's Report on Compliance Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with the Statutes, Rules, and Regulations of the California Transportation Development Act and the Allocation Instructions and Resolutions of the Transportation Commission** (page 63-64), the auditors found nothing that came to their attention that indicated Santa Cruz METRO failed to comply with the Statutes, Rules, and Regulations of the California Transportation Development Act, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission (SCCRTC) during the course of their audit. Additionally, the auditors tested Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) program receipts and expenses for the year audited.
- In the **Schedule of Findings and Questioned Costs** (pages 65-66), the auditors identified no findings associated with their testing of major federal program expenditures in connection with their audit performed under *Government Auditing Standards (GAS)* and in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

- **The Required Communication to the Board of Directors in Accordance with Professional Standards** letter (Attachment B) provides information related to the auditor's responsibilities under generally accepted auditing standards as well as observations arising from the audit.

### III. DISCUSSION/BACKGROUND

#### **Attachment A – Santa Cruz METRO's Financial Statements with Independent Auditor's Report**

The **Independent Auditor's Report** (pages 1-3) attests that the audit was conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The auditors have found that Santa Cruz METRO's financial statements present fairly, in all material aspects, the financial position of Santa Cruz METRO as of June 30, 2021.

While the basic financial statements and notes (pages 17-51) provide information about Santa Cruz METRO's financial position in detail, the **Management's Discussion and Analysis** (pages 4-16) presents narrative highlights of the financial statements, an overview of the agency's financial activities, and information that enhances overall financial disclosure. This report was prepared by Santa Cruz METRO management and staff.

The **Statements of Net Position** (pages 17-18) present current and noncurrent assets and liabilities on a full accrual basis. Net position (deficit) represents the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources.

The **Statements of Revenues, Expenses and Changes in Fund Net Position** (page 19) present Santa Cruz METRO's revenues, expenses and the net impact these activities had on its net position for the year.

The **Statements of Cash Flows** (pages 20-21) demonstrate how changes in balance sheet accounts and income affect cash and cash equivalents.

The **Notes to Basic Financial Statements** (pages 22-51) are an integral component of the financial statement report, as they provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of Santa Cruz METRO's operations and significant accounting policies, as well as clarify financial information unique to Santa Cruz METRO.

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

- The Schedule of Changes in the Net Pension Liability and Related Ratios (page 52) and the Schedule of Contributions - Pension (page 53) for Santa Cruz METRO's defined benefit pension plan presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. At this time, Santa Cruz METRO is in the process of issuing sales tax revenue bonds in order to refinance its pension obligations to CalPERS, with the intent of realizing significant interest cost savings in the future.
- The Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Related Ratios (page 54) and the Schedule of Contributions - OPEB (page 55) are required under current standards for accounting and financial reporting for OPEB plans (GASB 75), implemented in FY18. At this time, Santa Cruz METRO has not prefunded the liability for retiree medical or other postemployment benefits.

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

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

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

#### **Attachment C – Santa Cruz METRO's Measure D Fund Financial Statements with Independent Auditor's Report**

As a recipient agency of Measure D funds, Santa Cruz METRO is required to submit separate independently audited financial statements of Measure D funds received and used annually to the SCCRTC, for review by the Measure D Taxpayer Oversight Committee. The FY21 Measure D audited financial

statements were timely submitted to the SCCRTC along with Santa Cruz METRO's district-wide audited financial reports.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

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

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

There is no fiscal impact from the Board's formal acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA) payments from the SCCRTC, the final audit must be submitted to the SCCRTC within 180 days of the end of the fiscal year. Santa Cruz METRO has met this TDA compliance requirement and the SCCRTC has accepted the FY21 audited financial statements.

In addition, Santa Cruz METRO is required to submit annual audit reporting packages to numerous governmental agencies within specified deadlines in order to meet grant compliance requirements and continue to receive Federal, State and Local grant awards and funding. Santa Cruz METRO has timely submitted the FY21 audited financial statements to all required grantor agencies.

#### **VI. CHANGES FROM COMMITTEE**

None. The Finance, Audit and Budget Standing Committee recommended acceptance and approval of the FY21 audited financial statements and independent auditor's reports, as presented, at their January 14, 2022 meeting.

#### **VII. ALTERNATIVES CONSIDERED**

N/A

#### **VIII. ATTACHMENTS**

**Attachment A:** Santa Cruz METRO Financial Statements with Independent Auditor's Report for the year ended June 30, 2021 and 2020

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

**Attachment C:** Santa Cruz METRO Measure D Fund Financial Statements with Independent Auditor's Report for the year ended June 30, 2021

**IX. APPROVALS:**

Chuck Farmer, Chief Financial Officer



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Dawn Crummié, Interim  
CEO/General Manager



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# Attachment A

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**FINANCIAL STATEMENTS**  
**WITH**  
**INDEPENDENT AUDITOR'S REPORT**  
**JUNE 30, 2021 AND 2020**

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT JUNE 30, 2021 AND 2020

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# Attachment A

## FINANCIAL SECTION

# Attachment A



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the fiscal years ended June 30, 2021 and 2020, and the related notes to the basic financial statements, which collectively comprise Santa Cruz METRO's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Basic Financial Statements

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

### Auditor's Responsibility

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

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

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

# Attachment A

## Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of Santa Cruz METRO as of June 30, 2021 and 2020, and the respective changes in financial position, and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

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

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

# Attachment A

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021, on our consideration of Santa Cruz METRO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 13, 2021

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021 AND 2020

### Introduction

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Santa Cruz Metropolitan Transit District (Santa Cruz METRO or the District) provides a narrative and analytical overview of the financial activities of Santa Cruz METRO with selected comparative information for the fiscal years ended June 30, 2021 and 2020. Following the MD&A are the basic financial statements of Santa Cruz METRO together with the notes thereto, which are essential for a full understanding of the data contained in the financial statements.

### Activities and Highlights

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

### The Financial Statements

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

The Statements of Net Position present complete information on Santa Cruz METRO's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the agency is improving or deteriorating.

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

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

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

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

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

## Financial Highlights

- The liabilities and deferred inflows of resources of Santa Cruz METRO exceeded its assets and deferred outflows of resources at the close of the fiscal year ended June 30, 2021, resulting in a Total Net Position (Deficit) of \$(43.4 million).
- Of this amount, \$85.6 million consisted of Net Investment in Capital Assets, which reflects investment in capital assets used for operational and administrative functions (e.g., facilities, vehicles, and equipment), net of accumulated depreciation and related debt. Accordingly, these assets are not available for future spending.
- The remaining balance of Total Net Position (Deficit) represents Unrestricted Net Position (Deficit) of \$(129.0 million). The Unrestricted Net Position (Deficit) is the result, in large part, of the District incurring increasing pension obligations (Net Pension Liability) that reached \$64.2 million by June 30, 2021, and increasing retiree medical benefits obligations (OPEB) in fiscal year 2021 totaling \$132.4 million at year-end. These liabilities are required to be accounted for under Governmental Accounting Standards Board (GASB) Statement No. 68, and GASB Statement No. 75, which replaced GASB Statement No. 45, effective fiscal year 2018. Net Pension Liability represents a future long-term pension obligation, but does not significantly affect the District's ability to meet immediate (short-term) operational cash flow needs. Therefore, although the projected long-term pension and OPEB obligation costs have generated a deficit fund net position balance on the financial statements, Santa Cruz METRO is able to utilize current, available funds to pay for ongoing obligations for pension and retiree medical expenses as they come due.
- Total passenger fares revenue decreased by \$2.8 million - a 37% decline - to \$4.9 million due to reduced ridership across all categories because of the COVID-19 pandemic, in addition to the temporary fare reduction, implemented in March 2021, which consisted of a 50% discount on regular fares, and free fares for riders with an eligible discount card.
- Operating expenses (excluding depreciation) decreased 6.6% during the year ended June 30, 2021, to \$56.1 million compared to a 13.1% increase during the year ended June 30, 2020, over the previous year. The decrease in the current year was mainly attributable to the significant reduction in straight and overtime wages, due to an increased number of vacant positions along with extended unpaid leaves of absence. In the prior year, the increase was mainly attributable to the increase in workers' compensation and pension costs.
- In 2021, Santa Cruz METRO's capital assets (after the application of accumulated depreciation) increased \$793 thousand, compared to an increase in fiscal year 2020 of \$2.0 million over the previous year. Depreciable asset additions and transfers were \$6.2 million, offset by asset retirements and transfers of \$2.3 million and an increase in accumulated depreciation of \$5.3 million (from the current year depreciation expense adjustment) offset by a \$2.3 million write-off of accumulated depreciation associated with retired assets. Current year capital asset additions were attributed primarily to the purchase of four (4) new zero-emission buses (ZEBs), along with several maintenance facilities upgrades and improvement projects. See Note 4 to the financials for a schedule of changes in capital asset balances. Capital procurements are funded by a combination of federal, state, and local grants, Measure D sales tax proceeds, and Operating and Capital Reserves.

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## Financial Activities - Operations

The following discussion provides an overview of the financial activities related to operations (operating revenue and expense) for the year ended June 30, 2021. Financial Activities related to capital (e.g., buses, equipment, and facilities improvements) are discussed later in this report.

### Operating Revenue and Expense:

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

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

Santa Cruz METRO receives a ½-cent sales tax levied on all taxable sales in Santa Cruz County, collected and administered by the California Department of Tax and Fee Administration (CDTFA). Additionally, in November 2016, the majority of Santa Cruz County approved Measure D, a ½-cent sales tax measure designed to fund a comprehensive and inclusive package of transportation improvements. Santa Cruz METRO receives 16% of the Measure D Sales Tax proceeds. Total sales tax revenues account for approximately 45% of Santa Cruz METRO's operating revenue sources as per the fiscal year 2021 Budget, adopted in June 2020.

The California Transportation Development Act (TDA) provides two major sources of funding for public transportation: the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA). These funds are for the development and support of public transportation needs that exist in California and are allocated to areas of each county based on population, taxable sales, and transit performance. STA funding is derived from the statewide sales tax on diesel fuel. Since fiscal year 2014, STA funding had been on the decline. On April 28, 2017, Governor Brown signed Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act of 2017. SB 1 augments the base of the STA program essentially doubling the funding for this program. Santa Cruz METRO's financial position improved with this much-needed influx of operating and capital funding. The combined share of TDA and STA Operating Assistance is approaching 20% of Santa Cruz METRO's non-operating revenues. The recent decline in the available funding for the fiscal year that ended June 30, 2021, is primarily due to COVID-19 related drops in fuel prices and fuel consumption that will have an impact on transportation funding for several years.

The alarming spread of the pandemic in 2020 and 2021 brought unprecedented disruption to METRO's service, as well as the communities we serve. System performance in fiscal year 2021 was characterized by a slow and steady recovery and impacted Santa Cruz METRO's Passenger and Special Transit Fares revenue accordingly. Fiscal year 2021 fixed-route ridership was 82% below pre-COVID-19 levels, down from over \$5.0 million annual passenger boardings in fiscal year 2019, to just over 900 thousand in the current year. The direct result of the pandemic and measures taken to halt the spread of the virus caused a 37% decline in passenger and special fares from fiscal year 2020 to fiscal year 2021. Advertising and

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Rent income were also negatively impacted, as the Santa Cruz and Watsonville Transit Centers lobbies closed at mid-March 2020 and remained closed partially during fiscal year 2021. Consequently, current year rental income declined by over 47% in comparison to last year.

In response to the pandemic, the U.S. Department of Transportation's Federal Transit Administration (FTA) allocated \$25 billion in Federal funding to help the nation's public transportation systems respond to COVID-19. Funding was provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed by President Donald J. Trump on March 27, 2020. Additionally, on March 11, 2021 President Biden signed the American Rescue Plan Act (ARP) into law. Which provided \$30.5 billion in Federal funding to assist transit systems as communities across the country focus on recovering from the pandemic. The funding provided through the CARES Act; the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA); and ARP allowed for changes in how recipients use FTA funds. The most significant of these changes has been allowing all recipients, regardless of size or urbanized area population, to charge operating expenses to these supplemental FTA grants at 100% Federal share, with no local match required. The funds are available to support eligible operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency. Total FTA operating assistance accounts for approximately 28% of total revenue, largely due to reimbursements of FTA-qualifying operating expenses related to the CARES Act and CRRSAA. Furthermore, the CARES Act and CRRSAA funding allowed Santa Cruz METRO to reinvest other fungible revenues sources, comprised of Santa Cruz METRO's 1979 Local Sales Tax, TDA-STA, TDA-LTF and Farebox revenues into the fiscal year 2022 operating budget and beyond, in order to sustain services to the greatest extent possible during the economic recovery, or until these funds are exhausted.

Operating expenses decreased by 6.4% year-over-year, with personnel expenses, comprising 77% of total operating expenses, decreasing by 7.5%. The decrease was primarily due to vacant funded positions along with extended unpaid leaves of absence, partially offset by higher costs for retirement and medical insurance, which increased by 10% and 4%, respectively, as a result of increased unfunded accrued liability (UAL) payments, employer normal cost for retirement, and medical insurance premiums. Due to implemented service modifications related to COVID-19, total overtime costs, bus operator and other overtime, decreased by more than 66%. Paid absences decreased by approximately 18% year-over-year, but remained relatively high, compared to pre-COVID-19 years. The extension of the Family First Coronavirus Response Act (FFCRA) until the end of December 2020, and the California Supplemental Paid Sick Law (SPSL), which was enacted on March 29, 2021 retroactive to January 1, 2021, provided public employees with paid time for qualifying reasons related to COVID-19.

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

## **Ridership:**

At the end of fiscal year 2021, the Santa Cruz METRO fixed-route bus system consisted of 24 routes, and provided 907,140 rides with a fleet of 96 CNG and diesel buses. Ridership decreased by 1,092,970 fixed-route rides (-54.65%) from the previous year. As with many transit agencies across the nation, ridership declined significantly due to Shelter-in-Place orders, social distancing measures and widespread telecommuting. Public concern with crowding and disease transmission persisted throughout fiscal year 2021, contributing to a sustained loss of transit ridership, even after restrictions were eased and many activities resumed. There may be long-term negative impacts on transit ridership if transit users with access to cars are more likely to avoid public transit in the future.

Paratransit: Paracruz, Santa Cruz METRO's paratransit service, provided 38,726 paratransit rides to mobility-impaired patrons on 32 specially equipped minibuses and minivans during fiscal year 2021. This represents a 37.16% decrease in Paracruz ridership from the prior year (22,905 fewer paratransit rides), resulting primarily from the COVID-19 pandemic Shelter in Place orders in Santa Cruz METRO's paratransit service

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## Financial Analysis

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

### Statements of Net Position:

#### Condensed Statements of Net Position

	2021	2020	2019	2021 to 2020		2020 to 2019		
				Increase/(Decrease) Amount	%	Increase/(Decrease) Amount	%	
<b>Assets</b>								
Current Assets	\$ 62,759,155	\$ 53,220,748	\$ 33,112,067	\$ 9,538,407	17.9%	\$ 20,108,681	60.7%	
Capital Assets - Net	86,248,588	85,455,125	83,472,558	793,463	0.9%	1,982,567	2.4%	
Restricted Assets	12,716,365	12,283,925	11,059,070	432,440	3.5%	1,224,855	11.1%	
<b>Total Assets</b>	<b>\$ 161,724,108</b>	<b>\$ 150,959,798</b>	<b>\$ 127,643,695</b>	<b>\$ 10,764,310</b>	<b>7.1%</b>	<b>\$ 23,316,103</b>	<b>18.3%</b>	
<b>Deferred Outflows of Resources</b>								
Pension and OPEB Contributions	\$ 19,835,043	\$ 17,880,660	\$ 13,543,340	\$ 1,954,383	10.9%	\$ 4,337,320	32.0%	
<b>Total Deferred Outflows of Resources</b>	<b>\$ 19,835,043</b>	<b>\$ 17,880,660</b>	<b>\$ 13,543,340</b>	<b>\$ 1,954,383</b>	<b>10.9%</b>	<b>\$ 4,337,320</b>	<b>32.0%</b>	
<b>Liabilities</b>								
Current Liabilities	\$ 8,576,339	\$ 9,531,089	\$ 7,220,527	\$ (954,750)	-10.0%	\$ 2,310,562	32.0%	
Non-Current Liabilities	14,083,904	12,297,999	11,633,273	1,785,905	14.5%	664,726	5.7%	
Other Long-Term Liabilities	198,799,403	187,419,193	174,972,058	11,380,210	6.1%	12,447,135	7.1%	
<b>Total Liabilities</b>	<b>\$ 221,459,646</b>	<b>\$ 209,248,281</b>	<b>\$ 193,825,858</b>	<b>\$ 12,211,365</b>	<b>5.8%</b>	<b>\$ 15,422,423</b>	<b>8.0%</b>	
<b>Deferred Inflows of Resources</b>								
Pension and OPEB Deferrals	\$ 3,493,401	\$ 6,087,068	\$ 5,818,771	\$ (2,593,667)	-42.6%	\$ 268,297	4.6%	
<b>Total Deferred Inflows of Resources</b>	<b>\$ 3,493,401</b>	<b>\$ 6,087,068</b>	<b>\$ 5,818,771</b>	<b>\$ (2,593,667)</b>	<b>-42.6%</b>	<b>\$ 268,297</b>	<b>4.6%</b>	
<b>Net Position</b>								
Net Investment in Capital Assets	\$ 85,588,763	\$ 84,536,118	\$ 82,302,120	\$ 1,052,645	1.2%	\$ 2,233,998	2.7%	
Unrestricted Net Position (Deficit)	(128,982,659)	(131,031,009)	(140,759,714)	2,048,350	1.6%	9,728,705	-6.9%	
<b>Total Net Position (Deficit)</b>	<b>\$ (43,393,896)</b>	<b>\$ (46,494,891)</b>	<b>\$ (58,457,594)</b>	<b>\$ 3,100,995</b>	<b>-6.7%</b>	<b>\$ 11,962,703</b>	<b>-20.5%</b>	

### 2021 vs 2020 Analysis

Key changes include:

- *Current assets* increased by \$9.5 million, or 17.9%, to \$62.8 million; Change was driven by the significant increase in operating cash on hand by year-end, due to the receipt of \$18 million for fiscal year 2020 Federal CARES Act operating assistance in July and August 2020.
- *Capital assets – net* increased by \$0.8 million, or 0.9%, to \$86.2 million. Although significant capital purchases were made in fiscal year 2021 for four Zero-Emission buses, as well as building improvements and infrastructure, net capital assets reflected only a minimal increase, due to increased accumulated depreciation balances that resulted in decreasing the carrying value of existing capital assets. Santa Cruz METRO tracks the usage (depreciation) of capital assets to inform forecasting and capital planning, as part of METRO's continuing strategy to maintain a state of good repair and working-order, manage deferred maintenance backlog, and replace, upgrade and improve aging facilities, infrastructure and fleet.
- *Restricted assets* consists of restricted cash held in segregated accounts in the Santa Cruz County Pooled Investment Fund; Total balances increased by \$0.4 million, or 3.5%, to \$12.7 million due to the accumulation of Measure D sales tax allocations and State Transit Assistance – State of Good Repair (STA-SGR) unspent funds that are currently committed as cost sharing on awarded grants.
- *Deferred outflows of resources* totaling \$19.8 million reflect \$11.2 million in OPEB retiree medical, dental and vision insurance premium payments and \$8.7 million in pension contributions that were recorded in the current fiscal year, as required by GASB Statements No. 75 and No. 68, respectively.

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- *Current liabilities* decreased by \$1.0 million, or 10.0%, to \$8.6 million in total, in large part due to the reduction in the accrued payables year-end balance, year over year; \$1.1 million in costs for the refurbishment of four (4) CNG buses had been accrued at fiscal year-end of the prior year, and was subsequently paid off in early fiscal year 2021, which significantly reduced total current liabilities.
- *Non-current liabilities* increased by \$1.8 million, or 14.5%, to \$14.1 million: Capital grant funds and subsidies received are restricted and reported as liabilities (unearned revenue); revenue recognition is deferred until grant funds are spent on the specific project or purpose for which they were awarded. Capital project outlays using California Proposition 1B Transportation Bonds Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) and California Low Carbon Transit Operations Program (LCTOP) grant funding reduced deferred revenue balances during fiscal year 2021. However, Measure D sales tax allocations and STA-SGR grant funds received during the current year (unspent and restricted for capital costs) resulted in an increase in total unearned revenue (liabilities) at year-end.
- *Other long-term liabilities* increased by \$11.4 million, or 6.1%, to \$198.8 million, primarily as a result of the increases in retirement-related obligations: the actuarially-determined Net OPEB Liability (NOL) balance increased \$8.0 million and the Net Pension Liability (NPL) increased \$3.6 million over prior year.
- *Deferred inflows of resources* that netted to \$3.5 million in pension investment earnings, and OPEB deferrals were recognized in the current year through the application of GASB Statements No. 68 and No. 75, respectively.

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

	2021	2020	2021 to 2020	
			Increase/(Decrease)	
			Amount	%
Operating Revenues	\$ 4,898,901	\$ 7,733,701	\$ (2,834,800)	-36.7%
Operating Expenses	61,432,972	65,613,570	(4,180,598)	-6.4%
Net Operating Loss	(56,534,071)	(57,879,869)	1,345,798	-2.3%
Non-Operating Revenues	54,149,739	62,797,855	(8,648,116)	-13.8%
Capital Grant Contributions	5,485,327	7,044,717	(1,559,390)	-22.1%
Increase (Decrease) in Net Position	<u>\$ 3,100,995</u>	<u>\$ 11,962,703</u>	<u>\$ (8,861,708)</u>	<u>-74.1%</u>

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

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## 2021 vs 2020 Analysis

*Operating Revenues* (Passenger Fares) of \$4.9 million reflects a decrease variance of \$2.8 million, or 37% decline, over prior year revenues, primarily due to reduced ridership across all categories because of the COVID-19 pandemic, as well as the temporary fare reduction, implemented in March 2021, which consisted of a 50% discount on regular fares, and free fares for riders with an eligible discount card. It should be noted that fiscal year 2020 operations weathered only four months of significantly depressed ridership due to the pandemic, whereas a full year of COVID-19 financial and service impacts were experienced during fiscal year 2021.

*Operating Expenses* of \$61.4 million reflects a year over year decrease of \$4.2 million, or 6.4%, due to several factors: increase in the number of vacant funded positions, extended unpaid leaves of absence, and a significant reduction in overtime costs, offset by increases in retiree-related expenses (pension and OPEB), direct COVID-19 response-related costs (e.g., temporary workers to sanitize buses), as well as a rise in medical insurance costs.

*Non-Operating Revenues* decreased overall by \$8.6 million, or 13.8%, over last year revenues. The CARES Act operating assistance awarded METRO in the prior year was over \$9.5 million higher than the current year \$8.9 million in operating assistance from the CARES Act and CRRSAA 5307 and 5311 FTA grants.

*Capital Grant Contributions* represents the total amount of capital grant and Measure D sales tax funds that were used to subsidize the purchase of facilities improvements and capital equipment, including revenue vehicles, during fiscal year 2021. The receipt and application of capital funds can fluctuate year over year based on a variety of factors including project eligibility conditions, formula-based funding criteria, government procurement processes, the economy, etc. Capital contributions decreased by \$1.6 million, or 22.1%, from last year.

## **Budgetary Highlights**

The annual Operating and Capital budgets are used as management tools to monitor Revenues and Expenses, evaluate operating performance, and track the progress of Capital projects at any given time period. The District's Board approves these items prior to implementation. The fiscal year 2021 budget total of \$82,787,778 included \$54,998,409 for Revenue and Expenses and \$27,789,367 for Capital Projects (amended). The District finished fiscal year 2021 with operating expenses of \$48,983,216, net of depreciation, workers' compensation IBNR, and retirement-related actuarial adjustments; Capital expenses of \$6,367,076 included \$881,750 Capital Reserve spending and \$5,485,325 of pass-through grant expenses.

## **Financial Activities - Capital**

### Capital Program:

In fiscal year 2021, Santa Cruz METRO spent \$6.4 million on the purchase of capital assets and on new and ongoing capital projects. A total of \$5.5 million of these capital additions were paid for with capital contributions funded by a variety of sources, including from the FTA, PTMISEA, LCTOP, California Transportation Commission Local Partnership Program (LPP), STA, STA State of Good Repair (STA-SGR), Surface Transportation Block Grant (STBG), the State Transportation Improvement Program (STIP), and Measure D local sales tax allocations. A total of \$0.9 million of these capital purchases were made using Operating and Capital Reserve Funds.

Noteworthy capital project activity in fiscal year 2021 includes:

- New Santa Cruz METRO-owned Paracruz facility –Ongoing efforts continue to construct a new facility for Paracruz operations at the site of the Soquel Park and Ride lot in mid-Santa Cruz County. Several stages of plans, permitting, and construction documents have been processed in the effort to get the project “shovel-ready” and eligible for Federal grant funding. Construction is

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anticipated to start in fiscal year 2022, with a completion date of mid-to late 2023. This project is in alignment with the METRO's "10-Year Strategic Business Plan" adopted by the Board in January 2019.

- Zero-emission Buses (ZEBs) – Four (4) Proterra zero-emission buses were delivered in spring 2021, the first electric buses in METRO's fleet. Two of the buses are in service in South County, dedicated to running a "circular" (loop) route exclusively in Watsonville, providing more frequent service that connects the downtown transit center with primary retail and medical destinations in Watsonville. The remaining two electric buses will be placed into service in Santa Cruz County. Funding was provided by a combination of STIP, LCTOP, PTMISEA, and LPP capital grants, Measure D sales tax allocations, and Operating and Capital Reserves.
- Electric Vehicle (EV) Charging Infrastructure – The first phase of Santa Cruz METRO's first EV charging station was completed in Fall 2020 at the Judy K. Souza Operations Facility. Four electric vehicle chargers have been installed initially on the site, with three additional charging pedestals planned in the future; working towards meeting the CARB mandate requiring transit agencies transition their fleet exclusively to zero-emission transit buses by 2040. Funding provided from LCTOP grant.
- Three (3) 2016 New Flyer Buses – Santa Cruz METRO entered into a lease-to-purchase agreement (capital lease) in fiscal year 2018 for three New Flyer Xcelsior buses that extends through November 2023. This purchase is part of Santa Cruz METRO's effort to replace and update its aging fleet. The principal portion of the ongoing monthly lease payments is funded by Measure D funds.
- ParaCruz Shuttle Buses – Three (3) Starcraft Starlite shuttle buses were purchased and put into service in fiscal year 2021, replacing expiring vans that were approaching the end of their useful life. Funding was provided by a combination of Measure D sales tax revenue, STBG grant funds through SCCRTC, as well as Operating and Capital Reserves.
- Maintenance/Fleet Facility Improvements:
  - A fire egress bridge was completed in fiscal year 2021, which provides an emergency exit from the second floor of the Fleet Maintenance building, exiting to Vernon Street - FTA 5339(a) funded.
  - METRO Maintenance Facility roof replaced in August 2020 – FTA 5339(a) funded
  - Access control system installed at Maintenance Facility – Funded through Operating and Capital Reserves
- Fuel Management system –a combination of hardware and software was installed at METRO's fueling station and loggers installed in fixed route buses, which will provide reliable and accurate, real-time control and data acquisition for vehicles, fuel/fluids and tank monitor systems. The fuel system will be used to track vehicle mileage, monitor fuel and fluid usage, and schedule preventative maintenance. Installation of the system is anticipated for ParaCruz operations in fiscal year 2022. FTA 5339(a) funded.

## Future Outlook

In July 2021, Santa Cruz METRO started the new fiscal year with a balanced budget and a sustainable five-year projection of revenues and expenses, providing a clear road map for the delivery of service, future planned improvements and addressing anticipated challenges. Years of fiscally responsible decisions, enhanced focus on service efficiency, productivity, and sustainability coupled with favorable economic environment all contributed to Santa Cruz METRO's improved financial position. The renewed focus on prudent financial planning by shoring up Operating and Capital reserve levels, allow public agencies the ability to navigate difficult times and respond to short-term crisis and funding disruptions. The COVID-19 pandemic that started at the beginning of 2020 is yet another example of the critical importance of sound financial planning and fiscal responsibility. Spreading with alarming speed and infecting millions, the pandemic brought the economy to a near standstill as shelter in place orders were imposed. Although the nation and world have not fully recovered, the District continues to monitor and

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financially plan to weather this pandemic. Over the longer horizon, inflation, personnel shortages, supply chain issues, and uncertain economic environmental landscape are expected to leave lasting scars for a long period of time. The impacts of the pandemic on transit agencies was immediate and devastating. Public transit plummeted nationwide as people telecommuted and avoided buses for fear of contracting COVID-19, resulting in less revenue from fares. However, sales tax revenues have increased more than expected due to people working from home. Even with effective COVID-19 vaccines developed by Pfizer, Moderna, and others, it is unclear how many remote workers will return to the office or to what extent virtual instruction will be integrated into schools permanently. A paradigm shift in remote education and workplace arrangements could permanently alter transit ridership in the future.

## Operational Improvements and Service Initiatives

The COVID-19 pandemic continues to disrupt Santa Cruz METRO service and planning activities as depressed demand and lingering concerns over public health and safety take their toll. Since declining by over 90%, ridership has recovered to 55% of pre-pandemic levels, in line with industry trends. Santa Cruz METRO welcomed a significant boost in ridership in fall 2021 with the return of university students, which account for 50% of Santa Cruz METRO ridership. Student ridership is expected to grow in the coming year as campuses return to more and more in-person instruction but will likely stay below pre-pandemic levels. Local, non-student ridership has shown slow but steady growth and is currently 65% of pre-pandemic levels. Commute focused routes, however, are 65% below pre-pandemic levels as employers delay return to office dates or embrace hybrid working schedules. This trend will have a significant long-term impact on Santa Cruz METRO ridership and fare revenue; there is consensus in the industry that transit ridership may never recover above 75% of pre-pandemic levels.

Despite this significant drop in demand, Santa Cruz METRO has worked to retain the workforce necessary to maintain service levels to near pre-pandemic levels. Santa Cruz METRO will continue to pursue a strategy of maintaining service ahead of demand, so that as the economy continues to reopen, service will be available when customers return. That said, a nationwide bus operator shortage will preclude Santa Cruz METRO from fully restoring service for the next year or more. At some point in the near future, Santa Cruz METRO will need to reevaluate the goal of fully restoring service with the realities of depressed ridership and diminished workforce.

Additionally, even though transit ridership has yet to return, traffic congestion has. While Santa Cruz METRO was able to increase operating speeds during a few months of the pandemic due to a lack of congestion, traffic has returned to pre-pandemic levels, with a slightly shorter a.m. congested period but a longer mid-afternoon/p.m. congested period. Changing traffic patterns have forced continual schedule adjustments while slower speeds make taking transit less attractive. This trend will continue to negatively impact transit operations unless Santa Cruz METRO can work with the cities and counties in which it operates to create dedicated roadway space for Santa Cruz METRO buses.

Given these trends, it is imperative that Santa Cruz METRO continually evaluate its mission, service standards, and service operation in the coming year to identify ways to create value for customers while continuing to serve those who rely on public transportation. Santa Cruz METRO will continue to work to restore service strategically and to restart projects delayed due to the pandemic, as outlined below. Efforts will be focused on retaining customers through service restoration, restoring public and customer confidence in the safety of public transportation, and developing programs to enhance the ease and convenience of riding the bus.

## Cashless/Contactless Fare Payment

Spurred in part by the need to reduce contact between bus operators and passengers as a continued COVID-19 safety measure, many agencies, including Santa Cruz METRO, are looking toward contactless onboard fare payment as the future of fare collection. Besides reducing the risk of exposure to COVID-19, these programs have the additional benefits of reducing the cost of cash collection, speeding up the boarding process, and improving convenience and access to fare products. In September 2020, METRO launched a mobile ticket "Splash Pass," which lets customers purchase Santa Cruz METRO fare products using a smartphone. Splash Pass tickets were extended to all downtown Santa Cruz employees in April 2021 through a partnership with the City of Santa Cruz. Also in April of 2021, Santa Cruz METRO completed the installation of electronic validators on all Highway 17 buses for more accurate and efficient

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validation of tickets. Mobile validators will also allow for contactless credit and smart card transactions to happen with the tap of a card. The validators are anticipated to accept “cEMV” contactless credit and debit card payments directly as an additional non-cash fare payment option. If successful, Santa Cruz METRO may deploy these electronic validators on local routes as well. Additional features in the roadmap include transit smart cards that can be reloaded online (current Santa Cruz METRO Cruz Pass cards lack this capability) and a retail network that allows customers to load value on a card at a neighborhood retailer. The overall goal is reduced cash intake/handling by Santa Cruz METRO, contactless fare payment onboard the bus, and greater ease and convenience for Santa Cruz METRO customers.

## On-Demand Service

In response to changing customer expectations, competition from ride-hailing companies, and in an effort to expand service into harder to serve areas of the district while making more efficient use of Santa Cruz METRO’s existing paratransit operation, Santa Cruz METRO launched a new on-demand service in April 2021 called Cruz On-Demand. Cruz On-Demand is a shared ride experience on smaller vans, operated by Santa Cruz METRO’s trained ParaCruz operators, extending Santa Cruz METRO’s service area to  $\frac{3}{4}$ ’s of a mile from any of Santa Cruz METRO’s fixed bus routes. Pick-up locations can be any address within Santa Cruz METRO’s service area and drop-off locations can be anywhere within a three mile radius of a pick-up address. Trips can be booked up to 24 hours in advance and customers can schedule trips on demand or for later in the day. To date, ridership has been lower than expected, which is in line with other agencies that have launched similar “microtransit” programs. Santa Cruz METRO will continue to refine the program to improve the customer experience while balancing the need to provide more productive fixed-route service.

## Bus Stop Signage

Santa Cruz METRO has worked over the past year to completely redesign Santa Cruz METRO’s bus stop signage to bring it in line with industry best practices and reduce future maintenance costs associated with updating schedules and maps during service changes. The new design features double-sided signs with highly visible route numbers, stop names and stop IDs. The project required the installation of new poles at all stops to raise sign heights to seven feet and relocate signage from inside bus shelters to outside. Installation began in summer 2021 and is now complete. Nearly a third of stops feature at-stop schedule inserts with maps, route arrival and departure times updated quarterly. As transit ridership declines in the wake of the COVID-19 pandemic, this effort aims to strengthen Santa Cruz METRO’s brand identity as a safe, reliable transportation option and improve the customer experience.

## Watsonville – Santa Cruz Intercity Transit Speed and Reliability Study

Santa Cruz METRO was recently awarded a Caltrans Sustainable Transportation Planning Grant Program (STPG) to fund the Watsonville - Santa Cruz Intercity Transit Speed and Reliability Study. The funds will be used to assist in evaluating traffic and travel conditions along the primary transit corridors connecting Watsonville and Santa Cruz in order to identify opportunities for pedestrian, bus stop and transit priority improvements aimed at improving the convenience, access and reliability of Santa Cruz METRO’s core service. The aim of the study is to contribute to a sustainable transportation system that reduces vehicle miles traveled (VMT), reduces greenhouse gas (GHGs) emissions and congestion, improves the transit and active transportation network, and serves communities that are transportation disadvantaged.

## Watsonville – Santa Cruz Multimodal Corridor Program

In December 2020, the California Transportation Commission approved over \$100 million in funding for the Watsonville-Santa Cruz Multimodal Corridor Program Cycle 2 Project, which will construct auxiliary lanes with bus-on-shoulder operation on underpasses on Highway 1 between Soquel Ave and State Park Drive. The project will also add buffered/protected bike lanes and transit signal priority (TSP) on Soquel Drive along the same segment. Santa Cruz METRO will continue coordinating with Caltrans on a maintenance agreement for the Bus on Shoulder facility and work with the County to implement the TSP project on Soquel Drive. Construction on both projects is expected to be complete by 2023.

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## ParaCruz Facility

Santa Cruz METRO plans to construct an approximate 4,800 square foot Operations and Administrative Building for its Paratransit (ParaCruz) Operations and Santa Cruz METRO's Customer Service Center. Santa Cruz METRO is currently leasing the ParaCruz Operations Facility located on 2880 Research Park Drive, at an annual expense of over \$200 thousand. The operations have outgrown the existing space, and is at risk for lease cancellations. The current location for the Customer Service Staff on Pacific Avenue is undergoing plans for demolition, and building plans for Affordable Housing and a new Transit Center, which will include minimal offices for Santa Cruz METRO's staff. Santa Cruz METRO's Paratransit Operations and Customer Service Center will both be relocated and share the new facility. Overall, the new centralized location will bring efficiency for Santa Cruz METRO's staff to perform services, provide travel training and Paratransit eligibility functions in its new mobility center, creating a central hub for service to Santa Cruz METRO customers. The construction of the facility will include parking for employee vehicles and up to 32 paratransit vehicles, house administrative offices, a fully functioning operations facility, a Mobility Center, security features, and will be in full compliance with the ADA. The operations area will include a dispatch area, scheduling office, reservations area, copier room, storage area, server room, training room, driver breakroom/lunch room and management offices. The Customer Service Department will include offices, restroom, breakroom, copier room. The conference room and lactation room will be shared among the various occupants of the new building. Santa Cruz METRO has successfully received the Commercial Development Permit, applied for multiple grants for construction funding, and will be engaging with consultants to create design build plans.

## Pacific Station

Santa Cruz METRO's primary transit center at 920 Pacific Avenue is in need of significant investment and the City is interested in the economic revitalization of lower Pacific Avenue. The City and Santa Cruz METRO share the same vision and goals to make Metro Center more effective and efficient; to work in collaboration towards the concept of a transit-oriented and pedestrian-friendly mixed-use joint development project, to be known herein as "Pacific Station." The development will include a multi-modal regional transit facility in conjunction with a mixed-use commercial and residential development, which may feature offices, parking, affordable housing and ground-floor retail space. Santa Cruz METRO and the City are working collaboratively through project development, financing, and implementation to ensure that Santa Cruz METRO's local, regional, and rapid public transit services are maintained and expanded and that the overall project meets the City's interests of supporting the continued revitalization of the downtown area and creating much needed affordable housing for the greater community. Both Santa Cruz METRO and the City jointly acknowledge the importance of their collaboration and leadership to ensure that the project realizes its full potential and maximizes the long-term benefits for the downtown area and the entire Santa Cruz community. The project has successfully received the Coastal Permit, applied for multiple grants for construction funding, and continues to engage with consultants to create design build plans.

## South County Zero Emission Bus Division

Santa Cruz METRO has recognized the need to expand functions and services, focusing in the area of South County Santa Cruz. Efforts are in progress to develop a thorough vision and scope of work for this new location, and will seek Board approval and federal funding sources. The need is driven by several factors, to include disaster relief, sustainable solutions, and impact to the local community. With the current mandate of having a zero emissions fleet by 2040, Santa Cruz METRO requires additional capacity to expand infrastructure to support new charging and fueling systems. The current location on River Street is too small to support expansion, and is also at risk for experiencing power outages that would have a negative effect on services. Having a South County location is key to providing disaster relief services. The site is envisioned to be a 100% zero emission bus division, including both revenue vehicles and non-revenue vehicles. There is potential to have a combined fleet of Battery Electric Buses and Fuel Cell Electric Buses. Currently, Santa Cruz METRO has four Proterra Electric Buses, with an option through the State of California to add six more buses. Santa Cruz METRO is in the process of obtaining funding to purchase several Fuel Cell Electric Buses to test the ability and viability in providing the services required. Impacts to the local community has far reach, as many of our riders reside in this area. Additionally, the new South County Division will be a full service facility, providing many employment opportunities to local and nearby residents.

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## Zero Emission Bus Analysis and Rollout Plan

Santa Cruz METRO continues to progress towards meeting the CARB mandate that all transit agencies in California operate 100% zero-emission transit buses by 2040. In 2021, Santa Cruz METRO received delivery and put in service four battery electric buses (BEBs), and staff plans to work with the FTA to use funding available for Highway 17 service to procure four additional BEBs. In addition, METRO has contracted the Center for Transportation and the Environment (CTE) for the development of a Master Plan meeting the CARB mandate, to include both vehicles and facility requirements. CTE will also research and analyze renewable power generation and stationary storage options. The CARB mandate will require Santa Cruz METRO to come up with significant additional funding to transition its fleet from a mix of diesel and CNG buses to fully zero-emission technology.

## Enterprise Resource Planning (ERP)

Santa Cruz METRO is currently developing a specification to procure an ERP system. The first phase will replace legacy finance and purchasing systems that are not interconnected. An ERP will provide Santa Cruz METRO with the tools to expediently make informed business decisions and realize efficiencies in the staff workflow. In addition, as part of the ERP project, Santa Cruz METRO will be evaluating its existing systems as their viability within the ERP ecosystem. System example under consideration include and are not limited to our HRIS, EAM and Payroll solutions.

## Intelligent Transportation System (ITS)

Santa Cruz METRO has already adopted some elements that comprise an ITS such as an Audio/Visual Annunciation System (AVAS) in 2002 and more recently an on-board Surveillance System for its Fixed Route and Paracruz fleet. METRO has had the need to incorporate additional ITS technologies most specifically Automatic Vehicle Location (AVL) which includes Real Time Passenger Applications and options such as Automated Passenger Counter (APC) systems to maximize operational efficiency and customer amenity.

## Other Initiatives

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

## **Economic Factors and Next Year's Budget**

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

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

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

The Board adopted the fiscal year 2022 Operating budget on June 26, 2021, totaling \$56,614,701 representing a 2.9% growth over that of the previous year. The fiscal year 2022 budget does not factor in a projection for the passage of an additional federal pandemic relief aid package for the nation's public

# Attachment A

transit systems nor does it include receipt of emergency federal funding to cover pandemic-related costs. The adopted budget reflects some pre-COVID-19 data and assumptions regarding revenues and expenses during the pandemic. Consequently, significant budget fluctuations are anticipated due to the unprecedented nature of the pandemic. Reductions in all forms of Revenues, particularly in Passenger & Special Transit Fares and some Sales Tax based revenue sources are currently expected and various budget-balancing actions in fiscal year 2022 will be considered and analyzed, as more information becomes available.

The Capital budget/portfolio of \$27,189,096 contains projects necessary and essential to sustain the District's existing service and operating facilities.

These significant factors were considered as budget assumptions when preparing Santa Cruz METRO's budget for the fiscal year 2022:

- Expectation that passenger fare revenue will experience a 39.5% decrease from prior year budget primarily due to decreased fixed-route ridership. The anticipated decrease correlates to COVID-19 Rider survey from the spring of fiscal year 2020, which indicates a long-term ridership loss of 25% (from fiscal year 2020) driven by: frequent riders not returning or riding less, an increase in telecommuting, and lingering concerns of vehicle cleanliness and physical distancing.
- Anticipated slight decrease in Special Transit (contract) fares revenue: 1.5% from prior year due to continued COVID-19 restrictions for on-campus operations and in-person learning.
- Expectation that sales and use tax revenues will increase by 1.6% from prior year budget due to the favorable fiscal year 2021 budget variance for the year and the general economic outlook for 2021 and 2022 as we emerge from pandemic restrictions. .
- Expectation that Santa Cruz County Measure D will infuse approximately \$3.6 million of sales tax revenue funding into the annual budget for fiscal year 2022.
- TDA – STA Operating revenue to decrease by 2.1% from prior year budget.
- Bus service plans must continue to be sensitive to funding constraints and revenue projections due to economic uncertainty and legislative issues.
- California Public Employees Retirement System (CalPERS) retirement employer contribution rate increases from 32.8% in fiscal year 2021 to 34.7% in fiscal year 2022.
- An average increase of 5.6% in medical insurance premiums is anticipated.
- Sensitivity to and monitoring of controllable costs and consumables.
- Continued efforts to identify efficiencies in costs.

## **Contacting Santa Cruz METRO's Financial Management**

Santa Cruz METRO's financial report is designed to provide Santa Cruz METRO's Board of Directors, management, and the public with an overview of Santa Cruz METRO's finances. For additional information about this report, please contact Chuck Farmer, Chief Financial Officer, at 110 Vernon Street, Santa Cruz, CA 95060.

# Attachment A

## BASIC FINANCIAL STATEMENTS

# Attachment A

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF NET POSITION  
JUNE 30, 2021 AND 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 43,643,252	\$ 23,614,362
Sales and Use Taxes, Grants, and Other Receivables	17,506,560	27,940,861
Inventory	774,184	780,278
Prepaid Expenses	<u>835,159</u>	<u>885,247</u>
<b>Total Current Assets</b>	<u>62,759,155</u>	<u>53,220,748</u>
<b>RESTRICTED ASSETS</b>		
Cash and Cash Equivalents	<u>12,716,365</u>	<u>12,283,925</u>
<b>CAPITAL ASSETS</b>		
Building and Improvements	79,602,688	78,316,464
Revenue Vehicles	45,946,726	43,574,425
Operations Equipment	7,740,769	7,399,411
Other Equipment	2,147,277	2,131,733
Other Vehicles	1,210,602	1,280,286
Office Equipment	<u>3,911,209</u>	<u>3,983,176</u>
Total Depreciated Capital Assets	140,559,271	136,685,495
Less Accumulated Depreciation	<u>(71,098,101)</u>	<u>(68,106,307)</u>
Total Depreciated Capital Assets Net of Accumulated Depreciation	69,461,170	68,579,188
Construction-in-Progress	5,191,107	5,279,626
Land	<u>11,596,311</u>	<u>11,596,311</u>
<b>Total Capital Assets</b>	<u>86,248,588</u>	<u>85,455,125</u>
<b>Total Assets</b>	<u>161,724,108</u>	<u>150,959,798</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amounts from Other Postemployment Benefits (OPEB)	11,163,162	9,599,183
Deferred Amounts from Pension Activities	<u>8,671,881</u>	<u>8,281,477</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$ 19,835,043</u>	<u>\$ 17,880,660</u>

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

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF NET POSITION (Continued) JUNE 30, 2021 AND 2020

LIABILITIES	2021	2020
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 2,597,870	\$ 3,603,186
Accrued Payroll and Employee Benefits	5,038,151	5,023,324
Deferred Rent	5,818	3,365
Workers' Compensation Liabilities, Current	501,049	458,313
Other Accrued Liabilities	151,841	169,910
Security Deposit	14,438	13,809
Capital Lease	267,172	259,182
<b>Total Current Liabilities</b>	<b>8,576,339</b>	<b>9,531,089</b>
<b>NON-CURRENT LIABILITIES</b>		
Unearned Revenue	-	64,077
Unearned Revenue - State Transit Assistance (STA)	221,922	243,612
Unearned Revenue - State of Good Repair (SGR)	2,182,052	1,433,329
Unearned Revenue - PTMISEA Grant	4,478,126	4,802,783
Unearned Revenue - Proposition 1B Grant	2	2
Unearned Revenue - Measure D	5,727,632	3,266,636
Unearned Revenue - LCTOP	1,474,170	2,487,560
<b>Total Non-Current Liabilities</b>	<b>14,083,904</b>	<b>12,297,999</b>
<b>OTHER LONG-TERM LIABILITIES</b>		
Workers' Compensation Liabilities, Net of Current	1,832,905	1,761,213
Capital Lease	392,653	659,825
Net OPEB Liability	132,363,695	124,340,668
Net Pension Liability	64,210,150	60,657,487
<b>Total Other Long-Term Liabilities</b>	<b>198,799,403</b>	<b>187,419,193</b>
<b>Total Liabilities</b>	<b>221,459,646</b>	<b>209,248,281</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Amounts from OPEB	3,018,237	3,810,361
Deferred Amounts from Pension Activities	475,164	2,276,707
<b>Total Deferred Inflows of Resources</b>	<b>3,493,401</b>	<b>6,087,068</b>
<b>NET POSITION (DEFICIT)</b>		
Net Investment in Capital Assets	85,588,763	84,536,118
Unrestricted Net Position (Deficit)	(128,982,659)	(131,031,009)
<b>Total Net Position (Deficit)</b>	<b>\$ (43,393,896)</b>	<b>\$ (46,494,891)</b>

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

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
<b>OPERATING REVENUES</b>		
Passenger Fares	\$ 1,175,708	\$ 3,139,475
Special Transit Fares	3,723,193	4,594,226
<b>Total Operating Revenues</b>	4,898,901	7,733,701
<b>OPERATING EXPENSES</b>		
Wages, Salaries, and Employee Benefits	47,187,323	50,993,087
Materials and Supplies	2,988,758	3,136,730
Other Expenses	5,949,204	5,969,465
Depreciation	5,307,687	5,514,288
<b>Total Operating Expenses</b>	61,432,972	65,613,570
<b>Net Operating Loss</b>	(56,534,071)	(57,879,869)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Sales and Use Taxes	26,246,454	22,899,749
Transportation Development Act (TDA) Assistance	7,096,904	7,930,060
State Transit Assistance (STA)	3,425,215	4,346,687
Federal Transit Administration (FTA) Section 5307 Operating Assistance	15,828,667	25,371,205
FTA Section 5311 Rural Operating Assistance	575,480	381,393
Alternative Fuel Tax Credit	253,765	826,532
Interest Income	260,974	456,082
Rental Income	63,024	120,566
Other Revenue	383,670	424,224
Gain on Sale and Disposal of Property, Equipment, and Inventory	15,586	41,357
<b>Total Non-Operating Revenues (Expenses)</b>	54,149,739	62,797,855
<b>Net Loss Before Capital Contributions</b>	(2,384,332)	4,917,986
<b>CAPITAL CONTRIBUTIONS</b>		
Grants Restricted for Capital Expenditures	5,485,327	7,044,717
<b>NET POSITION</b>		
Change in Net Position	3,100,995	11,962,703
Net Position (Deficit), Beginning of Year	(46,494,891)	(58,457,594)
<b>Total Net Position (Deficit), End of Year</b>	\$ (43,393,896)	\$ (46,494,891)

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

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF CASH FLOWS FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 4,659,468	\$ 8,406,716
Payments to Employees	(41,781,548)	(43,820,114)
Payments to Suppliers	(9,902,083)	(7,756,446)
Payments from Other	1,751,120	2,250,989
Net Cash Used in Operating Activities	(45,273,043)	(40,918,855)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Operating Grants Received, Including Sales and Use Taxes	52,720,671	61,800,531
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Sale of Property and Equipment	15,586	41,357
Capital Grants Received/(Used)	19,034,450	(5,927,559)
Capital Expenditures	(6,107,893)	(7,496,855)
Gain on Sale of Assets	6,743	-
Payments Made on Capital Lease	(259,182)	(251,431)
Net Cash Provided by (Used in) Capital and Related Financing Activities	12,689,704	(13,634,488)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment and Rental Income Received	323,998	576,648
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,461,330	7,823,836
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	35,898,287	28,074,451
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 56,359,617	\$ 35,898,287
FINANCIAL STATEMENT PRESENTATION:		
Cash and Cash Equivalents	\$ 43,643,252	\$ 23,614,362
Cash and Cash Equivalents - Restricted	12,716,365	12,283,925
Total Cash and Cash Equivalents	\$ 56,359,617	\$ 35,898,287

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

# Attachment A

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF CASH FLOWS (Continued)  
FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Net Operating Loss	\$ (56,534,071)	\$ (57,879,869)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	5,307,687	5,514,288
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(239,433)	673,015
Decrease in Inventory	6,094	3,057
(Increase) Decrease in Prepaid Expenses	50,088	(169,451)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1,005,316)	1,769,569
Increase in Net Pension Liability	1,360,716	3,606,479
Increase in Net OPEB Liability	5,666,924	4,938,153
Increase in Other Liabilities	114,268	625,904
	<u>\$ (45,273,043)</u>	<u>\$ (40,918,855)</u>
Net Cash Used in Operating Activities	<u>\$ (45,273,043)</u>	<u>\$ (40,918,855)</u>

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

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

### **NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### A. Description of Organization

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) was formed February 9, 1969, following a favorable election in conformity with Section 9800 et. seq. of the Public Utilities Code (PUC). The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola, and the unincorporated areas of Santa Cruz County. The Board of Directors (Board) consisting of eleven directors and two ex-officio directors representing the University of California, Santa Cruz and Cabrillo College govern Santa Cruz METRO. At June 30, 2021, the Board was as follows:

Chairperson:	Donna Lind		
Vice Chair:	Bruce McPherson		
Members:	Shebreh Kalantari-Johnson	Donna Meyers	Jimmy Dutra
	Aurelio Gonzalez	Manu Koenig	Larry Pageler
	Kristen Petersen	Dan Rothwell	Mike Rotkin
Ex-Officios:	Dan Henderson	Alta Northcutt	

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

#### B. Reporting Entity

Santa Cruz METRO and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Corporation as a blended component unit of Santa Cruz METRO. Accordingly, the financial activities of the Corporation have been included in the basic financial statements of Santa Cruz METRO. For the fiscal years ended June 30, 2021 and 2020, these activities were minimal.

#### **Scope of Public Service:**

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

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

#### Accountability:

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

# Attachment A

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

### B. Reporting Entity (Continued)

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

### C. Basis of Accounting and Presentation

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

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

#### **Contributed Capital/Reserved Retained Earnings:**

Santa Cruz METRO receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant had been incurred. Capital grant funds earned, less amortization, equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, Santa Cruz METRO changed its method of accounting for capital grants from capital contributions to reserved non-operating revenues. In accordance with GASB Statement No. 33, capital grants are required to be included in the determination of net income (loss) resulting in an increase in net revenue of \$5,485,327 and \$7,044,717 for the fiscal years ended June 30, 2021 and 2020, respectively.

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

# Attachment A

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

### C. Basis of Accounting and Presentation (Continued)

#### **Proprietary Accounting and Financial Reporting:**

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

#### **Net Position:**

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

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

### D. Cash and Cash Equivalents

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

### E. Inventory

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

### F. Restricted Assets

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

Grant funds from the State Transit Assistance (STA) and State Transit Assistance - State of Good Repair (STA-SGR) programs; Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA); Proposition 1B Office of Homeland Security (OHS) and the California Transit Security Grant Program (CTSGBP); the Low Carbon Transit Operations Program (LCTOP); and a portion of Measure D sales tax allocations are restricted for capital expenditures.

# Attachment A

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

### F. Restricted Assets (Continued)

Restricted assets at June 30 are as follows:

	2021	2020
Cash and Cash Equivalents		
Proposition 1B PTMISEA Grant	\$ 4,478,126	\$ 4,802,783
Proposition 1B OHS and CTSGP Grants	2	2
STA Grant	221,922	243,612
STA - State of Good Repair (SGR) Grant	2,057,607	1,308,569
Measure D	4,973,751	4,410,793
LCTOP Grant	984,957	1,518,166
Total Restricted Assets	\$ 12,716,365	\$ 12,283,925

### G. Property and Equipment

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

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

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

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

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

### H. Sales and Use Taxes Receipts

1979 Gross Sales Tax (1/2-cent): In June 1978, voters in Santa Cruz County approved Measure G which changed the basis of transit support for Santa Cruz METRO from property tax to a ½-cent sales and use tax effective January 1979. This ½-cent sales and use tax levied on all taxable sales in Santa Cruz County is collected and administered by the California State Board of Equalization. Actual receipts of Measure G sales and use tax for the fiscal years ended June 30, 2021 and 2020, were \$24,836,116 and \$21,587,491, respectively.

# Attachment A

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

### H. Sales and Use Taxes Receipts (Continued)

2017 Net Sales Tax (Measure D): This local ordinance to fund a comprehensive package of county-wide transportation improvements passed in November 2016 by over 2/3 of Santa Cruz County voters. The transportation tax measure levies a 0.5% sales and use tax on retail sales within Santa Cruz County for a thirty-year period, effective April 1, 2017. Measure D sales and use tax receipts are administered by the Santa Cruz County Regional Transportation Commission according to the Expenditure Plan identified in the ordinance. Santa Cruz METRO is allocated 16% of Measure D local sales and use tax receipts collected, net of administrative costs, to provide transit and paratransit service for seniors and people with disabilities. Measure D sales and use tax receipts were \$3,871,334 and \$3,376,695 for the fiscal years ended June 30, 2021 and 2020, respectively. During fiscal year 2021, \$1,410,338 of Measure D funds were earned and spent on operating expenses, and \$1,066,394 of Measure D funds were earned and spent on capital projects. During fiscal year 2020, \$1,312,258 of Measure D funds were earned and spent on operating expenses, and \$1,751,458 of Measure D funds were earned and spent on capital projects. At June 30, 2021 and 2020, \$5,727,632 and \$3,266,636, respectively, of Measure D funds were unspent and recorded as unearned (deferred) revenue.

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

### I. Operating Assistance Grants

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

### J. Self-Insurance

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

### K. Employee Benefits

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

### L. Payroll

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

### M. Pension Costs

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

# Attachment A

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

### N. Other Postemployment Benefits (OPEB)

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

### O. Use of Estimates

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

### P. Implementation of GASB Statements

**GASB Statement No. 84 – *Fiduciary Activities*.** There was no net effect on Santa Cruz METRO's accounting and financial reporting as a result of implementing this standard.

**GASB Statement No. 90 – *Majority Equity Interests—an Amendment of GASB Statements No. 14 and No. 61*.** There was no effect on Santa Cruz METRO's accounting and financial reporting as a result of implementing this standard.

### Q. Future GASB Statements

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

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

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

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

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

# Attachment A

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

### Q. Future GASB Statements (Continued)

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

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

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

## NOTE 2 – CASH AND CASH EQUIVALENTS

Total cash and cash equivalents (restricted and unrestricted) consist of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash on Hand	\$ 12,930	\$ 11,391
Demand Deposits	1,800,602	711,938
Certificates of Deposit (CD)	111,705	111,538
Deposits in Santa Cruz County Pooled Investment Fund	<u>54,434,380</u>	<u>35,063,420</u>
	<u>\$ 56,359,617</u>	<u>\$ 35,898,287</u>

# Attachment A

## NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

### Cash on Hand and Cash in Banks

### **Investments Authorized by the California Government Code and Santa Cruz METRO's Investment Policy**

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

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

### **Disclosures Relating to Interest Rate Risk**

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

# Attachment A

## NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

### Cash on Hand and Cash in Banks (Continued)

#### Disclosures Relating to Interest Rate Risk (Continued)

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

2021

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Santa Cruz County Pooled Investment Fund	\$ 54,434,380	\$ 54,434,380	\$ -	\$ -	\$ -

2020

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

#### Disclosures Relating to Credit Risk

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

2021

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End		
				AAA	Aa	Not Rated
Santa Cruz County Pooled Investment Fund	\$ 54,434,380	N/A	\$ -	\$ -	\$ -	\$ 54,434,380

2020

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

# Attachment A

## NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

### Cash on Hand and Cash in Banks (Continued)

#### **Concentration of Credit Risk**

The investment policy of Santa Cruz METRO contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Santa Cruz METRO did not have any investments in any one issuer (other than external investment pools) that represent 5% or more of total Santa Cruz METRO's investments at June 30, 2021 or 2020.

#### **Custodial Credit Risk**

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

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

#### **Investment in Santa Cruz County Pooled Investment Fund**

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

#### **Fair Value Measurements**

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

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

# Attachment A

## NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

### Cash on Hand and Cash in Banks (Continued)

### Fair Value Measurements (Continued)

Santa Cruz METRO has the following recurring fair value measurements as of June 30, 2021 and 2020:

2021

		Fair Value Measurement Using		
Investments by fair value level		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit (CD)	\$ 111,705	\$ 111,705	\$ -	\$ -
Total investments measured at fair value	111,705	\$ 111,705	\$ -	\$ -
Investments measured at amortized cost:				
Santa Cruz County Pooled Investment Fund	54,434,380			
Total pooled and directed investments	\$ 54,546,085			

2020

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

Investments in the Santa Cruz County Pooled Investment Fund totaling \$54,434,380 and \$35,063,420 as of June 30, 2021 and 2020, respectively, are measured at amortized cost, which approximates fair value.

## NOTE 3 – RECEIVABLES

Receivables at June 30 are as follows:

	2021	2020
Federal Grants	\$ 7,971,489	\$ 18,915,063
State Grants	2,284,611	4,170,650
Local Grants	1,066,394	-
Sales and Use Tax Revenue	5,654,177	4,564,693
Other	529,889	290,455
	\$ 17,506,560	\$ 27,940,861

# Attachment A

## NOTE 4 – CHANGES IN CAPITAL ASSETS

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

### June 30, 2021

	Balance July 1, 2020	Additions and Transfers	Retirements and Transfers	Balance June 30, 2021
<b>Non-Depreciated Assets</b>				
Land	\$ 11,596,311	\$ -	\$ -	\$ 11,596,311
Construction-in-Progress	5,279,626	6,107,893	(6,196,412)	5,191,107
<b>Total Non-Depreciated Assets</b>	<b>16,875,937</b>	<b>6,107,893</b>	<b>(6,196,412)</b>	<b>16,787,418</b>
<b>Depreciated Assets</b>				
Building and Improvements	78,316,464	1,289,388	(3,164)	79,602,688
Revenue Vehicles	43,574,425	4,378,437	(2,006,136)	45,946,726
Operations Equipment	7,399,411	420,240	(78,882)	7,740,769
Other Equipment	2,131,733	15,544	-	2,147,277
Other Vehicles	1,280,286	24,902	(94,586)	1,210,602
Office Equipment	3,983,176	67,901	(139,868)	3,911,209
<b>Total Depreciated Assets</b>	<b>136,685,495</b>	<b>6,196,412</b>	<b>(2,322,636)</b>	<b>140,559,271</b>
<b>Less Accumulated Depreciation</b>	<b>(68,106,307)</b>	<b>(5,307,687)</b>	<b>2,315,893</b>	<b>(71,098,101)</b>
<b>Depreciated Assets Net of Accumulated Depreciation</b>	<b>68,579,188</b>	<b>888,725</b>	<b>(6,743)</b>	<b>69,461,170</b>
<b>Total Capital Assets</b>	<b>\$ 85,455,125</b>	<b>\$ 6,996,618</b>	<b>\$ (6,203,155)</b>	<b>\$ 86,248,588</b>

Depreciation expense at June 30, 2021, was \$5,307,687.

### June 30, 2020

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

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

# Attachment A

## NOTE 5 – CAPITAL CONTRIBUTIONS

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

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

	2021	2020
Federal Grants	\$ 977,997	\$ 2,531,116
State Grants	3,440,936	2,762,143
Measure D Local Sales Tax Allocations	1,066,394	1,751,458
Total Capital Contributions	<u>\$ 5,485,327</u>	<u>\$ 7,044,717</u>

## NOTE 6 – COMMITMENTS

Santa Cruz METRO leases its Paracruz facilities under an operating lease that extends through August 2024. For the fiscal years ended June 30, 2021 and 2020, rental costs relating to the leases were \$192,736 and \$184,627, respectively. In addition, Santa Cruz METRO receives rent income from retail space in its transit centers. Minimum net lease payments for existing operating leases are as follows:

Year Ending June 30	Lease Commitments	Rental Income	Net
2022	\$ 132,862	\$ 110,900	\$ 21,963
2023	119,792	91,103	28,689
2024	122,802	69,678	53,124
2025	20,548	35,641	(15,093)
2026	-	25,055	(25,055)
2027	-	33,063	(33,063)
	<u>\$ 396,004</u>	<u>\$ 365,439</u>	<u>\$ 30,564</u>

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

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

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

# Attachment A

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

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

	<u>2021</u>	<u>2020</u>
Total Assets	\$ 46,512,537	\$ 41,204,259
Total Liabilities	<u>21,367,354</u>	<u>18,200,833</u>
Fund Balance	<u>\$ 25,145,183</u>	<u>\$ 23,003,426</u>
Total Revenues	\$ 15,456,236	\$ 16,065,565
Total Expenditures	<u>13,314,479</u>	<u>10,130,727</u>
Net Increase in Fund Balance	<u>\$ 2,141,757</u>	<u>\$ 5,934,838</u>

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

## NOTE 8 – CONTINGENCIES

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

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

## NOTE 9 – DEFINED BENEFIT PENSION PLAN

### A. General Information About the Pension Plan

#### Plan Description

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

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

# Attachment A

## NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

### A. General Information About the Pension Plan (Continued)

#### Funding Policy

There were 308 and 301 active members in the Plan as of June 30, 2021 and 2020, respectively, who were required to contribute a percentage of their annual covered salary. Santa Cruz METRO is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. Beginning in fiscal year 2018, CalPERS changed how it bills/collects employer contributions. The total minimum required employer contribution is now the sum of the Plan's Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars). The required employer contribution for fiscal year 2021 was 9.96% of covered payroll plus twelve (12) monthly payments of \$427,165. The required employer contribution for fiscal year 2020 was 9.439% of covered payroll plus twelve (12) monthly payments of \$349,071. The contribution requirements of the Plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS.

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2.5%@55	2%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	2.000% - 2.500%	1.000%-2.500%
Required Employee Contribution Rates	8.000%	7.000%
Required Employer Normal Cost Contribution Rates	9.960%	9.960%
Required Monthly Employer Dollar UAL Payment	\$427,165/month	\$427,165/month

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

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

# Attachment A

**NOTE 9 – DEFINED BENEFIT PENSION PLAN** (Continued)

A. General Information About the Pension Plan (Continued)

Funding Policy (Continued)

**Employees Covered** – At June 30, 2021 and 2020, the following employees were covered by the benefit terms for the Plan:

	2021	2020
Inactive Employees or Beneficiaries Currently Receiving Benefits	392	383
Inactive Employees Entitled to but not yet Receiving Benefits	173	201
Active Employees	308	301
Total	873	885

B. Net Pension Liability

Santa Cruz METRO's net pension liability for the Plan is measured as the total pension liability, less the Plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2019 and 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.63%	2.75%
Payroll Growth	2.88%	3.00%
Projected Salary Increase	Varies by Entry Age and Service <sup>(1)</sup>	Varies by Entry Age and Service <sup>(1)</sup>
Investment Rate of Return	7.250% <sup>(2)</sup>	7.375% <sup>(2)</sup>
Mortality	Derived using <sup>(3)</sup> CalPERS' Membership Data for all Funds	Derived using <sup>(3)</sup> CalPERS' Membership Data for all Funds

<sup>(1)</sup> Depending on age, service, and type of employment.

<sup>(2)</sup> Net of pension plan investment and administrative expenses, including inflation.

<sup>(3)</sup> The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Further details of the Experience Study can found on the CalPERS website.

# Attachment A

## NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

### B. Net Pension Liability (Continued)

**Discount Rate** – The discount rate used to measure the total pension liabilities for June 30, 2021 and 2020, was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate for 2021 and 2020 is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% for 2021 and 2020 will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the reporting periods ended June 30, 2021 and 2020, the 7.15% discount rate was not reduced for administrative expenses.

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

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

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

#### 2020 Measurement Date

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

<sup>(a)</sup> An expected inflation of 2.00% used for this period.

<sup>(b)</sup> An expected inflation of 2.92% used for this period.

# Attachment A

## NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

### B. Net Pension Liability (Continued)

2019 Measurement Date			
Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>(a)</sup>	Real Return Years 11+ <sup>(b)</sup>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
Total	100.0%		

<sup>(a)</sup> An expected inflation of 2.00% used for this period.

<sup>(b)</sup> An expected inflation of 2.92% used for this period.

### C. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 <sup>(1)</sup>	\$ 188,466,525	\$ 127,809,038	\$ 60,657,487
Changes in the year:			
Service Cost	3,235,943	-	3,235,943
Interest on the Total Pension Liability	13,261,238	-	13,261,238
Differences between Actual and Expected Experience	651,255	-	651,255
Contribution - Employer	-	5,889,484	(5,889,484)
Contribution - Employee	-	1,552,782	(1,552,782)
Net Investment Income <sup>(2)</sup>	-	6,333,686	(6,333,686)
Administrative Expenses	-	(180,179)	180,179
Benefit Payments, Including Refunds of Employee Contributions	(10,527,796)	(10,527,796)	-
Net Changes	6,620,640	3,067,977	3,552,663
Balance at June 30, 2020 <sup>(1)</sup>	\$ 195,087,165	\$ 130,877,015	\$ 64,210,150

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

<sup>(2)</sup> Net of administrative expenses.

# Attachment A

## NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

### C. Changes in the Net Pension Liability (Continued)

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

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

<sup>(2)</sup> Net of administrative expenses.

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

#### 2020

1% Decrease Net Pension Liability	\$ 87,938,257
Current Discount Rate Net Pension Liability	\$ 64,210,150
1% Increase Net Pension Liability	\$ 44,398,222

# Attachment A

## NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

### C. Changes in the Net Pension Liability (Continued)

2019

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

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

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

For the fiscal years ended June 30, 2021 and 2020, Santa Cruz METRO recognized a pension expense of \$7,823,223 and \$9,492,662, respectively. At June 30, 2021 and 2020, Santa Cruz METRO reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 6,462,506	\$ -
Differences between Actual and Expected Experience	1,175,291	(215,846)
Changes in Assumptions	-	(259,318)
Net Differences Between Projected and Actual Earnings on Plan Investments	1,034,084	-
Total	\$ 8,671,881	\$ (475,164)

2020

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

# Attachment A

## NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

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

The \$6,462,506 and \$5,886,183 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability, as determined by CalPERS, in the measurement periods ended June 30, 2021 and 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	
2021	\$ (465,412)
2022	860,521
2023	809,198
2024	<u>529,904</u>
Total	<u>\$ 1,734,211</u>

### E. Payable to the Pension Plan

At June 30, 2021 and 2020, Santa Cruz METRO reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the fiscal years ended June 30, 2021 and 2020.

## NOTE 10 – DEFERRED COMPENSATION PLAN

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

At June 30, 2021 and 2020, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying statements of net position as required under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.

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

## NOTE 11 – RISK MANAGEMENT

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

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

# Attachment A

## NOTE 11 – RISK MANAGEMENT (Continued)

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

	<u>2021</u>	<u>2020</u>
Workers' Compensation Liabilities:		
Unpaid Claims, Beginning of Fiscal Year	\$ 2,219,526	\$ 2,105,734
Claim Payments	(584,297)	(1,014,694)
Other Adjustments (Including IBNRs)	<u>698,725</u>	<u>1,128,486</u>
Unpaid Claims Liability, End of Fiscal Year	<u>\$ 2,333,954</u>	<u>\$ 2,219,526</u>

## NOTE 12 – TRANSPORTATION DEVELOPMENT ACT/CALIFORNIA CODE OF REGULATIONS

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

### Section 6634

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

### Section 6637

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

### Sections 99267, 99268.1, and 99314.6

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

## NOTE 13 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)

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

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

# Attachment A

**NOTE 13 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) (Continued)**

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

During the fiscal year ended June 30, 2021, Santa Cruz METRO applied for and received proceeds of \$0 and earned interest of \$32,559 from the State's PTMISEA account for construction funding for the Consolidated MetroBase Project. During the fiscal year ended June 30, 2021, qualifying expenditures of \$357,216 were incurred and the remaining balance of \$4,478,126, including accrued interest, was deferred. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of encumbrance.

**Schedule of PTMISEA Proposition 1B Grants  
For the Year Ended June 30, 2021**

	2021
<b>Balance - beginning of the year</b>	\$ 4,802,783
<b>Receipts:</b>	
Interest accrued 7/1/2020 through 6/30/2021	32,559
<b>Expenses:</b>	
Transit bus	(357,216)
<b>Balance - end of year</b>	\$ 4,478,126

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

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

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

# Attachment A

## NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

**Employees Covered** – As of the June 30, 2020 and 2019 valuations, the following current and former employees were covered by the benefit terms for the OPEB Plan:

	2020	2019
Inactive Employees or Beneficiaries Currently Receiving Benefits	298	298
Inactive Employees Entitled to but not yet Receiving Benefits	20	20
Active Employees	303	303
Total	621	621

**Contributions** – The contribution requirements of OPEB Plan members and Santa Cruz METRO are established and may be amended by Santa Cruz METRO's Board. These contributions are neither mandated nor guaranteed. Santa Cruz METRO has retained the right to unilaterally modify its payment for retiree health care benefits. For the fiscal years ended June 30, 2021 and 2020, Santa Cruz METRO contributed \$4,127,225 and \$4,125,446, respectively. Employees are not required to contribute to the OPEB Plan.

**Net OPEB Liability** – Santa Cruz METRO's net OPEB liability was measured as of June 30, 2020 and 2019, and the total OPEB liability used to calculate the net OPEB liability was the OPEB Plan Fiduciary Net Position of the OPEB trust held with CalPERS as of those dates. The following actuarial methods and assumptions were used:

Reporting Date	June 30, 2021	June 30, 2020
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	2.66%	2.79%
Inflation	2.50%	2.50%
Salary Increases	3.00%	3.00%
Healthcare Cost Trend Rates	6.5% in 2021, fluctuating down to 4% by 2076	6.5% in 2021, fluctuating down to 4% by 2076
Mortality Rate	CalPERS 2017 Experience Study; Projected with MW Scale 2020	CalPERS 2017 Experience Study; Projected with MW Scale 2020 <sup>(1)</sup>

# Attachment A

## NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

### 2020 Measurement Date

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

<sup>(a)</sup> An expected inflation of 2.00% used for this period.

<sup>(b)</sup> An expected inflation of 2.92% used for this period.

### 2019 Measurement Date

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

<sup>(a)</sup> An expected inflation of 2.00% used for this period.

<sup>(b)</sup> An expected inflation of 2.92% used for this period.

**Discount Rate** – The discount rate used to measure the total OPEB liability was 2.66% and 2.79% for June 30, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumed that Santa Cruz METRO contributions will be sufficient to fully fund the obligation over a period not to exceed 30 years. Historic 30-year real rates of return for each asset class along with the assumed long-term inflation assumption were used to set the discount rate. The expected investment return was offset by the investment expenses of 15 basis points. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive members and beneficiaries. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# Attachment A

**NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2019	\$ 124,340,668	\$ -	\$ 124,340,668
Changes in the Year:			
Service Cost	5,853,462	-	5,853,462
Interest	3,574,866	-	3,574,866
Plan Experience	-	-	-
Changes in Assumptions	2,720,145	-	2,720,145
Contribution - Employer	-	4,125,446	(4,125,446)
Benefit Payments	(4,125,446)	(4,125,446)	-
Net Changes	8,023,027	-	8,023,027
Balance at June 30, 2020	\$ 132,363,695	\$ -	\$ 132,363,695

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2018	\$ 114,516,198	\$ -	\$ 114,516,198
Changes in the Year:			
Service Cost	5,638,591	-	5,638,591
Interest	3,522,407	-	3,522,407
Plan Experience	(4,602,485)	-	(4,602,485)
Changes in Assumptions	9,172,330	-	9,172,330
Contribution - Employer	-	3,906,373	(3,906,373)
Benefit Payments	(3,906,373)	(3,906,373)	-
Net Changes	9,824,470	-	9,824,470
Balance at June 30, 2019	\$ 124,340,668	\$ -	\$ 124,340,668

# Attachment A

## NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*** – The following presents the net OPEB liability of Santa Cruz METRO if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement periods ended June 30, 2020 and 2019:

2020	
1% Decrease	1.66%
Net OPEB Liability	\$ 156,415,622
Current Discount Rate	2.66%
Net OPEB Liability	\$ 132,363,695
1% Increase	3.66%
Net OPEB Liability	\$ 113,389,587
2019	
1% Decrease	1.79%
Net OPEB Liability	\$ 146,740,074
Current Discount Rate	2.79%
Net OPEB Liability	\$ 124,340,668
1% Increase	3.79%
Net OPEB Liability	\$ 106,670,982

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

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

# Attachment A

## NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB** – For the fiscal years ended June 30, 2021 and 2020, Santa Cruz METRO recognized OPEB expense of \$9,794,149 and \$9,063,599, respectively. As of fiscal years ended June 30, 2021 and 2020, Santa Cruz METRO reported deferred outflows of resources related to OPEB from the following sources:

2021	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 4,127,225	\$ -
Differences between Actual and Expected Experience	-	(3,018,237)
Changes in Assumptions	<u>7,035,937</u>	<u>-</u>
Total	<u>\$ 11,163,162</u>	<u>\$ (3,018,237)</u>
2020	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 4,125,446	\$ -
Differences between Actual and Expected Experience	-	(3,810,361)
Changes in Assumptions	<u>5,473,737</u>	<u>-</u>
Total	<u>\$ 9,599,183</u>	<u>\$ (3,810,361)</u>

The \$4,127,225 and \$4,125,446 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 and 2019 measurement dates will be recognized as a reduction in the net OPEB liability in the measurement periods ended June 30, 2022 and 2021, respectively. In addition, future recognition of the deferred inflows of resources is shown below.

<u>Fiscal Year Ended June 30</u>	
2022	\$ 341,235
2023	503,963
2024	1,539,933
2025	957,203
2026	394,404
Thereafter	<u>280,962</u>
Total	<u>\$ 4,017,700</u>

# Attachment A

## **NOTE 15 – CAPITAL LEASE**

The following is a summary of Santa Cruz METRO’s capital lease activity for the fiscal years ended June 30, 2021 and 2020:

	Balance June 30, 2020	Additions	Payments	Balance June 30, 2021	Due Within One Year
Capital Lease	\$ 919,007	\$ -	\$ (259,182)	\$ 659,825	\$ 267,172
Total Long-Term Debt	<u>\$ 919,007</u>	<u>\$ -</u>	<u>\$ (259,182)</u>	<u>\$ 659,825</u>	<u>\$ 267,172</u>

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

Santa Cruz METRO entered into a lease/purchase agreement with Key Government Finance, Inc., on November 21, 2017, for the purchase of three CNG buses. The terms of the lease/purchase call for monthly payments of \$23,627 over a 72 month period beginning in December 2017, and include a 3.04% effective interest rate. At June 30, 2021 and 2020, the outstanding balances were \$659,825 and \$919,007, respectively.

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

Fiscal Year	Principal	Interest	Total
2022	\$ 267,172	\$ 16,357	\$ 283,529
2023	275,409	8,121	283,530
2024	<u>117,244</u>	<u>893</u>	<u>118,137</u>
Total	<u>\$ 659,825</u>	<u>\$ 25,371</u>	<u>\$ 685,196</u>

## **NOTE 16 – STATE TRANSIT ASSISTANCE - STATE OF GOOD REPAIR (STA-SGR)**

Santa Cruz METRO was allocated \$738,201 of State Transit Assistance - State of Good Repair (STA-SGR) program funds for fiscal year 2021. Interest earned on STA-SGR funds held in the Santa Cruz County Pooled Investment Fund during fiscal year 2021 was \$10,522. STA-SGR grant proceeds spent on capital projects during fiscal year 2021 was \$-0-. The unspent (unearned) balance of STA-SGR funds was \$2,182,052 at June 30, 2021.

Santa Cruz METRO was allocated \$722,808 of State Transit Assistance - State of Good Repair (STA-SGR) program funds for fiscal year 2020. Interest earned on STA-SGR funds held in the Santa Cruz County Pooled Investment Fund during fiscal year 2020 was \$22,025. STA-SGR grant proceeds spent on capital projects during fiscal year 2020 was \$671,078, used for the purchase of four new 40' CNG buses. The unspent (unearned) balance of STA-SGR funds was \$1,433,329 at June 30, 2020.

# Attachment A

## **NOTE 17 – DEFICIT NET POSITION**

As of June 30, 2021 and 2020, Santa Cruz METRO had a deficit net position of \$43,393,896 and \$46,494,891, respectively. The deficit was primarily due to the reporting of the net pension liability and the net liability for OPEB, pursuant to the implementation of GASB Statement No. 68 and GASB Statement No. 75. Santa Cruz METRO is committed to fully funding the actuarially determined contributions annually.

## **NOTE 18 – SUBSEQUENT EVENTS**

Subsequent events were evaluated by management through December 13, 2021, which is the date of issuance.

# Attachment A

**REQUIRED SUPPLEMENTARY INFORMATION**

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30, 2021 LAST 10 YEARS\*

	Measurement Period 2019/20	Measurement Period 2018/19	Measurement Period 2017/18	Measurement Period 2016/17	Measurement Period 2015/16	Measurement Period 2014/15	Measurement Period 2013/14
<b>Total Pension Liability</b>							
Service Cost	\$ 3,235,943	\$ 3,267,506	\$ 3,267,575	\$ 3,422,455	\$ 3,160,455	\$ 3,294,147	\$ 3,200,114
Interest on Total Pension Liability	13,261,238	12,800,717	12,278,470	12,002,686	11,775,833	11,234,261	10,709,850
Differences between Expected and Actual Experience	651,255	1,427,437	(1,025,273)	(1,952,270)	162,174	(414,257)	-
Changes in Assumptions	-	-	(1,231,759)	9,337,059	-	(2,564,554)	-
Changes in Benefits	-	-	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(10,527,796)	(9,997,925)	(9,340,636)	(9,126,454)	(7,903,179)	(7,185,556)	(6,660,594)
Net Change in Total Pension Liability	6,620,640	7,497,735	3,948,377	13,683,476	7,195,283	4,364,041	7,249,370
Total Pension Liability - Beginning	188,466,525	180,968,790	177,020,413	163,336,937	156,141,654	151,777,613	144,528,243
Total Pension Liability - Ending (a)	<u>\$ 195,087,165</u>	<u>\$ 188,466,525</u>	<u>\$ 180,968,790</u>	<u>\$ 177,020,413</u>	<u>\$ 163,336,937</u>	<u>\$ 156,141,654</u>	<u>\$ 151,777,613</u>
<b>Plan Fiduciary Net Position</b>							
Net Plan to Plan Resource Movement	\$ -	\$ -	\$ (285)	\$ 107	\$ -	\$ -	\$ -
Contributions - Employer	5,889,484	5,300,243	4,686,264	4,047,221	3,991,447	4,086,806	3,668,004
Contributions - Employee	1,552,782	1,560,484	1,592,606	1,556,993	1,603,071	1,645,356	1,573,391
Net Investment Income	6,333,686	7,933,310	9,742,558	12,015,977	608,702	2,493,939	16,262,179
Administrative Expense	(180,179)	(87,847)	(182,238)	(160,362)	(67,272)	(124,362)	-
Benefit Payments	(10,527,796)	(9,997,925)	(9,340,636)	(9,126,454)	(7,903,179)	(7,185,556)	(6,660,594)
Other Miscellaneous Income/(Expense)	-	285	(346,072)	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,067,977	4,708,550	6,152,197	8,333,482	(1,767,231)	916,183	14,842,980
Plan Fiduciary Net Position - Beginning	127,809,038	123,100,488	116,948,291	108,614,809	110,382,040	109,465,857	94,622,877
Plan Fiduciary Net Position - Ending (b)	<u>\$ 130,877,015</u>	<u>\$ 127,809,038</u>	<u>\$ 123,100,488</u>	<u>\$ 116,948,291</u>	<u>\$ 108,614,809</u>	<u>\$ 110,382,040</u>	<u>\$ 109,465,857</u>
Net Pension Liability [(a) - (b)]	<u>\$ 64,210,150</u>	<u>\$ 60,657,487</u>	<u>\$ 57,868,302</u>	<u>\$ 60,072,122</u>	<u>\$ 54,722,128</u>	<u>\$ 45,759,614</u>	<u>\$ 42,311,756</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.09%	67.82%	68.02%	66.06%	66.50%	70.69%	72.12%
Covered Payroll	\$ 18,956,899	\$ 18,780,928	\$ 19,075,163	\$ 19,343,552	\$ 19,550,012	\$ 19,490,839	\$ 18,385,116
Net Pension Liability as a Percentage of Covered Payroll	338.72%	322.97%	303.37%	310.55%	279.91%	234.77%	230.14%

\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation; therefore, only seven years are shown.

### Notes to Schedule:

**Benefit changes.** In 2021, 2020, 2019, 2018, 2017, 2016, and 2015, there were no benefit changes.

**Changes in assumptions.** In 2021, 2020, 2019, 2018, 2017, 2016, and 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CONTRIBUTIONS – PENSION FOR THE FISCAL YEAR ENDED JUNE 30, 2021 LAST 10 YEARS\*

	Fiscal Year 2020-21	Fiscal Year 2019-20	Fiscal Year 2018-19	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16	Fiscal Year 2014-15
Actuarially Determined Contributions	\$ 5,889,484	\$ 5,300,243	\$ 4,686,264	\$ 4,047,221	\$ 3,991,447	\$ 4,086,806	\$ 3,668,004
Contributions in Relation to the Actuarially Determined Contributions	<u>(5,889,484)</u>	<u>(5,300,243)</u>	<u>(4,686,264)</u>	<u>(4,047,221)</u>	<u>(3,991,447)</u>	<u>(4,086,806)</u>	<u>(3,668,004)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>						
Covered Payroll	\$ 16,874,245	\$ 18,956,899	\$ 18,780,928	\$ 19,075,163	\$ 19,343,552	\$ 19,550,012	\$ 19,490,839
Contributions as a Percentage of Covered Payroll	34.90%	27.96%	24.95%	21.22%	20.63%	20.90%	18.82%

\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation; therefore, only seven years are shown.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30, 2021 LAST 10 YEARS\*

<i>Measurement Period</i>	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service Cost	\$ 5,853,462	\$ 5,638,591	\$ 5,259,186	\$ 5,708,352
Interest	3,574,866	3,522,407	3,452,776	3,047,381
Actual and Expected Experience Difference	-	(4,602,485)	-	-
Changes in Assumptions	2,720,145	9,172,330	2,643,408	(7,860,824)
Benefit Payments	<u>(4,125,446)</u>	<u>(3,906,373)</u>	<u>(3,784,611)</u>	<u>(3,898,705)</u>
Net Change in Total OPEB Liability	8,023,027	9,824,470	7,570,759	(3,003,796)
Total OPEB Liability - Beginning	<u>124,340,668</u>	<u>114,516,198</u>	<u>106,945,439</u>	<u>109,949,235</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 132,363,695</u></u>	<u><u>\$ 124,340,668</u></u>	<u><u>\$ 114,516,198</u></u>	<u><u>\$ 106,945,439</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 4,125,446	\$ 3,906,373	\$ 3,784,611	\$ 3,898,705
Benefit Payments	<u>(4,125,446)</u>	<u>(3,906,373)</u>	<u>(3,784,611)</u>	<u>(3,898,705)</u>
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Net OPEB Liability [(a) - (b)]	<u><u>\$ 132,363,695</u></u>	<u><u>\$ 124,340,668</u></u>	<u><u>\$ 114,516,198</u></u>	<u><u>\$ 106,945,439</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 23,485,892	\$ 22,768,353	\$ 22,116,603	\$ 22,483,538
Net OPEB Liability as a Percentage of Covered Payroll	563.59%	546.11%	517.78%	475.66%

\* Fiscal year 2018 was the 1<sup>st</sup> year of implementation; therefore, only four years are shown.

### Notes to the Schedule:

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

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CONTRIBUTIONS – OPEB FOR THE FISCAL YEAR ENDED JUNE 30, 2021 LAST 10 YEARS\*

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially Determined Contributions	\$ 4,125,446	\$ 3,906,373	\$ 3,784,611	\$ 3,898,705
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,125,446)</u>	<u>(3,906,373)</u>	<u>(3,784,611)</u>	<u>(3,898,705)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 21,336,510	\$ 23,485,892	\$ 22,768,353	\$ 22,116,603
Contributions as a Percentage of Covered Payroll	19.34%	16.63%	16.62%	17.63%

**Notes to the Schedule:**

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2020, were from the June 30, 2019 actuarial valuation.

**Methods and Assumptions Used to Determine Contributions:**

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	2.66%
Inflation	2.50%
Salary Increases	3.00%
Healthcare Cost Trend Rates	6.5% in 2021, fluctuating down to 4% by 2076
Mortality Rate	CalPERS 2017 Experience Study; Projected with MW Scale 2020

\* Fiscal year 2018 was the 1<sup>st</sup> year of implementation; therefore, only four years are shown.

# Attachment A

## SUPPLEMENTARY INFORMATION

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF OPERATING EXPENSES FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Labor		
Operators' salaries and wages	\$ 7,649,634	\$ 7,775,128
Other salaries and wages	8,278,720	8,099,757
Overtime	945,891	2,804,026
	16,874,245	18,678,911
 Fringe Benefits		
Absence with pay	4,393,575	5,329,108
Pension plans	6,462,506	5,886,183
Vision, medical, and dental plans	6,898,857	6,657,647
Workers' compensation insurance	813,153	1,242,278
Disability insurance	357,696	353,155
Other fringe benefits	232,425	175,727
Other postemployment benefits	11,154,866	12,670,078
	30,313,078	32,314,176
 Services		
Accounting	93,643	86,712
Administrative and banking	269,161	370,843
Professional and technical services	1,525,891	1,688,323
Security	636,733	575,894
Outside repairs	1,265,518	1,139,437
Other services	127,581	160,648
	3,918,527	4,021,857
 Materials and Supplies Consumed		
Fuels and lubricants	1,063,180	1,352,349
Tires and tubes	107,038	208,885
Vehicle parts	1,005,174	958,306
Other materials and supplies	813,366	617,190
	2,988,758	3,136,730
 Utilities	580,675	597,598
 Casualty and Liability Costs	912,303	800,600
 Taxes and Licenses	41,634	44,250
 Miscellaneous Expenses	217,099	251,476
 Equipment and Facility Lease	254,620	221,587
 Interest Expense	24,346	32,097
 Depreciation	5,307,687	5,514,288
 Total Operating Expenses	\$ 61,432,972	\$ 65,613,570

# Attachment A

**OTHER SCHEDULES AND REPORTS**

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA No.	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Federal Transit Administration (FTA)				
Cluster Defined by the Department of Transportation				
<b>Section 3/5309 Consolidation</b>				
Pacific Station Expansion FY2006 (Design/Engineering)	20.500	CA-04-0021	\$ -	\$ 700
Pacific Station Expansion FY2008 (Design/Engineering)	20.500	CA-04-0102	-	4,906
			-	5,606
<b>Section 9/5307</b>				
Operating Assistance	20.507	FY-2020-143-00	-	7,282,012
Operating Assistance - CARES Act	20.507	CA-2020-144-01	-	105,927
Operating Assistance - CARES Act	20.507	CA-2020-144-02	-	2,143,695
Operating Assistance - CRRSAA Act	20.507	CA-2021-144-01	-	5,021,229
Operating Assistance - CRRSAA Act	20.507	CA-2021-144-02	-	1,275,804
			-	15,828,667
<b>Section 5339</b>				
FY16 5339 (c) LoNo Discretionary	20.526	CA-2017-071-00	-	41,857
FY17 5339(a) Bus & Bus Facilities	20.526	CA-2019-067-00	-	191,679
FY18 5339(a) Bus & Bus Facilities	20.526	CA-2019-070-00	-	121,792
FY19 5339(a) Bus & Bus Facilities	20.526	CA-2020-088-00	-	417,063
			-	772,391
Total Federal Transit Cluster			-	16,606,664
Total Federal Transit Administration			-	16,606,664
<b>Section 18/5311-5317</b>				
Rural Operating Assistance - 5311	20.509	CA-2021-030	-	191,234
Rural Operating Assistance - 5311 - CARES Act Phase I	20.509	CA-2020-285	-	384,246
			-	575,480
Surface Transportation Block Grant (STBG)	20.205	N/A	-	200,000
			-	200,000
Total Expenditures of Federal Awards			\$ -	\$ 17,382,144

See accompanying notes to schedule of expenditures of federal awards.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

### **NOTE 1 – GENERAL**

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

### **NOTE 2 – BASIS OF ACCOUNTING**

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

### **NOTE 3 – INDIRECT COST RATE**

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

# Attachment A



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's basic financial statements, and have issued our report thereon dated December 13, 2021.

### **Internal Control Over Financial Reporting**

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

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

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

# Attachment A

## Compliance and Other Matters

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

## Purpose of this Report

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 13, 2021

# Attachment A



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

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

### Report on Compliance for Each Major Federal Program

We have audited the Santa Cruz Metropolitan Transit District's (Santa Cruz METRO) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Santa Cruz METRO's major federal programs for the fiscal year ended June 30, 2021. Santa Cruz METRO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditor's Responsibility

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

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

### Opinion on Each Major Federal Program

In our opinion, Santa Cruz METRO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2021.

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# Attachment A

## Report on Internal Control Over Compliance

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

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

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

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

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Santa Cruz METRO as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's basic financial statements. We issued our report thereon dated December 13, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 13, 2021

# Attachment A



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the U.S. Office of Management and Budget (OMB) *Compliance Supplement*; and the statutes, rules, and regulations of the California Transportation Development Act (TDA), the financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated December 13, 2021.

### Compliance

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

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

### Other Matters

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

# Attachment A

During the fiscal year ended June 30, 2021, Santa Cruz METRO received \$34,829 in interest from the State's PTMISEA funds. As of June 30, 2021, PTMISEA interest received and funds expended were verified in the course of our audit as follows:

## Schedule of PTMISEA Proposition 1B Grants For the Year Ended June 30, 2021

	<u>2021</u>
<b>Balance - beginning of the year</b>	\$ 4,802,783
<b>Receipts:</b>	
Interest accrued 7/1/2020 through 6/30/2021	32,559
<b>Expenses:</b>	
Transit bus	<u>(357,216)</u>
<b>Balance - end of year</b>	<u>\$ 4,478,126</u>

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

### Purpose of this Report

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

### Restriction on Use

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 13, 2021

# Attachment A

## FINDINGS AND QUESTIONED COSTS SECTION

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2021

**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?  Yes  No

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

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major federal programs:

Material weakness identified?  Yes  No

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

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

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Clusters

	Federal Transit Cluster
20.500	Federal Transit Capital Investment Grants – Section 3
20.507	Federal Transit Formula Grants – Section 9
20.526	Bus and Bus Facilities Formula and Discretionary Programs

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

Auditee qualified as low risk auditee?  Yes  No

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

None.

**III. Federal Award Findings and Questioned Costs**

None.

# Attachment A

## IV. State Award Findings and Questioned Costs

None.

## V. A Summary of Prior Audit (all June 30, 2020) Findings and Current Year Status Follows

None.

# Attachment B



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Santa Cruz Metropolitan Transit District  
Santa Cruz, California

We have audited the financial statements of Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 20, 2021. Professional standards also require that we communicate to you the following information related to our audit.

## **Significant Audit Matters**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Santa Cruz METRO are described in Note 1 to the financial statements. Santa Cruz METRO implemented Governmental Accounting Standards Board (GASB) Statement No. 84 – *Fiduciary Activities* and GASB Statement No. 90 – *Majority Equity Interests* during the year ended June 30, 2021. We noted no transactions entered into by Santa Cruz METRO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

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# Attachment B

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

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

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

## *Difficulties Encountered in Performing the Audit*

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

## *Corrected and Uncorrected Misstatements*

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

## *Disagreements with Management*

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

## *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 13, 2021.

## *Management Consultations with Other Independent Accountants*

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

## *Other Audit Findings or Issues*

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

## **Other Matters**

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

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

# Attachment B

## Restriction on Use

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
December 13, 2021

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# Attachment C

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

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

**FOR THE YEAR ENDED  
JUNE 30, 2021**

# Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MEASURE D PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2021

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# Attachment C



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2021, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

# Attachment C

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure D Program of Santa Cruz METRO as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure D Program and do not purport to, and do not, present fairly the financial positions of Santa Cruz METRO as of June 30, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## Other Matters

### *Other Information*

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

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

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021, on our consideration of Santa Cruz METRO's internal control over financial reporting, relating to the Measure D Program, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, relating to the Measure D Program, and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control over financial reporting or on compliance relating to the Measure D Program. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance relating to the Measure D Program.

Bakersfield, California  
December 13, 2021

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION  
*Brown Armstrong*  
*Accountancy Corporation*

# Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MEASURE D PROGRAM  
BALANCE SHEET  
JUNE 30, 2021

## ASSETS

Cash and Investments	\$ 4,973,751
Intergovernmental Receivables	
Receivables from SCCRTC for Measure D Allocations	<u>753,881</u>
<b>Total Assets</b>	<u><u>\$ 5,727,632</u></u>

## LIABILITIES AND FUND BALANCE

Liabilities	
Unearned Income	\$ 4,661,238
Interfund Payable	
Reimbursements for Capital Expenditures	<u>1,066,394</u>
<b>Total Liabilities</b>	<u>5,727,632</u>
Fund Balance	
Restricted	<u>-</u>
<b>Total Fund Balance</b>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 5,727,632</u></u>

See accompanying Notes to Financial Statements.

# Attachment C

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MEASURE D PROGRAM  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2021**

**REVENUES**

Measure D Revenue	\$ 2,444,905
Interest Income	31,827
	<hr/>
<b>Total Revenues</b>	<b>2,476,732</b>

**EXPENDITURES**

Transit Operations	1,410,338
Transit Capital	1,066,394
	<hr/>
<b>Total Expenditures</b>	<b>2,476,732</b>

**REVENUES OVER EXPENDITURES**

-

**FUND BALANCE**

Beginning of Year	<hr/> -
End of Year	<hr/> <hr/> \$ -

See accompanying Notes to Financial Statements.

# Attachment C

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MEASURE D PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

On November 8, 2016, the voters of Santa Cruz County, pursuant to the provisions of the Local Transportation Authority and Improvement Act (the Act), California Public Utilities Code, Division 19, Section 180000 et seq., adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (Measure D), thereby authorizing Santa Cruz County Regional Transportation Commission (SCCRTC) to administer the proceeds from a retail transaction and use tax of one-half of one-percent (0.5%) that will last 30 years from the initial date of collection. The Measure D Ordinance authorizes SCCRTC to allocate, administer, and oversee the expenditure of all Measure D revenues and to distribute revenues no less than quarterly to local agencies (including Santa Cruz Metropolitan Transit District).

All transactions of the Measure D Program by the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) are included as an enterprise fund in the basic financial statements of Santa Cruz METRO. These statements account for Santa Cruz METRO's share of revenues earned and expenditures incurred under Santa Cruz METRO's Transportation for Seniors and People with Disabilities Program. The accompanying financial statements are for the Measure D Program only and are not intended to fairly present the financial position or results of operations of Santa Cruz METRO.

### **B. Basis of Accounting and Measurement Focus**

Santa Cruz METRO uses an enterprise fund format to report its activities for financial statement purposes. The accompanying financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred regardless of when the related cash flows take place.

### **C. Use of Estimates**

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

## **NOTE 2 – MEASURE D PROGRAM**

Under Measure D, Santa Cruz METRO receives 16% of the proceeds (after administrative costs) of a one-half cent local sales tax, to be used for transportation-related expenditures. This Measure was adopted with the intention that the funds generated by the sales tax will not fund transportation-related expenditures previously paid for by existing funds, revenues, and other resources, but rather, will be used for additional projects and programs, so as to supplement (and not replace) the revenue funds designated and used for transportation programs and expenditures.

# Attachment C

## **NOTE 2 – MEASURE D PROGRAM** (Continued)

Santa Cruz Metropolitan Transit District (Santa Cruz METRO) must receive Board approval of a 5-year Program of Projects prior to expending Measure D funding on any project or program, in accordance with the requirements of the Measure D Master Funding Agreement. The approved 5-year Program of Projects is submitted to the SCCRTC annually, and includes information about each of the projects to be funded with the estimated annual Measure D revenues, allocated according to the Measure D Ordinance and Expenditure Plan.

The major project funded by Measure D was as follows:

*Transportation for Seniors and People with Disabilities Program* – To provide transit services to seniors and people with disabilities, and to purchase transportation capital improvements.

In fiscal year 2021, \$1,410,338 of Measure D sales tax proceeds were used to fund bus operator wages and benefits in order to sustain ParaCruz service levels during the year. Measure D capital outlays of \$1,066,394 were used to replace existing vehicles in the fleet that had exceeded their maximum useful life: The purchase of four (4) new Proterra zero-emission buses, three (3) new Starcraft Starlite shuttle buses for ParaCruz, and to fund capital lease payments for three (3) New Flyer CNG buses during the year.

## **NOTE 3 – CASH AND INVESTMENTS**

Cash and investments are tracked and held in a separate Measure D fund account in the Santa Cruz County Pooled Investment Fund, and consisted of \$4,973,751 of Measure D sales tax allocations and interest earnings at June 30, 2021.

See Santa Cruz METRO's basic financial statements for disclosures related to the cash and investments as prescribed by GASB Statement No. 40. The basic financial statements may be obtained from Santa Cruz METRO at 110 Vernon Street, Santa Cruz, CA 95060.

## **NOTE 4 – INTERGOVERNMENTAL RECEIVABLES**

Intergovernmental receivables of \$753,881 represent the Measure D Program sales tax allocations for fiscal year 2021 that were received from the Santa Cruz County Regional Transportation Commission (SCCRTC) after June 30, 2021.

## **NOTE 5 – UNEARNED INCOME**

Measure D Program sales tax allocations that are allocated to Santa Cruz METRO during the fiscal year are restricted and reported as liabilities (unearned income) until spent on the specific purpose for which they were intended, as outlined in the 5-Year Program of Projects approved by the Santa Cruz METRO Board of Directors and submitted to the SCCRTC. The balance of unearned Measure D proceeds is currently committed as cost sharing on awarded capital grants in progress.

## **NOTE 6 – INTERFUND PAYABLE**

Interfund payables of \$1,066,394 represent amounts due to Santa Cruz METRO's general operating fund, in order to reimburse the agency for the Measure D Program capital expenditures paid for with Santa Cruz METRO unrestricted monies during the fiscal year.

## **NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events were evaluated by management through December 13, 2021, which is the date of issuance.

# Attachment C

**SUPPLEMENTARY INFORMATION**

# Attachment C

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MEASURE D PROGRAM  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Measure D Revenue	\$ 3,500,617	\$ 3,500,617	\$ 2,444,905	\$ (1,055,712)
Interest Income	-	-	31,827	31,827
<b>Total Revenues</b>	<u>3,500,617</u>	<u>3,500,617</u>	<u>2,476,732</u>	<u>(1,023,885)</u>
<b>EXPENDITURES</b>				
Transit Operations	1,410,338	1,410,338	1,410,338	-
Transit Capital	2,090,279	2,090,279	1,066,394	1,023,885
<b>Total Expenditures</b>	<u>3,500,617</u>	<u>3,500,617</u>	<u>2,476,732</u>	<u>1,023,885</u>
<b>REVENUES OVER EXPENDITURES</b>	-	-	-	-
<b>FUND BALANCE</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# Attachment C



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661-324-4971

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's Measure D Program's financial statements, and have issued our report thereon dated December 13, 2021.

#### **Internal Control Over Financial Reporting**

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

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

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

# Attachment C

## Compliance and Other Matters

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

## Purpose of this Report

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 13, 2021

# Attachment C



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661-324-4971

## INDEPENDENT AUDITOR'S REPORT ON MEASURE D PROGRAM COMPLIANCE

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

### Compliance

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) Measure D Program as of and for the year ended June 30, 2021, and the related notes, and have issued our report thereon dated December 13, 2021.

### Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Santa Cruz METRO's management.

### Auditor's Responsibility

Our responsibility is to express an opinion on Santa Cruz METRO's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the agreement between Santa Cruz METRO and Santa Cruz County Regional Transportation Commission (SCCRTC). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Measure D Program occurred. An audit also includes examining, on a test basis, evidence about Santa Cruz METRO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Santa Cruz METRO's compliance with those requirements.

### Opinion on Measure D Program

In our opinion, Santa Cruz METRO complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure D Program for the year ended June 30, 2021.

# Attachment C

## Internal Control Over Compliance

Management of Santa Cruz METRO is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered Santa Cruz METRO's internal control over compliance relating to the Measure D Program as a basis for designing auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance relating to the Measure D Program. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control over compliance relating to the Measure D Program.

*A deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the agreement between Santa Cruz METRO and SCCRTC. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 13, 2021



**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** John Urgo, DBE Liaison Officer  
**SUBJECT: ACCEPT AND FILE THE SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the Semi-Annual Report on the status of METRO's Disadvantaged Business Enterprise Program**

**II. SUMMARY**

- As a recipient of federal funds, Santa Cruz Metropolitan Transit District (METRO) participates in the federal Disadvantaged Business Enterprise (DBE) Program as specified in Title 49, Code of Federal Regulations, Part 26 (49 CFR 26).
- The Federal Transit Administration (FTA) requires METRO to recalculate its DBE goal triennially and to report goal attainment semi-annually as a requirement to receive federal funds.
- METRO's FFY21-23 goal for DBE participation is 2.65% of all federally funded procurements with competitive contract bidding opportunities.
- A Semi-Annual report provided to the Board in concurrence with the FTA reporting schedule per METRO's DBE Policy.
- April 1, 2021 – September 30, 2021, METRO's DBE attainment was 0.00% for contracts awarded, and payments on ongoing contracts, and 3.27% for payments on completed contracts.

**III. DISCUSSION/BACKGROUND**

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

The FTA requires each qualified recipient of more than \$250,000 annually in federal funds to implement a DBE program, recalculate a DBE goal triennially, and report its goal attainment semi-annually, as specified by 49 CFR 26. METRO received approximately \$48.1 million from the FTA in FFY21 and, therefore, must maintain a DBE Program. The growth in federal funding, compared to previous fiscal years, is due to the American Rescue Plan Act of 2021 (ARPA), which provided METRO an additional \$26 million in FY21.

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

- Only competitively biddable contracts with federal funding are counted in the procurement opportunities in which DBEs can participate.
  - The majority of METRO's FTA funding is used to pay for internal labor costs and fringe benefits, and is not required to be monitored for the DBE program.
- Several large expenses have no competitive contract opportunities:
  - Utilities, leases and rent payments, subscription services, membership costs, travel.
- Only certified DBEs can be included for setting goals and measuring attainment.
  - Many businesses are owned by minorities and women, but not all of these owners register as DBEs in the statewide program.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

Filing and accepting the semi-annual report on the status of METRO's Disadvantaged Business Enterprise Program aligns with METRO's goal of Financial Stability, Stewardship & Accountability because failing to do so jeopardizes the receipt of federal funding.

#### **V. DBE STATUS**

METRO's current DBE goal is 2.65% as set forth in METRO's DBE semi-annual report for the period covering October 1, 2020 – March 31, 2021 provided as Attachment A. During this reporting period, METRO's DBE attainment for contracts awarded, payments on ongoing contracts, and payments on completed contracts is 0.00%, 0.00%, and 3.27%, respectively. METRO did not award or close any large construction procurements with subcontracting opportunities for DBEs, during this reporting period. The majority of METRO's federal capital funds were obligated for smaller infrastructure projects, for which there were limited subcontracting opportunities for DBEs.

Attachment B shows that there were no DBE payments on any contracts in the prior reporting period. Attachment C reports on METRO's DBE attainment for the

entirety FFY21. METRO's DBE attainment for FFY21 on contracts awarded, payments on ongoing contracts, and payments on completed contracts is 0.00%, 0.00%, and 1.55%, respectively.

## **VI. UPCOMING DBE OPPORTUNITIES**

In the first half of FFY22, METRO will have approximately \$4.4 million in contract opportunities. \$135,000 will be spent on equipment for the Maintenance Facility. Over \$3.6 million of those funds will be spent on vehicle procurements, which do not provide opportunities for fulfilling DBE goals. Over \$600,000 will be spent on three construction procurements, which do allow for subcontracting opportunities with DBEs. METRO encourages prime contractors to subcontract portions of the work to facilitate participation by DBEs and other small businesses to assist METRO in meeting their DBE goal.

## **VII. FINANCIAL CONSIDERATIONS/IMPACT**

The DBE Program has direct expenses of less than \$850 for publishing ads and public hearing notices. Failure to update the goal and submit semi-annual reports would jeopardize METRO's receipt of over \$48.1 million in federal financial assistance in FFY21.

## **VIII. CHANGES FROM COMMITTEE (Board Report ONLY)**

None

## **IX. ALTERNATIVES CONSIDERED**

There are no alternatives. Receiving the semi-annual report is a legal requirement connected to METRO receiving federal financial assistance and Staff is required to provide this information to inform the Board of this important program per METRO's DBE policy, Art. III § 3.304(G).

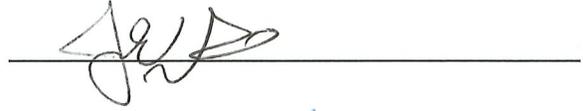
## **X. ATTACHMENTS**

- Attachment A:** Dec 1, 2021 DBE Semi-Annual Report (April 1, 2021 – September 30, 2021)
- Attachment B:** Jun 1, 2021 DBE Semi-Annual Report (October 1, 2020 – March 31, 2021)
- Attachment C:** Annual DBE Semi-Annual Report (October 1, 2020 – September 30, 2021)

Prepared by: Cayla Hill, Planning Analyst

**XI. APPROVALS**

John Urgo, Planning and Development  
Director



Approved as to fiscal impact:  
Chuck Farmer, CFO



Dawn Crummié,  
Interim CEO/General Manager





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# Attachment C

UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS										
FTA Section										
**Please refer to the instruction sheet for directions on filling out this form**										
1 Submitted to (check only one) <input type="checkbox"/> FHWA <input type="checkbox"/> FAA <input checked="" type="checkbox"/> FTA - Recipient ID Number 1622										
2 Grant Number(s) (FTA Recipients):										
3 Federal Fiscal year in which reporting period falls:    FFY21    4. Date This Report Submitted:    6/1/2021										
5 Reporting Period: <input checked="" type="checkbox"/> Report due for period Oct 1-Mar 31 <input type="checkbox"/> Report due for period April 1-Sep 30 <input type="checkbox"/> FAA annual report due Dec 1										
6 Name and address of Recipient:    Santa Cruz Metropolitan Transit District										
7 Annual DBE Goal(s):    Race Conscious Projection: 0.00%    Race Neutral Projection: 2.65%    OVERALL Goal: 2.65%										
Awards/Commitments this Reporting Period										
A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD (Total contracts and subcontracts committed during this reporting period)	A	B	C	D	E	F	G	H	I
		Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ 129,617.00	5	\$ -	0			\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ -	0	\$ -	0			\$ -	0	0%
10	<b>TOTAL</b>			\$ -	0			\$ -	0	0.00%
B	BREAKDOWN BY ETHNICITY & GENDER	A	B	C	D	E	F			
		Total to DBE (dollar amount)			Total to DBE (number)					
		Women	Men	Total	Women	Men	Total			
11	Black American	\$ -	\$ -	\$ -	0	0	0			
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0			
13	Native American	\$ -	\$ -	\$ -	0	0	0			
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0			
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0			
17	Non-Minority	\$ -	\$ -	\$ -	0	0	0			
17	<b>TOTAL</b>	\$ -	\$ -	\$ -	0	0	0			
Payments Made this Reporting Period										
C	PAYMENTS ON ONGOING CONTRACTS	A	B	C	D	E	F			
		Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs			
18	Prime and subcontracts currently in progress	2	\$ 192,966.71	0	\$ -	0	0.00%			
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	A	B	C	D	E				
		Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs				
19	Race Conscious	0	\$ -	\$ -	\$ -	0.00%				
20	Race Neutral	7	\$ 306,618.50	\$ -	\$ -	0.00%				
21	<b>Totals</b>	7	\$ 306,618.50	\$ -	\$ -	0.00%				
22	Submitted by: Cayla Hill			23. Signature:			24. Phone Number: 831-420-2581			

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**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Carolee Curtin, Interim Purchasing Manager  
**SUBJECT: ACCEPT AND FILE THE QUARTERLY PROCUREMENT REPORT FOR  
3rd QUARTER OF FY22**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the Quarterly Procurement Report for the 3rd quarter of FY22**

**II. SUMMARY**

- This staff report provides the Board of Directors (Board) with a Quarterly Procurement Report for the 3rd quarter of FY22, covering the months of January through March.
- Each quarter staff will provide a Quarterly Procurement Report listing anticipated formal procurements within the upcoming quarter that are not being presented to the Board separately.

**III. DISCUSSION/BACKGROUND**

The purpose of this report is to provide the Board an opportunity to review and comment on upcoming formal procurements before they are ready for award.

Formal procurements are defined as construction valued at \$10,000 or more, and goods, materials and professional services valued at \$50,000 or more. Formal procurements related to major projects will be presented to the Board separately in stand-alone Staff Reports.

Attachment A details the regular formal procurements the Purchasing Department is planning on issuing during the 3rd quarter of FY22 (January through March). In addition, this report includes an item from the month of December that was overlooked in the FY22 2nd quarter report.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report pertains to Financial Stability, Stewardship & Accountability.

**V. FINANCIAL CONSIDERATIONS/IMPACT**

See Attachment A.

**VI. CHANGES FROM COMMITTEE**

N/A

**VII. ALTERNATIVES CONSIDERED**

N/A

**VIII. ATTACHMENTS**

**Attachment A:** FY22 3rd Quarter Anticipated Procurements Listing

Prepared by: Joan Jeffries, Purchasing Agent

**IX. APPROVALS**

Carolee Curtin, Interim Purchasing  
Manager

  
\_\_\_\_\_

Approved as to fiscal impact:  
Chuck Farmer, CFO

  
\_\_\_\_\_

Dawn Crummié  
Interim CEO/General Manager

  
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## Anticipated Procurement Listing

### FY22: 3rd Quarter

Month Anticipated to be Issued	Description	Purpose	Department	Funding Source	Anticipated Value	Project No.
<b>Expiring Reoccurring Professional Services Contracts</b>						
Feb-22	Furnishing and Delivering CARB Ultra-Low Sulfur Diesel Fuel	To provide diesel fuel for buses and generators	Facilities Maintenance	Operating	\$ 800,000 (initial 3-year term)	n/a
<b>One-Off Contracts</b>						
Dec-21	SaaS ERP Software and Implementation Services	To replace METRO's aging ERP software systems with an efficient and integrated ERP SaaS System	IT / Finance	TBD	TBD	n/a

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**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** John Urgo, Planning and Development Director  
**SUBJECT:** **CONSIDERATION OF AUTHORIZING THE BOARD CHAIR TO SEND A LETTER TO STATE LEGISLATIVE REPRESENTATIVES IN SUPPORT OF COLLECTING NON-TAX TRANSIT FEES ON SPECIFIC PROPERTIES DEFINED BY THE COUNTY OF SANTA CRUZ**

**I. RECOMMENDED ACTION**

**That the Board of Directors authorize the Santa Cruz METRO Board Chair to write a letter to Senator John Laird and Assemblymember Mark Stone requesting that they introduce legislation that would give the County of Santa Cruz the ability to include a separate line item on property tax bills for the collection of non-tax transit fees on specific properties that meet requirements defined by the County.**

**II. SUMMARY**

- The proposed legislation would authorize the addition of a separate line-item on property tax bills for the collection of non-tax/assessment development-agreement provisions, such as an agreement that the developer and future purchasers have the responsibility to purchase yearly Santa Cruz County Metropolitan Transit District (METRO) passes as a condition of developing/living with fewer parking spaces.
- These fees would run with the land in perpetuity and would be used to bolster ridership for METRO.
- This legislation would empower the County to develop and implement a pilot initiative that holds the potential of increasing transit-oriented housing and commercial development along existing transit corridors while bolstering METRO during a time of persistent funding shortfalls and depressed ridership.

**III. DISCUSSION/BACKGROUND**

METRO serves the County of Santa Cruz, which has a population of over 273,000. According to a 2019 on-board customer survey and a 2020 COVID-19 customer survey, approximately 32% of METRO riders use the service to get to and from work. METRO's ridership data also reflects that over 55% of METRO riders are University of California, Santa Cruz (UCSC) and Cabrillo College students and faculty. However, around 3% of residents countywide use transit to commute to work, according to the most recent U.S. Census data.

Customers cite infrequent service and long travel times as the most common reasons for not using METRO more often. In order to provide more frequent service, METRO would need to eliminate service on certain routes and reallocate those resources, or expand its operating budget. METRO does not currently meet the service requirements sufficient to produce High Quality Transit Corridors (HQTC), as defined by the State, restricting its ability to qualify for future HQTC-related state funding opportunities. For purposes of this proposal, a high-quality transit corridor means a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours, as defined by State statute. The majority of METRO routes operate once per hour, with less than 20 per cent of routes operating every 30 minutes.

As more legislative bills are brought forth to provide funding and incentives for communities with high-quality transit corridors, it is in METRO's best interest to support bolstering the region's qualification for these funds. The State can help address these challenges by empowering local governments to advance new funding options to maintain and expand transit services. This proposal would incent infill development and give METRO more resources to produce and maintain high-quality transit corridors through a new source of revenue.

There is also a dire need for affordable housing in Santa Cruz County, as it ranks as one of the least affordable housing markets in the Country. With the requested enabling legislation, the County could launch a pilot Transportation Demand Management (TDM) program to encourage dense housing development along existing METRO routes. TDM initiatives aim to lower single-occupied vehicle usage along heavily congested travel corridors, but they can also be used to promote the right type of property development along transit routes. One example of a TDM initiative is to lower parking requirements for developments along corridors already served by the local transit system if the property developer agrees to provide annual bus passes to residents and businesses in exchange for lowering those requirements. By directly tying housing developments to public transit, Santa Cruz County can bolster the use of the Santa Cruz METRO system, a sustainable and alternative mode of transportation for County residents.

METRO has demonstrated a longstanding commitment to sustainability by acquiring compressed natural gas (CNG), zero-emission electric buses, and adopting a 100% zero-emission fleet transition plan. Starting in 2028, all future METRO bus purchases will need to be zero-emission. This presents a funding challenge as the cost of an electric bus can be two times that of a CNG bus. Future funds received for the METRO could also help bolster METRO's bus replacement fund as it transitions to a fully zero-emission fleet.

On October 29, 2021, Supervisor Koenig met with Senator John Laird to discuss the legislative proposal. Senator Laird informed the County of his support and noted the benefits of having the full Board of Supervisors support as well as that of the METRO Board. On December 7, 2021, the Santa Cruz County Board of

Supervisors directed Board Chair, Bruce McPherson, to write a letter to Senator John Laird and Assemblymember Mark Stone requesting they introduce legislation that would give the County the ability to include a separate line item on property tax bills for the collection of non-tax transit fees on specific properties that meet requirements defined by the County.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report ties to the following strategic priorities:

- Financial Stability, Stewardship & Accountability
- Service Quality and Delivery
- State of Good Repair
- Strategic Alliances and Community Outreach

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

- This action will help incentivize future infill development along transit corridors and give METRO more resources to produce and maintain high-quality transit corridors through a new source of revenue.
- METRO will see an increase in revenue as developers and future purchasers pay for annual METRO passes.

#### **VI. CHANGES FROM COMMITTEE (Board Report ONLY)**

N/A.

#### **VII. ALTERNATIVES CONSIDERED**

The Board could choose not to endorse a letter of support for the proposed legislation. Staff does not recommend this option.

#### **VIII. ATTACHMENTS**

**Attachment A:** Legislative Proposal

Prepared by: John Urgo, Planning and Development Director

**IX. APPROVALS**

Approved as to fiscal impact:  
Chuck Farmer, CFO



Dawn Crummié,  
Interim CEO/General Manager



# Attachment A

## Proposed Bill Background

This proposal would authorize the addition of a separate line-item on property tax bills for collection of non-tax/assessment development-agreement provisions that run with the land, such as an agreement that the developer and future purchasers have the responsibility to purchase yearly METRO passes as a condition of developing/living with fewer parking spaces.

California's transit agencies will likely continue to face persistent funding shortfalls and depressed ridership for some years to come due to the COVID-19 pandemic. The State can help address these challenges by empowering local governments to advance new funding options to maintain and expand transit service and promote infrastructure, including housing developments directly tied to public transit.

Santa Cruz County's METRO system does not currently meet the ridership requirements sufficient to produce High Quality Transit Corridors therefore restricting its ability to qualify for future state funding opportunities. For purposes of this proposal, a high-quality transit corridor means a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours, as defined by State statute. As more legislative bills are brought forth to provide funding and incentives for communities with high quality transit corridors, we must ensure Santa Cruz METRO benefits from these funds and continues providing our regional community with this essential transportation service. This proposal would further incentivize infill development and give the metro the resources needed to produce and maintain high quality transit corridors, allowing Santa Cruz METRO to begin tapping into a new funding source.

When governments upgrade existing or install new transport infrastructure, the accessibility and incentivization for public transit ridership increases. This attracts new local businesses and incentivizes renters and prospective homeowners to move into these areas. This influx propels economic growth and makes the value of land and property increase. The potential increase in land value surrounding public infrastructure offers significant opportunities for regional governments to promote development and increase public transit ridership.

This proposal is also in line with the State's goal of transitioning away from fossil fuels and hitting net-zero by 2035 (N-79-20). Funds received for the METRO can be reinvested to ensure regional transit fleets are fully electric by 2040. Amending current legislation to reflect the request of this proposal would incentivize infill development near major public transit corridors, disincentivizing auto-dependency and, ultimately provide social, environmental, and economic benefits to communities across the State of California.

**This proposal gives** regional or local governments the ability to attach a non-tax/assessment development-agreement provision to a proposed development. To ensure this provision does not disincentivize developers, this proposal would allow local governments to ease certain development related restrictions, such as parking minimums.

# Attachment A

**Existing State Legislation:** Santa Cruz County Counsel identified that this proposal could be specifically added to the Revenue and Taxation Code, the Streets and Highways Code, or the Government Code.



**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Kristina Mihaylova, Deputy Finance Director  
**SUBJECT: CONSIDERATION OF RESOLUTION APPROVING THE FY22 REVISED CAPITAL BUDGET/PORTFOLIO**

**I. RECOMMENDED ACTION**

**That the Board of Directors adopt a resolution approving the FY22 Revised Capital Budget/Portfolio, as presented in Attachment B**

**II. SUMMARY**

- The Board of Directors (Board) adopted the FY22 Capital Budget/Portfolio on June 25, 2021.
- Periodic capital budget revisions may be required due to new grant awards, new projects, changes to the scope of existing projects, spending adjustments and removal of projects that are no longer active.
- Revisions to an adopted capital budget require Board approval and the adoption of a resolution.

**III. DISCUSSION/BACKGROUND**

The Board must adopt an Operating and Capital Budget by June 30<sup>th</sup> each year. The Board adopted the FY22 & FY23 Operating and FY22 Capital Budget/Portfolio on June 25, 2021.

Periodically, capital budget revisions are required to add new projects, revise project balances and funding sources, update project descriptions, etc. This will be the second revision to the FY22 Capital Budget/Portfolio since adoption.

Staff requests that the Board adopt a resolution (Attachment A) to approve the FY22 Revised Capital Budget/Portfolio (Attachment B).

A Reconciliation by Project as of January 28, 2022 (Attachment C) is provided; this reconciles the (current) FY22 Revised Capital Budget/Portfolio against the (original) Final FY22 Capital Budget/Portfolio adopted on June 25, 2021.

This revision impacts multiple projects.

#### IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

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

#### V. FINANCIAL CONSIDERATIONS/IMPACT

The original FY22 Capital Budget/Portfolio adopted June 25, 2021 totals \$27,189,096.

- Revision 1 – September 24, 2021 – This revision added three (3) projects, removed two (2) projects; revised the available budget balances for ten (10) existing projects; added additional funding to one (1) existing project, and revised the description on one (1) project. This revision resulted in a net decrease of \$2,434,839, for a Revised FY22 Capital Budget/Portfolio balance of \$24,754,257.
- Revision 2 – January 28, 2022 - This revision added two (2) projects; revised the available budget balances for four (4) existing projects; added additional funding to two (2) existing projects, and revised the description on two (2) projects. This revision resulted in a net decrease of \$2,079,318 for a Revised FY22 Capital Budget/Portfolio balance of \$25,109,778.

The Reconciliation by Project as of January 28, 2022 (Attachment C) lists the detail of all changes by project since adoption on June 25, 2021, and includes an explanation for the action. The year to date change is a net decrease of \$2,079,318.

The estimated balance of the Operating and Capital Reserve Fund after this revision is an accrued balance of approximately \$2M. Reminder: The Operating and Capital Reserve Fund is comprised of Alternative Fuel Tax Rebates from prior years, and any excess revenues above actual expenses (carryover) transferred from the Operating Budget. Note that the estimate provided here includes deductions for approved capital projects *and* commitments (the required local match) against grants that may *not* yet have been awarded; those un-awarded projects are *not* included in the attached revised budget. If or when those grants are awarded, the capital budget will be revised accordingly.

#### VI. ALTERNATIVES CONSIDERED

- There are no recommended alternatives at this time. If the revised budget is not approved, important capital improvements and capital projects could be delayed or cancelled.

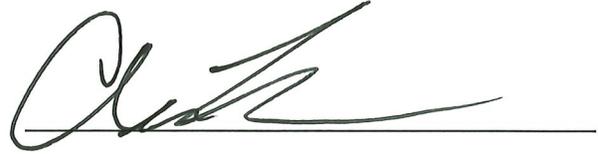
## **VII. ATTACHMENTS**

- Attachment A:** FY22 Capital Budget/Portfolio Resolution
- Attachment B:** FY22 Revised Capital Budget/Portfolio as of January 28, 2022
- Attachment C:** FY22 Revised Capital Budget/Portfolio – Reconciliation by Project as of January 28, 2022

Prepared by: Kristina Mihaylova, Deputy Finance Director

**VIII. APPROVALS**

Approved as to fiscal impact:  
Chuck Farmer, CFO



Dawn Crummié,  
Interim CEO/General Manager



# Attachment A



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. \_\_\_\_\_  
On the Motion of Director \_\_\_\_\_  
Duly Seconded by Director \_\_\_\_\_  
The following Resolution is adopted:

### A RESOLUTION OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING A REVISION TO THE FY22 CAPITAL BUDGET/PORTFOLIO

**WHEREAS**, the Board of Directors approved the FY22 Capital Budget/Portfolio on June 25, 2021 with a total budget of \$27,189,096; and

**WHEREAS**, it is necessary to revise the adopted FY22 Capital Budget/Portfolio by \$2,079,318;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Santa Cruz Metropolitan Transit District hereby amends the FY22 Capital Budget/Portfolio per Attachment B to this resolution for a total FY22 Revised Capital Budget/Portfolio of \$25,109,779.

**PASSED AND ADOPTED** this 28th day of January 2022, by the following vote:

AYES: Directors -

NOES: Directors -

ABSENT: Directors -

ABSTAIN: Directors -

**APPROVED** \_\_\_\_\_  
DONNA LIND, Board Chair

**ATTEST** \_\_\_\_\_  
DAWN CRUMMIÉ  
Interim CEO / General Manager

**APPROVED AS TO FORM**

\_\_\_\_\_  
JULIE A. SHERMAN  
General Counsel

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY22 (REVISED) CAPITAL BUDGET/ANTICIPATED SPENDING AS OF JANUARY 28, 2022													
	PROJECT/ACTIVITY	RESTRICTED	PTMISEA (IB)	STIP	LCTOP	LPP	CAPITAL RESTRICTED STA	STA-SGR FROM OPER BUDGET	BUS REPLACEMENT FUND		MEASURE D (XFR FROM OPER BUDGET)	OPERATING & CAPITAL RESERVE FUND	TOTAL
									RESTRICTED	RESTRICTED			
<b>Construction Related Projects</b>													
1	New METRO Owned Paracruz Facility-FY20 LPP (Grant)											\$ 479,466	\$ 479,466
2	Mesa (533940)										\$ 25,000		\$ 25,000
3	Paracruz Metro Center Redevelopment w/ City of SCC												\$ 141,283
	Facile Station/Metro Center-Conceptual Design/IDU (53394)	\$ 113,028					\$ 28,255						\$ 141,283
	Subtotal	\$ 113,028					\$ 28,255				\$ 25,000		\$ 141,283
<b>IT Projects</b>													
4	19-0004 ERP Consultant & System												
5	22-0001 Secondary Virtualization System												
	Subtotal												
<b>Facilities Upgrades &amp; Improvements</b>													
6	19-0006 Maint Yard-Security Hardening/Expanded Parking												
7	19-0008 Demolition of two structures & repair of sinkhole												
8	19-0006s Three automated gates & installation												
9	19-0010 Bus Stop Improvements (FTA 5339a FY18)												
10	19-0011 Gate Control at JKS Bus Entry (FTA 5339a FY18)	\$ 20,280											\$ 20,280
11	19-0012 JKS Facility - Bus Wash Rehab (FTA 5339a FY18 + FY21)	\$ 89,667											\$ 89,667
12	19-0013 JKS Facility - Upper Security (FTA 5339a FY18 + FY21)	\$ 150,000											\$ 150,000
13	19-0014 JKS Facility - Lower Security (FTA 5339a FY18 + FY21)	\$ 123,000											\$ 123,000
14	19-0018 Admin Bldg. Engineering & Renovations	\$ 127,023											\$ 127,023
15	19-0020 Admin Bldg. Engineering & Renovations												
16	19-0018a Admin Bldg. Engineering & Renovations	\$ 238,908											\$ 238,908
	Subtotal	\$ 764,498											\$ 764,498
<b>Revenue, Vehicle Purchases, Replacements &amp; Campaigns</b>													
17	19-0024 Replace Six (6) CNG Buses (FTMISEA)		\$ 4,036,017								\$ 100,000		\$ 4,136,017
18	19-0027 FY18 STIP - AV/LITS (STIP, Measure D)			\$ 635,541									\$ 635,541
19	20-0001 7 Replacement Paracruz Vans (FY19 LPP, Measure D)			\$ 302,000							\$ 303,131		\$ 605,131
20	19-0032 3 New Flyer Repl. Capital Lease - Year 4 of 6 Prin Only - (Measure D) Interest Funded in Operating Budget \$22K										\$ 267,172.06		\$ 267,172
21	20-0002 2 39 CNG Buses (FY19 Caltrans Discretionary FTA 5339: Bus Replacement Fund)												
22	21-0009 2 39 CNG Buses (Bus Replacement Fund: FY18 & FY20 SGR, FTMISEA, Measure D)		\$ 433,336										\$ 433,336
	Subtotal		\$ 4,469,353	\$ 635,541		\$ 302,000			\$ 887,754	\$ 887,754	\$ 131,609		\$ 7,091,562



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY22 (REVISED) CAPITAL BUDGET/ANTICIPATED SPENDING AS OF JANUARY 28, 2022												
PROJECT/ACTIVITY	RESTRICTED	FEDERAL FUNDS	PTMISEA (1B)	STIP	LCTOP	LPP	CAPITAL RESTRICTED STA	STA-SB1 (XFR FROM BUDGET)	BUS REPLACEMENT FUND		OPERATING & CAPITAL RESERVE FUND	TOTAL
									RESTRICTED	RESTRICTED		
<b>CAPITAL PROGRAM FUNDING</b>												
<b>Federal Sources of Funds:</b>												
Federal Grants (FTA)	\$ 1,597,794											\$ 1,597,794
Surface Transportation Block Grant (STBG)	\$ -											\$ -
<b>State Sources of Funds:</b>												
PTMISEA (1B)		\$ 4,469,355										\$ 4,469,355
State Transportation Improvement Program (STIP)			\$ 635,541									\$ 635,541
Low Carbon Transit Operations Program (LCTOP)				\$ -								\$ -
Local Partnership Program (LPP)					\$ 302,000							\$ 302,000
State Transit Assistance (STA)-Prior Years							\$ 28,255	\$ 21,720				\$ 49,975
Transfers from Operating Budget (STA-SB1)									\$ 892,754			\$ 892,754
STA-SGR (SB1)										\$ 1,564,515		\$ 1,564,515
Transfers from Operating Budget (Measure D)												\$ -
<b>Local Sources of Funds:</b>												
Operating and Capital Reserve Fund												\$ 2,047,893
<b>TOTAL CAPITAL FUNDING BY FUNDING SOURCE</b>	<b>\$ 1,597,794</b>	<b>\$ 4,469,355</b>	<b>\$ 635,541</b>	<b>\$ -</b>	<b>\$ 302,000</b>	<b>\$ 28,255</b>	<b>\$ 21,720</b>	<b>\$ 892,754</b>	<b>\$ 1,564,515</b>	<b>\$ 2,047,893</b>	<b>\$ 11,549,817</b>	
Restricted Funds	\$ 1,597,794	\$ 4,469,355	\$ 635,541	\$ -	\$ 302,000	\$ 28,255	\$ 21,720	\$ 892,754	\$ 1,564,515	\$ 2,047,893	\$ 9,480,214	
Unrestricted Funds											\$ 2,069,603	
<b>TOTAL CAPITAL FUNDING</b>	<b>\$ 1,597,794</b>	<b>\$ 4,469,355</b>	<b>\$ 635,541</b>	<b>\$ -</b>	<b>\$ 302,000</b>	<b>\$ 28,255</b>	<b>\$ 21,720</b>	<b>\$ 892,754</b>	<b>\$ 1,564,515</b>	<b>\$ 2,047,893</b>	<b>\$ 11,549,817</b>	
NOTE: The amounts listed here represent the amounts committed against awarded grants and projects, and therefore will not equal the \$3M allocated to the Bus Replacement Fund in any given year.												



# Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY22 (REVISED) CAPITAL BUDGET/PORTFOLIO AS OF JANUARY 28, 2022													
PROJECT/ACTIVITY	RESTRICTED	RESTRICTED	PTMSEA (1B)	STIP	LCTOP	RESTRICTED	RESTRICTED	CAPITAL RESTRICTED STA	STA-SGR FROM OPER BUDGET	STA-SGR (SB 1)	BUS REPLACEMENT FUND		TOTAL
											MEASURE D (NFR FROM OPER BUDGET)	MEASURE D (NFR FROM OPER BUDGET)	
<b>Revenue Vehicle Purchases, Replacements &amp; Campaigns-Fleet Electrification Projects</b>													
23 19-0028 FY18 STIP - 2 ZEBs (STIP, LPP, HVIP = \$300K)													
24 19-0037 Electric Bus (3) + Infra & Proj Mgmt. (FTA 5339e FY16)	\$ 3,526,286												\$ 103,339
25 19-0041 Completion of OKS Facility-ZEB Yard Charging													\$ 4,609,393
26 19-0042 ZEB Depot & Fleet Planning (CTE)									\$ 21,720				\$ 262,500
27 21-0002 Driver Barriers													\$ 69,920
Subtotal	\$ 3,526,286								\$ 21,720				\$ 526,060
													\$ 331,700
													\$ 5,691,122
<b>Non-Revenue Vehicle Purchases &amp; Replacements</b>													
28 21-0005 Non-Revenue Electric Vehicles (FTA 5338a FY20)	\$ 100,000												\$ 100,000
29 21-0006 Service Truck (FTA 5338a FY20)	\$ 150,000												\$ 150,000
Subtotal	\$ 250,000												\$ 250,000
<b>Fleet &amp; Maint Equipment</b>													
30 19-0045 Floor Scrubber (1) for Maint. Shop (FTA 5338a FY16)	\$ 22,801												\$ 22,801
31 21-0004 Golf Club Part Washers (FTA 5338a FY20)	\$ 80,000												\$ 80,000
32 22-0002 Facilities Maintenance Equipment	\$ 24,841												\$ 24,841
Subtotal	\$ 127,642												\$ 127,642
<b>Office Equipment</b>													
Subtotal													
<b>Misc.</b>													
33 19-0048 Misc Capital Contingency-\$600K - 11/15/19 BOD-\$100K													\$ 286,800
34 19-0049 EOC Equipment													\$ 10,400
35 19-0046 Radio Console Upgrade													\$ 41,800
36 19-0046 Mainstay Upgrade													\$ 37,000
37 19-0046 SVI Trash and Recycling													\$ 6,794
38 19-0046 Timekeeping system - upgrade													\$ 14,900
39 19-0046 Financial System: ABS - Upgrade													\$ 10,000
40 21-0007 Hardware for Bus Stop Redesign													\$ 15,253
Subtotal													\$ 423,253
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$ 6,859,434</b>	<b>\$ 4,469,355</b>		<b>\$ 635,541</b>	<b>\$ 302,000</b>	<b>\$ 28,265</b>	<b>\$ 21,720</b>	<b>\$ 882,764</b>	<b>\$ 7,326,323</b>	<b>\$ 5,694,396</b>	<b>\$ 25,105,778</b>		

# Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY22 (REVISED) CAPITAL BUDGET/PORTFOLIO AS OF JANUARY 28, 2022												
PROJECT/ACTIVITY	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	TOTAL
	FEDERAL FUNDS	PTMISEA (1B)	STIP	LCTOP	LPP	CAPITAL RESTRICTED STA	STA-SB1 (XFR FROM OPER BUDGET)	STA-SGR (SB 1)	MEASURE D (XFR FROM OPER BUDGET)	BUS REPLACEMENT FUND	MEASURE D (XFR FROM OPER BUDGET)	OPERATING & CAPITAL RESERVE FUND
							\$3M PER YEAR (MEASURE D + SB1 STA&SGR)					
<b>CAPITAL PROGRAM FUNDING</b>												
<b>Federal Sources of Funds:</b>												
Federal Grants (FTA)	\$ 5,859,434											\$ 5,859,434
Surface Transportation Block Grant (STBG)	\$ -											\$ -
<b>State Sources of Funds:</b>												
PTMISEA (1B)		\$ 4,469,355										\$ 4,469,355
State Transportation Improvement Program (STIP)			\$ 635,541									\$ 635,541
Low Carbon Transit Operations Program (LCTOP)				\$ -								\$ -
Local Partnership Program (LPP)					\$ 302,000							\$ 302,000
State Transit Assistance (STA)-Prior Years						\$ 28,255	\$ 21,720					\$ 49,975
Transfers from Operating Budget (STA-SB1)								\$ 882,754				\$ 882,754
STA-SGR (SB1)									\$ 7,326,323			\$ 7,326,323
Transfers from Operating Budget (Measure D)												\$ -
<b>Local Sources of Funds:</b>												
Operating and Capital Reserve Fund										\$ 5,584,396		\$ 5,584,396
<b>TOTAL CAPITAL FUNDING BY FUNDING SOURCE</b>	\$ 5,859,434	\$ 4,469,355	\$ 635,541	\$ -	\$ 302,000	\$ 28,255	\$ 21,720	\$ 882,754	\$ 7,326,323	\$ 5,584,396	\$ 25,109,778	\$ 25,109,778
Restricted Funds	\$ 5,859,434	\$ 4,469,355	\$ 635,541	\$ -	\$ 302,000	\$ 28,255		\$ 882,754	\$ 7,326,323		\$ 19,503,662	\$ 19,503,662
Unrestricted Funds							\$ 21,720			\$ 5,584,396	\$ 5,606,116	\$ 5,606,116
<b>TOTAL CAPITAL FUNDING</b>	\$ 5,859,434	\$ 4,469,355	\$ 635,541	\$ -	\$ 302,000	\$ 28,255	\$ 21,720	\$ 882,754	\$ 7,326,323	\$ 5,584,396	\$ 25,109,778	\$ 25,109,778
* NOTE: The amounts listed here represent the amounts committed against awards and projects, and therefore will not equal the \$3M allocated to the Bus Replacement Fund in any given year.												

# Attachment C

## FY22 CAPITAL BUDGET/PORTFOLIO RECONCILIATION BY PROJECT AS OF JANUARY 28, 2022- 2nd REVISION

FY22 FINAL CAPITAL BUDGET/PORTFOLIO ADOPTED JUNE 25, 2021:					\$ 27,189,096
CAPITAL PROJECT	PJT#	SOURCE	AMOUNT	TOTAL	
<b>Revise Project Budget Balance:</b> New METRO Owned Paracruz Facility	19-0001	OP & CAPITAL RESERVE	\$ (73,000)		
<b>Reason:</b> Adjust available budget based on prior year spending					
<b>Revise Project Budget Balance:</b> Pacific Station/Metro Center-Conceptual Design/MOU (5309)	19-0003	FTA STA	\$ (4,906) \$ (1,228)		
<b>Reason:</b> Adjust available budget based on prior year spending					
<b>Revise Project Budget Balance:</b> Main Yard-Security Hardening/Expanded Parking	19-0006	OP & CAPITAL RESERVE	\$ 4,611		
<b>Reason:</b> Adjust available budget based on prior year spending					
<b>Revise Project Budget Balance:</b> Bus Stop Improvements (FTA 5339a FY18)	19-0010	FTA	\$ (98,595)		
<b>Reason:</b> Adjust available budget based on prior year spending					
<b>Revise Project Budget Balance:</b> Gate Control at JKS Bus Entry (FTA 5339a FY18)	19-0011	FTA	\$ (11,313)		
<b>Reason:</b> Adjust available budget based on prior year spending					
<b>Revise Project Budget Balance and Project Description:</b> Paint Exterior-Maint. Facility (FTA 5339a FY18 and FY19)	19-0016	FTA	\$ (1,036)		
<b>Reason:</b> Adjust available budget based on prior year spending and Project description					
<b>Revise Project Budget Balance:</b> FY18 STIP - 2 ZEBs (STIP, LPP, HVIP = \$300K)	19-0026	STIP LPP MEASURE D	\$ (720,899) \$ (786,000) \$ (553,472)		
<b>Reason:</b> Adjust available budget based on prior year spending					
<b>Remove:</b> Paracruz Van Replacement (3) (STBG FY19 via RTC)	19-0033	MEASURE D OP & CAPITAL RESERVE STBG	\$ (52,132) \$ (7,210) \$ (200,000)		
<b>Reason:</b> Project Completed in prior year.					
<b>Revise Project Budget Balance:</b> Electric Bus (3) + Infra & Proj Mgmt.	19-0037	MEASURE D FTA	\$ (5,116) \$ (28,991)		
<b>Reason:</b> Adjust available budget based on prior year spending					

# Attachment C

## FY22 CAPITAL BUDGET/PORTFOLIO RECONCILIATION BY PROJECT AS OF JANUARY 28, 2022- 2nd REVISION

CAPITAL PROJECT	PJT#	SOURCE	AMOUNT	TOTAL
<b>Remove:</b> Zoom System for Conference Room	19-0048m	OP & CAPITAL RESERVE	\$ (4,046)	
<u>Reason:</u> Project Completed in prior year.				
<b>Revise Project Budget Balance:</b> Misc Capital Contingency-\$800K -	19-0048	OP & CAPITAL RESERVE	\$ 10,513	
<u>Reason:</u> Adjust available budget based on prior year spending				
<b>Revise Project Budget Balance:</b> Hardware for Bus Stop Redesign	21-0007	OP & CAPITAL RESERVE	\$ (68,401)	
		OP & CAPITAL RESERVE	\$ 18,000	
<u>Reason:</u> Adjust available budget based on prior years spending and add additional funding in FY22				
<b>Add project:</b> Facilities Maintenance Equipment	22-0002	FTA	\$ 22,199	
<b>Transfer Funds:</b> Funds needed for new project	19-0045	FTA	\$ (22,199)	
<u>Reason:</u> FTA Funds available after the completion of project 19-0045				
<b>Change Description Only:</b> Secondary Virtualization System	22-0001	OP & CAPITAL RESERVE	\$ -	
<u>Reason:</u> Title change				
<b>Add Funds:</b> 2 35' CNG Buses (FY19 Caltrans Discretionary FTA 5339; Bus Replacement Fund)	20-0002	MEASURE D	\$ 148,382	
<u>Reason:</u> Additional funds needed for Project 20-0002 (as per SR 09-24-2021)				
<b>Add project:</b> Timekeeping system - upgrade	19-0048q	OP & CAPITAL RESERVE	\$ 14,900	
<b>Transfer Funds:</b> Funds needed for new project	19-0048	OP & CAPITAL RESERVE	\$ (14,900)	
<u>Reason:</u> Needed Upgrade for the Timekeeping system				
<b>Add project:</b> Financial system ABS - upgrade	19-0048r	OP & CAPITAL RESERVE	\$ 10,000	
<b>Transfer Funds:</b> Funds needed for new project	19-0048	OP & CAPITAL RESERVE	\$ (10,000)	
<u>Reason:</u> Needed Upgrade for the Financial system				
<b>Revise Project Budget Balance:</b> New METRO Owned Paracruz Facility	19-0001	OP & CAPITAL RESERVE	\$ (17,107)	
<u>Reason:</u> Adjust available budget based on prior year spending				
<b>Revise Project Budget Balance:</b> Electric Bus (3) + Infra & Proj Mgmt. (FTA 5339c FY16)	19-0037	FTA	\$ 2,270	
<u>Reason:</u> Adjust available budget based on prior year spending				
<b>Revise Project Budget Balance:</b> Misc Capital Contingency-\$800K - 11/15/19 BOD+\$100K 5/21/2021	19-0048	OP & CAPITAL RESERVE	\$ 55,996	
<u>Reason:</u> Adjust available budget based on prior year spending				

# Attachment C

## FY22 CAPITAL BUDGET/PORTFOLIO RECONCILIATION BY PROJECT AS OF JANUARY 28, 2022- 2nd REVISION

CAPITAL PROJECT	PJT#	SOURCE	AMOUNT	TOTAL
Add back project: ZEB Deployment & Fleet Planning (CTE)	19-0042	OP & CAPITAL RESERVE	\$ 8,500	
		BRF - STA	\$ 21,720	
		OP & CAPITAL RESERVE	\$ 60,700	
		Misc Contingency		
<u>Reason:</u> Spending on the project will resume in FY22				
<hr/>				
Add back project: Radio Console Upgrade	19-0048n	OP & CAPITAL RESERVE		
		Misc Contingency	\$ 41,800	
<u>Reason:</u> Spending on the project will resume in FY22				
<hr/>				
Revise Project Budget: Facilities Maintenance Equipment	22-0002	FTA	\$ 2,642	
<u>Reason:</u> FTA Funds available after the completion of project 19-0045				
<hr/>				
Add Funds and update project description: JKS Facility - Bus Wash Rehab (FTA 5339a FY19 + FY21)	19-0012	FTA	\$ 50,000	
<u>Reason:</u> Additional funds needed				
<hr/>				
Add Funds and update project description: JKS Facility - Upper Security Gates ( FTA FY22 5339a + Reserves)	19-0013	FTA	\$ 129,000	
<u>Reason:</u> Additional funds needed				
<hr/>				
			\$ (2,079,318)	
<b>FUNDING SUMMARY:</b>				
		OP & CAPITAL RESERVE	\$ 30,356	
		FTA	\$ 39,071	
		LCTOP	\$ -	
		LPP	\$ (786,000)	
		MEASURE D	\$ (462,338)	
		PTMISEA	\$ -	
		STA	\$ 20,492	
		STA-SGR	\$ -	
		STBG	\$ (200,000)	
		STIP	\$ (720,899)	
<b>TOTAL CAPITAL BUDGET REVISIONS THROUGH 01/28/22:</b>			<b>\$ (2,079,318)</b>	
<b>FY22 REVISED CAPITAL BUDGET/PORTFOLIO AS OF JANUARY 28, 2022:</b>			<b>\$ 25,109,778</b>	

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**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Curtis Moses, Safety, Security and Risk Management Director  
**SUBJECT: RECOMMENDED ACTION ON TORT CLAIMS**

**I. RECOMMENDED ACTION**

**That the Board of Directors Approve Staff Recommendations for Claims for the Month of January 2022, as reflected in Section VIII of this report**

**II. SUMMARY**

This staff report provides the Board of Directors with recommendations on claims submitted to the Santa Cruz Metropolitan Transit District (METRO).

**III. DISCUSSION/BACKGROUND**

METRO's Risk Department received one claim for the month of January 2022 for money or damages. As a public entity, METRO must act "within 45 days after the claim has been presented" (Govt C §912.4(a)). See staff recommendations in paragraph VIII.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report pertains to METRO's Financial Stability, Stewardship and Accountability.

**V. FINANCIAL CONSIDERATIONS/IMPACT**

None

**VI. CHANGES FROM COMMITTEE**

N/A

**VII. ALTERNATIVES CONSIDERED**

Within the 45-day period, the Board of Directors may take the following actions:

- Reject the claim entirely;

- Allow it in full;
- Allow it in part and reject the balance;
- Compromise it, if the liability or amount due is disputed (Govt C §912.4(a)); or
- Do nothing, and allow the claim to be denied by operation of law (Govt C §912.4 (c)).

**VIII. DESCRIPTION OF CLAIM**

Claimant	Claim #	Description	Recommended Action
Crisara, Joseph	22-0001	Claimant alleges that a METRO bus hit his car. Amount of claim: \$2,840.02	Reject

Prepared by: Tom Szeszowicki, Safety Specialist

**IX. APPROVALS**

Curtis Moses, Safety, Security  
and Risk Management Director

  
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Dawn Crummié,  
Interim CEO/General Manager

  
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**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Dawn Crummié, Human Resources Director  
**SUBJECT: REVIEW REQUEST FOR AUTHORIZATION OF HUMAN RESOURCES ANALYST I POSITION IN THE HUMAN RESOURCES DEPARTMENT**

### **I. RECOMMENDED ACTION**

**That the Personnel/Human Resources Standing Committee review the request for authorization of an HR Analyst I in the Human Resources Department and recommend approval to the full Board of Directors**

### **II. SUMMARY**

- In order to address the needs of the Human Resources Department, , we have determined the need for a journey level I Analyst position. The position will take the place of the current vacant Human Resources Technician position.
- On January 3, 2022, Service Employees International Union Local 521 (SEIU) and Human Resources (HR) staff agreed to the creation of “HR Analyst I” to better address the needs of the Santa Cruz Metropolitan Transit District (METRO).
- Santa Cruz Metropolitan Transit District (METRO) contracted with Koff & Associates (hereinafter “K&A”) to conduct a total classification and compensation study in December 2021.
- HR staff worked with K&A to create a HR Analyst I position description and its wage scale.
- HR staff presented the classification and compensation study to SEIU. SEIU is in agreement with the findings and this recommendation.

### **III. DISCUSSION/BACKGROUND**

In order to address the needs of the department, HR has created an HR Analyst I position was created through a total classification and compensation study performed by K&A. This position will perform a wider variety and complex tasks in the department. This position will take the place of the current vacant HR Technician position. The HR Technician will be defunded and funds moved to fund the new HR Analyst I position.

The study shows the need for a position which would perform a combination of Human Resources duties which include recruitment and selection, classification and compensation, benefits and retirement administration, leave management, training and development, employee and labor relations, workers' compensation, regulatory compliance, Human Resources Information System (HRIS) development/administration, and related human resources functions.

HR staff worked with K&A, to create a new HR Analyst I job description (class specification). Upon approval, an open recruitment will be undertaken to fill the Human Resources Analyst I position.

This position was discussed with SEIU/SEA Chapter President, Jordan Vascones, and Vice President Holly Alcorn. Both SEIU representatives are in support of this new position.

Staff is requesting that the Personnel/Human Resources Standing Committee recommend approval of the HR Analyst I position to the full Board of Directors at its January 28<sup>th</sup> meeting.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This item aligns to the following Strategic Plan Priorities:

- Service Quality and Delivery
- Employee Engagement: Attract, Retain and Develop

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

The adoption of the recommendations contained in this report will require defunding and leaving vacant a HR Technician position (currently vacant) and moving funds to the new HR Analyst I position, which would result in savings of \$7K in the FY22 operating budget (assuming the position is hired at step 1, in the remaining months of FY22).

#### **VI. ALTERNATIVES CONSIDERED**

- Do nothing is an alternative. Staff does not recommend this option. This position meets the needs of METRO.
- Reject the suggested classification and wage survey. Staff does not recommend this action since the new class specification and its wage survey were researched and developed based on the developing needs of METRO.

**VII. ATTACHMENTS**

**Attachment A:** HR Analyst I Job Description

**Attachment B:** HR Analyst I Wage Scale

Prepared by: Dawn Crummié, HR Director

**VIII. APPROVALS**

Monik Delfin, HR Deputy Director

  
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Approved as to fiscal impact:  
Chuck Farmer, Chief Financial Officer

  
\_\_\_\_\_

Dawn Crummié,  
Interim CEO/General Manager

  
\_\_\_\_\_

# Attachment A



## HUMAN RESOURCES DEPARTMENT Santa Cruz METRO

*Class Code: PO218  
FLSA Status: Exempt*

### **HR Analyst I Bargaining Unit: SEA**

#### **DEFINITION:**

Under direction, an Human Resources Analyst I performs a variety of professional and analytical duties in administering human resources programs, including recruitment and selection, classification and compensation, benefits and retirement administration, leave management, training and development, employee and labor relations, workers' compensation, regulatory compliance, Human Resources Information System (HRIS) development/administration, and related human resources functions; provides professional advice and assistance to Santa Cruz METRO management on personnel-related issues; performs related work as required.

#### **DISTINGUISHING CHARACTERISTICS:**

HR Analyst I is the journey-level in the Human Resources Analyst series. Positions at this level perform increasingly diverse, advanced and complex human resources assignments and/or tasks, receive occasional instruction, and have full knowledge of the concepts, practices, procedures, and policies of the assigned function.

This class is distinguished from the Human Resources Analyst II in that the latter is responsible for the more complex programs and projects requiring in-depth knowledge and the ability to interpret, apply, and ensure compliance with a variety of personnel related laws, regulations, and policies.

#### **EXAMPLES OF DUTIES AND RESPONSIBILITIES:**

*The duties listed below represent the various types of work that may be performed. The omission of specific statements of duties does not exclude them if the work is related or a logical assignment to this class.*

- Plans and administers recruitment and selection processes; conducts job analyses and collaborates with hiring managers to establish job-related qualifications; prepares and maintains job announcements and recruitment materials; prepares interview questions; develops, schedules, and proctors various tests and assessments; develops rating criteria; reviews, screens, and tracks employment applications and related documents; chairs and facilitates panel interviews; creates and maintains eligibility lists.
- As authorized, sends offers of employment and schedules pre-employment drug screening, fingerprinting, and medical examinations; coordinates new employee onboarding processes.
- Coordinates recruitment and hiring of temporary help through outside employment agencies. Interview, and select temporary employees.
- Administers Santa Cruz METRO's multi-tiered benefits and retirement programs in accordance with plan provisions and in compliance with local, state, and federal laws, Santa Cruz METRO policies and procedures, and labor contracts, including contract review and renewal, negotiating premium rates, and ensuring vendor effectiveness and competitiveness; monitors eligibility, limitations, and restrictions of plan participation; processes enrollments and withdrawals; calculates and determines benefits; coordinates with Payroll and audits payroll reports; processes pension and insurance payments, fees, and reimbursements; researches and analyzes benefit plan changes and employee data, conducts surveys, and prepares various reports and statements;



# Attachment A

## HUMAN RESOURCES DEPARTMENT Santa Cruz METRO

develops, evaluates, and revises program components and processes; implements new benefits programs; facilitates and participates in external audits.

- Communicates and works with employees, supervisors, managers, retirees, insurance carriers, benefits brokers, benefits providers, and third-party administrators to resolve coverage and claim issues, respond to issues, and provide benefit program information to active and retired employees; provides guidance on policy and plan document interpretation.
- Administers comprehensive leave management program ensuring compliance with local, state, and federal laws, Santa Cruz METRO policies and procedures, and labor contracts; reviews, monitors, and tracks requests and leave usage and accrued balance; evaluates and approves or denies medical certifications; communicates and coordinates with other Santa Cruz METRO departments to ensure proper administration of salary continuance and leave programs.
- Conducts classification studies by gathering and analyzing job data, recommending proper classification, and documenting findings and results; conducts compensation and benefits studies; responds to external and internal requests for salary and benefits information.
- Assists in labor relations activities including negotiations and contract implementation.
- Assists in investigating grievances, complaints, and misconduct allegations and recommends corrective action; facilitates meetings with union representatives and management.
- Counsels and advises employees and management on human resources-related matters, policies, and procedures; provides information to other organizations and the public requiring the use of judgment and the interpretation of human resources policies and procedures and legal requirements; assists management in maintaining regulatory compliance with HR programs.
- Administers Santa Cruz METRO's training and development program including researching, creating, and conducting training, workshops, and presentations; conducts new hire orientation, open enrollment meetings, and exit interviews; coordinates external trainings.
- Participates in administering Santa Cruz METRO's workers' compensation program by monitoring cases from inception to final disposition, reviewing and processing workers' compensation claim forms and related documentation, preparing and maintaining documentation and records, and acting as a liaison with other departments, workers' compensation claims administrator, insurance carriers, contractors, and others; assists in preparing the workers' compensation budget by monitoring claim payments and other administrative expenses and auditing, reviewing, adjusting, and preparing statements from workers' compensation contractors and providers.
- Participates in the development and administration of Santa Cruz METRO human resources policies, practices, and procedures; identifies opportunities and provides recommendations for improving service delivery and procedures; participates in developing and implementing new or revised human resources programs, systems, procedures, and methods of operation.
- Participates in the maintenance of HRIS and related databases; organizes and maintains accurate and detailed databases, files, and records; verifies accuracy of information, researches discrepancies, and records information; coordinates and ensures compliance with established records retention schedules; participates in business and system process design and updates.
- Administers or assists in administering various human resources compliance programs such as Lactation Accommodation Program, Consolidated Omnibus Budget Reconciliation Act (COBRA), responding to Title II/Title VI/Americans with Disabilities Act/504 complaints, and related programs.
- Researches, analyzes, summarizes, and interprets data from various sources and prepares and presents various reports, correspondence, memoranda, and other documents.

# Attachment A



## HUMAN RESOURCES DEPARTMENT Santa Cruz METRO

- Attends meetings, conferences, workshops, and training sessions, and reviews publications to remain current on principles, practices, technologies, regulations, and new developments in the field of human resources.
- May supervise assigned clerical and/or other support staff by scheduling, assigning, directing, and evaluating their work; provides staff training as needed; may perform and/or have significant input into subordinate staff selection and disciplinary action.
- Drive a Santa Cruz METRO vehicle to perform assignments.
- Performs related work as required

### EMPLOYMENT STANDARDS:

#### Knowledge of:

- Principles, practices, and techniques of public agency human resources administration, including recruitment and selection, classification and compensation, benefits and retirement administration, leave management, training and development, employee and labor relations, workers' compensation, regulatory compliance, Human Resource Information System (HRIS) development/administration, and related human resources functions.
- Analytical methods of researching, gathering, organizing, and reporting data.
- Applicable federal, state, and local laws, regulatory codes, ordinances, and procedures relevant to assigned area of responsibility.
- Intermediate mathematics, including percentages and intermediate statistics.
- Principles and procedures of record-keeping.
- Business correspondence, formatting, and report writing.
- Methods of prioritizing, planning, and organizing complex projects and analytical work.
- Advanced customer service techniques.
- The structure and content of the English language, including the meaning and spelling of words, rules of composition, and grammar.
- Modern office practices, procedures, and the effective use of modern office equipment, personal computers, and standard business software.

#### Ability to:

- Administer and coordinate human resources programs.
- Learn and understand the organization and operation of Santa Cruz METRO and of outside agencies as necessary to assume assigned responsibilities.
- Conduct research on a wide variety of human resources topics.
- Collect, analyze, interpret, summarize, and present information and data in an effective manner.
- Prepare clear and concise reports, correspondence, policies, procedures, and other written materials.
- Make accurate mathematical and statistical computations.
- Maintain confidentiality of sensitive personal information of employees, former employees, retirees, and other matters affecting Santa Cruz METRO employee relations.
- Provide effective and responsive customer service, including in stressful situations.
- Maintain a calm demeanor in stressful situations.
- Establish and maintain a variety of filing, record-keeping, and tracking systems.
- Learn, understand, interpret, and apply all pertinent laws, codes, regulations, policies and procedures, and standards relevant to work performed.
- Balance multiple assignments simultaneously and effectively.



# Attachment A

## HUMAN RESOURCES DEPARTMENT Santa Cruz METRO

- Utilize standard office equipment and computer software and learn to use specialized Santa Cruz METRO software if assigned.
- Communicate clearly and effectively in both oral and written form.
- Establish and maintain effective working relationships within the department and with other divisions, departments, agencies, suppliers, vendors, and the public.

### MINIMUM QUALIFICATIONS:

*Any combination of experience and education that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:*

#### **Education, Training, and Experience:**

Bachelor's degree from an accredited college or university in human resources management, organizational development, business or public administration, or a related field.

### AND

One (1) year of professional human resources administration experience, preferably in a public agency.

Familiarity with transit agency or transportation system activities and functions is desirable.

### LICENSES AND CERTIFICATES:

A valid California Driver's License will be required at the time of appointment and throughout employment.

Must be able to obtain and maintain a current, valid California Class "C" Driver's License.

Certified Professional (CP) or Senior Certified Professional (SCP) from a recognized Human Resource Certification organization preferred.

### PHYSICAL AND MENTAL DEMANDS:

*The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this class. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.*

#### **Physical Demands**

While performing the duties of this job, the employee is frequently required to reach with hands and arms; walk, sit and stand; use finger dexterity; talk and hear, and use a keyboard. Work often requires the repetitive use of both hands to grasp and feel objects; stooping at the waist, and standing. Work may require lifting up to 20 pounds unaided. Specific visual abilities required for this job include close vision, distance vision, the ability to see colors and shades, and the ability to perceive depth.

#### **Mental Demands**

While performing the duties of this job, an employee uses written and oral communication skills; reads and interprets data, information and documents; analyzes and solves problems; uses math and mathematical reasoning; performs highly detailed work; deals with multiple concurrent tasks; and interacts with others encountered in the course of work.

#### **Work Environment:**

# Attachment A



## HUMAN RESOURCES DEPARTMENT Santa Cruz METRO

The employee typically works in a standard office environment where the noise level is moderate.

### OTHER CONDITIONS OF EMPLOYMENT:

- Must pass a requisite background check.
- May occasionally work extended hours or hours outside of the regular schedule.
- May require occasional travel.
- Must maintain strict confidentiality of work-related information.
- Must participate in professional development activities.

\*Adopted:

\*BOD Approved:

\*Revised:

\*Job Family: Administrative Professional

\*Job Series: HR Analyst

\*Job Series Level: Journey

\*Confidential: Yes

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# Attachment B

FY20: Effective June 27, 2019/Adopted by the Board as of February 28, 2020

UNION	Step 1	11	Step 2	21	21U	Step 3	31	31L	Step 4	4L	4L	Step 5	51	51L	Step 6	6L	6L
SEP	29.39	30.66	32.33	30.86	32.40	33.94	34.02	34.02	35.64	34.02	35.72	37.42	37.51	39.30	37.51	39.39	41.27
SEP	32.10	35.71	35.32	33.70	35.39	37.08	37.15	38.92	37.15	39.01	40.87	42.91	40.96	42.91	40.96	43.01	45.06
SEP	28.80	23.94	25.08	23.94	25.14	26.34	26.40	27.66	26.40	27.72	29.04	31.10	29.11	30.50	29.11	30.57	32.03
SEP	26.87	28.21	29.55	28.21	29.62	31.03	29.62	31.10	32.58	31.10	32.66	34.22	32.65	34.28	34.28	35.99	37.70
SEP	31.42	32.99	34.56	32.99	34.64	36.29	34.64	36.37	38.10	36.37	38.19	40.01	40.10	42.01	40.10	42.11	44.12
SEP	33.55	37.33	39.11	37.33	39.20	41.07	39.20	41.16	43.12	41.16	43.22	45.28	45.38	47.54	45.38	47.65	49.92
SEP	30.10	31.61	33.12	31.60	33.18	34.76	33.18	34.84	36.50	34.84	36.58	38.41	38.41	40.24	38.41	40.33	42.25
SEP	25.38	26.65	27.92	26.65	27.98	29.31	27.98	29.38	30.78	29.38	30.85	32.32	30.85	32.39	32.39	34.01	35.63
SEP	34.70	36.44	38.18	36.43	38.25	40.07	38.25	40.16	42.07	40.16	42.17	44.18	44.28	46.39	44.28	46.49	48.70
SEP	31.10	32.66	34.22	32.66	34.29	35.92	34.29	36.00	37.71	36.00	37.80	39.60	39.69	41.58	39.69	41.67	43.65
SEP	45.41	47.68	49.95	47.68	50.06	52.44	50.06	52.56	55.06	52.56	55.19	57.82	57.95	60.71	57.95	60.85	63.75
SES	23.98	25.18	26.38	25.18	26.44	27.70	26.44	27.76	29.08	27.76	29.15	30.54	30.61	32.07	30.61	32.14	33.67
SES	29.98	31.48	32.98	31.48	33.05	34.62	33.05	34.70	36.35	34.70	36.44	38.18	38.26	40.08	38.26	40.17	42.08
SES	32.97	34.62	36.27	34.62	36.35	38.08	36.35	38.17	39.99	38.17	40.08	41.99	40.08	42.08	40.08	42.18	44.28
SES	19.90	20.90	21.90	20.90	21.93	22.97	21.93	23.03	24.13	23.03	24.18	25.33	24.18	25.39	26.60	25.39	27.93
SES	28.97	30.42	31.87	30.42	31.94	33.46	31.94	33.54	35.14	33.54	35.22	36.90	35.22	36.98	38.74	36.98	40.68
SES	23.70	24.89	26.08	24.89	26.13	27.37	26.13	27.44	28.75	27.44	28.81	30.18	30.25	31.69	30.25	31.76	33.27
SES	23.06	24.21	25.36	24.21	25.42	26.63	25.42	26.69	27.96	26.69	28.02	29.35	28.02	29.42	30.82	29.42	30.89
SES	20.75	21.79	22.83	21.79	22.88	23.97	22.88	24.02	25.16	24.02	25.22	26.42	25.22	26.48	27.74	26.48	29.12
SES	25.35	26.62	27.89	26.62	27.95	29.28	27.95	29.35	30.75	29.35	30.82	32.29	30.82	32.36	32.36	33.98	35.60
SES	24.20	25.41	26.62	25.41	26.68	27.95	26.68	28.01	29.34	28.01	29.41	30.81	30.88	32.35	30.88	32.42	33.96
SES	24.76	26.00	27.24	26.00	27.30	28.60	27.30	28.67	30.04	28.67	30.10	31.53	30.10	31.61	31.61	33.19	34.77
SES	21.62	22.70	23.78	22.70	23.84	24.98	23.84	25.02	26.21	25.02	26.27	27.52	26.27	27.58	28.89	27.58	30.34
SES	24.02	25.22	26.42	25.22	26.48	27.74	26.48	27.80	29.12	27.80	29.19	30.58	29.19	30.65	32.11	30.65	33.71
SES	16.97	17.82	18.67	17.79	18.68	19.57	18.65	19.58	20.51	19.57	20.55	21.53	20.53	21.56	22.59	21.56	23.72
SES	19.90	20.90	21.90	20.89	21.93	22.97	21.93	23.03	24.13	23.03	24.18	25.33	24.18	25.39	26.60	25.39	28.96
SES	23.06	24.21	25.36	24.21	25.42	26.63	25.42	26.69	27.96	26.69	28.02	29.35	28.02	29.42	30.82	29.42	32.36
SES	20.95	22.00	23.05	22.00	23.10	24.20	23.10	24.26	25.42	24.26	25.46	26.67	25.46	26.73	28.00	26.73	29.41
SES	23.28	24.44	25.60	24.44	25.66	26.88	25.66	26.94	28.22	26.94	28.29	29.64	28.29	29.70	31.11	29.70	32.68
SES	36.29	38.10	39.91	38.10	40.01	41.92	40.00	42.00	44.00	42.00	44.10	46.20	44.10	46.31	48.52	46.30	50.94
SES	35.63	35.31	36.99	35.31	37.08	38.85	37.08	38.93	40.78	38.93	40.88	42.83	40.88	42.92	45.07	42.92	47.22
SES	28.27	29.68	31.09	29.68	31.16	32.64	31.16	32.72	34.28	32.72	34.36	36.00	34.36	36.08	37.80	36.08	39.68
SES	31.10	32.66	34.22	32.66	34.29	35.92	34.29	36.00	37.71	36.00	37.80	39.60	37.80	39.69	41.58	39.69	43.65
SES	20.95	22.00	23.05	22.00	23.10	24.20	23.10	24.26	25.42	24.26	25.46	26.67	25.46	26.73	28.00	26.73	29.41
SES	23.04	24.19	25.34	24.19	25.40	26.61	25.40	26.67	27.94	26.67	28.00	29.33	28.00	29.40	30.80	29.40	32.34
SES	24.20	25.41	26.62	25.41	26.68	27.95	26.68	28.01	29.34	28.01	29.41	30.81	30.88	32.35	30.88	32.42	33.96
SES	24.43	25.65	26.87	25.65	26.93	28.21	26.93	28.28	29.63	28.28	29.69	31.10	29.69	31.17	32.65	31.17	34.29
SES	27.13	28.49	29.85	28.49	29.91	31.33	29.91	31.41	32.91	31.41	32.98	34.55	32.98	34.63	36.28	34.63	38.09
SES	20.28	21.29	22.30	21.29	22.35	23.41	22.35	23.47	24.59	23.47	24.64	25.81	24.64	25.87	27.10	25.87	28.45
SES	27.91	29.31	30.71	29.31	30.78	32.25	30.78	32.32	33.86	32.32	33.94	35.56	33.94	35.64	37.42	35.64	39.20
SES	20.95	22.00	23.05	22.00	23.10	24.20	23.10	24.26	25.42	24.26	25.46	26.67	25.46	26.73	28.00	26.73	29.41
SES	29.98	31.48	32.98	31.48	33.05	34.62	33.05	34.70	36.35	34.70	36.44	38.18	38.26	40.08	38.26	40.17	42.08
SES	32.97	34.62	36.27	34.62	36.35	38.08	36.35	38.17	39.99	38.17	40.08	41.99	40.08	42.08	40.08	42.18	44.28
SES	29.98	31.48	32.98	31.48	33.05	34.62	33.05	34.70	36.35	34.70	36.44	38.18	38.26	40.08	38.26	40.17	42.08
SES	24.20	25.41	26.62	25.41	26.68	27.95	26.68	28.01	29.34	28.01	29.41	30.81	30.88	32.35	30.88	32.42	33.96

# 10.10B.1

# Attachment B

FY20: Effective June 27, 2019/Adopted by the Board as of February 28, 2020

UNION	TITLE	Step 1	1L	1U	Step 2	2L	2U	Step 3	3L	3U	Step 4	4L	4U	Step 5	5L	5U	Step 6	6L	6U
SES	Planning Aide	19.31	20.28	21.25	20.23	21.29	22.30	21.29	22.35	23.41	22.35	23.47	24.59	23.47	24.64	25.81	24.64	25.87	27.10
SES	Planning Data Analyst	29.98	31.48	32.98	31.48	33.05	34.62	33.05	34.70	36.35	34.70	36.44	38.18	36.44	38.26	40.08	38.26	40.17	42.08
SES	Purchasing Agent	29.71	31.20	32.69	31.20	32.76	34.32	32.76	34.40	36.12	34.40	36.12	37.84	36.12	37.93	39.74	37.93	39.83	41.73
SES	Purchasing Assistant	27.24	28.60	29.96	28.60	30.03	31.46	30.03	31.53	33.03	31.53	33.11	34.69	31.53	34.77	36.43	34.77	36.51	38.25
SES	Revenue Account Coordinator	20.89	21.93	22.97	21.93	23.03	24.13	23.03	24.18	25.33	24.18	25.39	26.60	25.39	26.66	27.93	26.66	27.99	29.32
SES	Revenue Collection Clerk	18.79	19.73	20.67	19.73	20.72	21.71	20.72	21.76	22.80	21.76	22.85	23.94	22.85	23.99	25.13	23.99	25.19	26.39
SES	Safety and Training Program Specialist I	34.99	36.74	38.49	36.74	38.58	40.42	38.58	40.51	42.44	40.51	42.54	44.57	42.54	44.67	46.80	44.67	46.90	49.13
SES	Safety and Training Program Specialist II	38.90	40.85	42.80	40.85	42.88	44.92	42.88	45.02	47.16	45.02	47.27	49.63	47.27	49.63	51.99	49.63	52.11	54.59
SES	Scheduling Analyst	29.98	31.48	32.98	31.48	33.05	34.62	33.05	34.70	36.35	34.70	36.44	38.18	36.44	38.26	40.08	38.26	40.17	42.08
SES	Senior Accounting Technician	26.34	27.66	28.98	27.66	29.04	30.42	29.04	30.49	31.94	30.49	32.01	33.53	32.01	33.61	35.21	33.61	35.29	36.97
SES	Senior Customer Service Representative	23.88	25.07	26.26	25.07	26.32	27.57	26.32	27.64	28.96	27.64	29.02	30.40	29.02	30.47	31.92	30.47	31.99	33.51
SES	Senior Financial Analyst	39.90	41.90	43.90	41.90	44.00	46.10	43.99	46.19	48.39	46.19	48.50	50.81	48.50	50.93	53.36	50.93	53.48	56.03
SES	Senior Payroll Specialist	29.05	30.50	31.95	30.50	32.03	33.56	32.03	33.62	35.22	33.62	35.30	36.98	35.30	37.07	38.84	37.06	38.91	40.76
SES	Senior Systems Administrator	45.01	47.26	49.51	47.26	49.62	51.98	49.62	52.10	54.58	52.10	54.71	57.45	54.71	57.45	60.19	57.45	60.32	63.19
SES	Senior Transportation Planner	40.36	42.38	44.40	42.38	44.50	46.62	44.50	46.73	48.96	46.73	48.96	51.40	48.96	51.51	53.96	51.51	54.09	56.67
SES	Systems Administrator	40.91	42.96	45.01	42.96	45.11	47.26	45.11	47.37	49.74	47.37	49.74	52.33	49.74	52.33	54.72	52.33	54.84	57.45
SES	Transportation Planner I	30.27	31.78	33.29	31.78	33.37	34.96	33.37	35.04	36.71	35.04	36.79	38.54	36.79	38.63	40.47	38.63	40.56	42.49
SES	Transportation Planner II	35.63	35.31	35.99	35.31	37.08	38.85	37.08	38.93	40.78	38.93	40.88	42.83	40.88	42.92	44.96	42.92	45.07	47.22
SEV	Electronic Technician	31.10	32.66	34.22	32.66	34.29	35.92	34.29	36.00	37.71	36.00	37.80	39.60	37.80	39.69	41.58	39.69	41.67	43.65
SEV	Lead Mechanic	31.60	33.18	34.76	33.18	34.84	36.50	34.84	36.58	38.32	36.58	38.41	40.24	38.41	40.33	42.25	40.33	42.35	44.37
SEV	Lead Parts and Materials Clerk	26.75	28.09	29.43	28.09	29.49	30.89	29.49	30.96	32.51	30.96	32.51	34.06	32.51	34.14	35.77	34.14	35.85	37.56
SEV	Lead Vehicle Service Worker	22.38	23.50	24.62	23.50	24.68	25.86	24.67	25.90	27.13	25.90	27.20	28.50	27.20	28.56	29.92	28.56	29.99	31.42
SEV	Mechanic I	23.70	24.89	26.08	24.89	26.13	27.37	26.13	27.44	28.75	27.44	28.81	30.18	28.81	30.25	31.69	30.25	31.76	33.27
SEV	Mechanic II	26.34	27.66	28.98	27.66	29.04	30.42	29.04	30.49	31.94	30.49	32.01	33.53	32.01	33.61	35.21	33.61	35.29	36.97
SEV	Mechanic III	28.97	30.42	31.87	30.42	31.94	33.46	31.94	33.54	35.14	33.54	35.22	36.90	35.22	36.98	38.74	36.98	38.83	40.68
SEV	Parts and Materials Clerk	22.30	23.42	24.54	23.42	24.58	25.75	24.58	25.81	27.04	25.81	27.10	28.39	27.10	28.46	29.82	28.46	29.87	31.29
SEV	Upholsterer I	22.38	23.50	24.62	23.50	24.68	25.86	24.68	25.91	27.14	25.91	27.21	28.51	27.21	28.57	29.93	28.57	30.00	31.43
SEV	Upholsterer II	24.62	25.85	27.08	25.85	27.14	28.43	27.14	28.50	29.86	28.50	29.93	31.36	29.93	31.43	32.93	31.43	33.00	34.57
SEV	Vehicle Body Repair Mechanic	24.62	25.85	27.08	25.85	27.14	28.43	27.14	28.50	29.86	28.50	29.93	31.36	29.93	31.43	32.93	31.43	33.00	34.57
SEV	Vehicle Service Detailer	20.50	21.53	22.56	21.53	22.61	23.69	22.61	23.74	24.87	23.74	24.93	26.12	24.93	26.18	27.43	26.18	27.49	28.80
SEV	Vehicle Service Worker I	18.78	17.62	18.46	17.62	18.50	19.38	18.50	19.43	20.36	19.43	20.40	21.37	20.40	21.42	22.44	21.42	22.49	23.56
SEV	Vehicle Service Worker II	18.71	19.65	20.59	19.65	20.64	21.62	20.61	21.64	22.67	21.62	22.70	23.78	22.70	23.81	24.94	23.81	24.99	26.18

Special Handling - filled positions as of 10/26/2019

UNION	TITLE	Step 1	1L	1U	Step 2	2L	2U	Step 3	3L	3U	Step 4	4L	4U	Step 5	5L	5U	Step 6	6L	6U
SES	Benefits Technician	24.46	25.68	26.90	25.67	26.95	28.23	26.95	28.30	29.65	28.33	29.75	31.17	29.73	31.22	32.71	31.24	32.80	34.36
SES	Human Resources Technician	25.21	26.47	27.73	26.47	27.79	29.11	27.79	29.14	30.53	29.18	30.64	32.10	30.64	32.17	33.70	32.19	33.80	35.41
SES	Planning Aide	22.74	23.88	25.02	23.87	25.06	26.25	25.05	26.30	27.55	26.34	27.66	28.98	27.63	29.01	30.39	29.03	30.48	31.93
SES	Planning Data Analyst	30.37	31.89	33.41	31.89	33.48	35.07	33.48	35.15	36.82	35.15	36.91	38.67	36.90	38.75	40.60	38.75	40.69	42.63
SEV	Mechanic I	24.10	25.31	26.52	25.31	26.58	27.85	26.58	27.91	29.24	27.91	29.31	30.71	29.31	30.78	32.25	30.78	32.32	33.86
SEV	Vehicle Service Worker I	16.99	17.84	18.69	17.82	18.71	19.60	18.68	19.61	20.54	19.59	20.57	21.55	20.58	21.61	22.64	21.60	22.68	23.76

*Longevity Pay is based only on length of service.*

Notes: \* Adding Customer Service Assistant to the SEA Chapter. Position and wage approved on BOD 06.26.2020. Adding HR Analyst I to the SEA Chapter. Position and wage approved on BOD 01.28.2022.

### Tentative Agreement

Article 10.1 Pay Rates  
agree to pay scales as provided above.

Dawn Crummie, Interim CEO/General Manager, Santa Cruz METRO

\*Jordan Vascones, President SEA Chapter

Kiernan Colby, Lead Internal Organizer, SEIU Local 521

# Attachment B

FY21-1.5% wage increase, effective June 25, 2020/Adopted by the Board as of February 28, 2020

UNION	TITLE	Step 1	1L	1LL	Step 2	2L	2LL	Step 3	3L	3LL	Step 4	4L	4LL	Step 5	5L	5LL	Step 6	6L	6LL
SEP	Administrative Supervisor	29.83	31.32	32.81	34.32	32.89	34.46	32.89	34.53	36.17	34.53	36.26	37.99	36.26	38.07	39.88	38.07	39.97	41.87
SEP	Assistant Safety & Training Coordinator	32.58	34.21	35.84	37.41	35.92	37.63	35.92	37.72	39.52	37.72	39.61	41.50	39.61	41.59	43.57	41.59	43.67	45.75
SEP	Custodial Supervisor	23.14	24.30	25.46	26.74	25.52	26.74	25.52	26.80	28.08	26.80	28.14	29.48	28.14	29.55	30.96	29.55	31.03	32.51
SEP	Customer Service Supervisor	27.27	28.63	29.99	31.49	30.06	31.49	30.06	31.56	33.14	31.56	33.14	34.72	33.14	34.80	36.46	34.80	36.54	38.28
SEP	Facilities Maintenance Supervisor	31.89	33.48	35.07	36.82	35.15	36.82	35.15	36.91	38.67	36.91	38.76	40.61	38.76	40.70	42.64	40.70	42.74	44.78
SEP	Fleet Maintenance Supervisor	36.08	37.88	39.68	37.88	39.77	41.66	39.77	41.76	43.75	41.76	43.85	45.84	43.85	46.04	48.23	46.04	48.34	50.64
SEP	Parts and Materials Supervisor	30.55	32.08	33.61	32.08	33.68	35.28	33.68	35.36	37.04	35.36	37.13	38.90	37.13	38.99	40.85	38.99	40.94	42.89
SEP	Revenue Collection Supervisor	25.76	27.05	28.34	27.05	28.40	29.75	28.40	29.82	31.24	29.82	31.31	32.80	31.31	32.88	34.45	32.88	34.52	36.16
SEP	Safety & Training Coordinator	35.22	36.98	38.74	36.98	38.83	40.68	38.83	40.77	42.71	40.77	42.81	44.85	42.81	44.95	47.09	44.95	47.20	49.45
SEP	Transit Supervisor	31.57	33.15	34.73	33.15	34.81	36.47	34.81	36.55	38.29	36.55	38.38	40.21	38.38	40.30	42.22	40.30	42.32	44.34
SEP	Transportation Planning Supervisor	46.09	48.39	50.69	48.39	50.81	53.23	50.81	53.35	55.89	53.35	56.02	58.69	56.02	58.82	61.62	58.82	61.76	64.70
SES	Accessible Services Coordinator	24.34	25.56	26.78	25.56	26.84	28.12	26.84	28.18	29.52	28.18	29.59	31.00	29.59	31.07	32.55	31.07	32.62	34.17
SES	Accountant I	30.43	31.95	33.47	31.95	33.55	35.15	33.55	35.23	36.91	35.23	36.99	38.75	36.99	38.84	40.69	38.84	40.78	42.72
SES	Accountant II	30.46	35.13	36.89	35.13	36.89	38.65	36.89	38.73	40.57	38.73	40.67	42.61	40.67	42.70	44.73	42.70	44.84	46.98
SES	Accounting Clerk	20.20	21.21	22.22	21.21	22.27	23.33	22.27	23.38	24.49	23.38	24.55	25.72	24.55	25.78	27.01	25.78	27.07	28.36
SES	Accounting Specialist	29.40	30.87	32.34	30.87	32.41	33.95	32.41	34.03	35.65	34.03	35.73	37.43	35.73	37.52	39.31	37.52	39.40	41.28
SES	Accounting Technician	24.06	25.26	26.46	25.26	26.52	27.78	26.52	27.85	29.18	27.85	29.24	30.63	29.24	30.70	32.16	30.70	32.24	33.78
SES	Administrative Assistant	23.41	24.58	25.75	24.58	25.81	27.04	25.81	27.10	28.39	27.10	28.46	29.82	28.46	29.88	31.30	29.88	31.37	32.86
SES	Administrative Clerk	21.06	22.11	23.16	22.11	23.22	24.33	23.22	24.38	25.54	24.38	25.60	26.82	25.60	26.88	28.16	26.88	28.22	29.56
SES	Administrative Specialist	25.73	27.02	28.31	27.02	28.37	29.72	28.37	29.79	31.21	29.79	31.28	32.77	31.28	32.84	34.40	32.84	34.48	36.12
SES	Benefits Technician	24.56	25.79	27.02	25.79	27.08	28.37	27.08	28.43	29.78	28.43	29.85	31.27	29.85	31.34	32.83	31.34	32.91	34.48
SES	Buyer	25.13	26.39	27.65	26.39	27.71	29.03	27.71	29.10	30.49	29.10	30.56	32.02	30.56	32.09	33.62	32.09	33.69	35.29
SES	Claims Technician I	21.94	23.04	24.14	23.04	24.19	25.34	24.19	25.40	26.61	25.40	26.67	27.94	26.67	28.00	29.33	28.00	29.40	30.80
SES	Claims Technician II	24.38	25.60	26.82	25.60	26.88	28.16	26.88	28.22	29.56	28.22	29.63	31.04	29.63	31.11	32.59	31.11	32.67	34.23
SES	Custodial Service Worker	17.22	18.08	18.94	18.08	18.98	19.88	18.98	19.93	20.88	19.93	20.93	21.93	20.93	21.98	23.03	21.98	23.08	24.18
SES	Customer Service Representative	20.20	21.21	22.22	21.21	22.27	23.33	22.27	23.38	24.49	23.38	24.55	25.72	24.55	25.78	27.01	25.78	27.07	28.36
SES	Customer Service Assistant	23.41	24.58	25.75	24.58	25.81	27.04	25.81	27.10	28.39	27.10	28.46	29.82	28.46	29.88	31.30	29.88	31.37	32.86
SES	Facilities Maintenance Worker I	21.26	22.32	23.38	22.32	23.44	24.56	23.44	24.61	25.78	24.61	25.84	27.07	25.84	27.13	28.42	27.13	28.49	29.85
SES	Facilities Maintenance Worker II	23.63	24.81	25.99	24.81	26.05	27.29	26.05	27.35	28.65	27.35	28.72	30.09	28.72	30.16	31.60	30.16	31.67	33.18
SES	Financial Analyst	36.83	38.67	40.51	38.67	40.51	42.53	40.51	42.63	44.66	42.63	44.76	46.89	44.76	47.00	49.24	47.00	49.35	51.70
SES	Grants/Legislative Analyst	34.13	35.84	37.55	35.84	37.63	39.42	37.63	39.51	41.39	39.51	41.49	43.47	41.49	43.56	45.63	43.56	45.74	47.92
SES	HR Analyst I	28.69	30.12	31.55	30.12	31.63	33.14	31.63	33.21	34.79	33.21	34.87	36.53	34.87	36.61	38.35	36.61	38.44	40.27
SES	HR Analyst II	31.57	33.15	34.73	33.15	34.81	36.47	34.81	36.55	38.29	36.55	38.38	40.21	38.38	40.30	42.22	40.30	42.32	44.34
SES	Human Resources Clerk	21.26	22.32	23.38	22.32	23.44	24.56	23.44	24.61	25.78	24.61	25.84	27.07	25.84	27.13	28.42	27.13	28.49	29.85
SES	Human Resources Specialist	23.99	24.56	25.73	24.56	25.79	27.02	25.79	27.08	28.37	27.08	28.43	29.78	28.43	29.85	31.27	29.85	31.34	32.83
SES	Human Resources Technician	24.56	25.79	27.02	25.79	27.08	28.37	27.08	28.43	29.78	28.43	29.85	31.27	29.85	31.34	32.83	31.34	32.91	34.48
SES	Information Technology Support Analyst I	24.80	26.04	27.28	26.04	27.34	28.64	27.34	28.71	30.08	28.71	30.15	31.59	30.15	31.66	33.17	31.66	33.24	34.82
SES	Information Technology Support Analyst II	27.54	28.92	30.30	28.92	30.37	31.82	30.37	31.89	33.41	31.89	33.48	35.07	33.48	35.15	36.82	35.15	36.91	38.67
SES	Lead Custodial Service Worker	20.58	21.61	22.64	21.61	22.69	23.77	22.69	23.82	24.95	23.82	24.95	26.20	24.95	26.26	27.51	26.26	27.57	28.88
SES	Lead Facilities Maintenance Worker	28.33	29.75	31.17	29.75	31.24	32.73	31.24	32.80	34.36	32.80	34.44	36.08	34.44	36.16	37.88	36.16	37.97	39.78
SES	Legal Secretary	21.26	22.32	23.38	22.32	23.44	24.56	23.44	24.61	25.78	24.61	25.84	27.07	25.84	27.13	28.42	27.13	28.49	29.85
SES	Paralegal I	30.43	31.95	33.47	31.95	33.55	35.15	33.55	35.23	36.91	35.23	36.99	38.75	36.99	38.84	40.69	38.84	40.78	42.72
SES	Paralegal II	33.46	35.13	36.80	35.13	36.89	38.65	36.89	38.73	40.57	38.73	40.67	42.61	40.67	42.70	44.73	42.70	44.84	46.98
SES	Paratransit Eligibility Coordinator	30.43	31.95	33.47	31.95	33.55	35.15	33.55	35.23	36.91	35.23	36.99	38.75	36.99	38.84	40.69	38.84	40.78	42.72
SES	Payroll Specialist	24.56	25.79	27.02	25.79	27.08	28.37	27.08	28.43	29.78	28.43	29.85	31.27	29.85	31.34	32.83	31.34	32.91	34.48

10.10B.3

# Attachment B

FY21: 1.5% wage increase, effective June 25, 2020/Adopted by the Board as of February 28, 2020

UNION	TITLE	Step 1	1L	1LL	Step 2	2L	2LL	Step 3	3L	3LL	Step 4	4L	4LL	Step 5	5L	5LL	Step 6	6L	6LL
SES	Planning Aide	19.60	20.58	21.56	20.58	21.61	22.64	21.61	22.69	23.77	22.69	23.82	24.95	23.82	25.01	26.20	25.01	26.26	27.51
SES	Planning Data Analyst	30.43	31.95	33.47	31.95	33.55	35.15	33.55	35.23	36.91	35.23	36.99	38.75	36.99	38.84	40.69	38.84	40.78	42.72
SES	Purchasing Agent	30.16	31.67	33.18	31.67	33.25	34.83	33.25	34.91	36.57	34.91	36.66	38.41	36.66	38.49	40.32	38.49	40.41	42.33
SES	Revenue Account Coordinator	27.65	29.03	30.41	29.03	30.48	31.93	30.48	32.00	33.60	32.00	33.60	35.28	33.60	35.28	37.04	35.28	37.04	38.80
SES	Revenue Account Coordinator	21.20	22.26	23.32	22.26	23.37	24.48	23.37	24.54	25.71	24.54	25.77	27.00	25.77	27.06	28.35	27.06	28.41	29.76
SES	Revenue Collection Clerk	19.07	20.02	20.97	20.02	21.02	22.02	21.02	22.07	23.12	22.07	23.17	24.27	23.17	24.33	25.49	24.33	25.55	26.77
SES	Safety and Training Program Specialist I	35.51	37.29	39.07	37.29	39.15	41.01	39.15	41.11	43.07	41.11	43.17	45.23	43.17	45.33	47.49	45.33	47.60	49.87
SES	Safety and Training Program Specialist II	39.48	41.45	43.42	41.45	43.52	45.59	43.52	45.70	47.88	45.70	47.99	50.28	47.99	50.39	52.79	50.39	52.91	55.43
SES	Scheduling Analyst	30.43	31.95	33.47	31.95	33.55	35.15	33.55	35.23	36.91	35.23	36.99	38.75	36.99	38.84	40.69	38.84	40.78	42.72
SES	Senior Accounting Technician	26.74	28.08	29.42	28.08	29.48	30.88	29.48	30.95	32.42	30.95	32.50	34.05	32.50	34.13	35.76	34.13	35.84	37.55
SES	Senior Customer Service Representative	24.24	25.45	26.66	25.45	26.72	27.99	26.72	28.06	29.40	28.06	29.46	30.86	29.46	30.93	32.40	30.93	32.48	34.03
SES	Senior Financial Analyst	40.50	42.53	44.56	42.53	44.66	46.79	44.66	46.89	49.12	46.89	49.23	51.57	49.23	51.69	54.15	51.69	54.27	56.85
SES	Senior Payroll Specialist	29.49	30.96	32.43	30.96	32.51	34.06	32.51	34.14	35.77	34.14	35.85	37.56	35.85	37.64	39.43	37.64	39.52	41.40
SES	Senior Systems Administrator	45.69	47.87	50.25	47.87	50.37	52.77	50.37	52.89	55.41	52.89	55.53	58.17	55.53	58.31	61.09	58.31	61.23	64.15
SES	Senior Transportation Planner	40.97	43.02	45.07	43.02	45.17	47.32	45.17	47.43	49.69	47.43	49.80	52.17	49.80	52.29	54.78	52.29	54.90	57.51
SES	Systems Administrator	41.52	43.60	45.68	43.60	45.78	47.96	45.78	48.07	50.36	48.07	50.47	52.87	50.47	52.99	55.51	52.99	55.64	58.29
SES	Transportation Planner I	30.72	32.26	33.80	32.26	33.87	35.48	33.87	35.56	37.25	35.56	37.34	39.12	37.34	39.21	41.08	39.21	41.17	43.13
SES	Transportation Planner II	34.13	35.84	37.55	35.84	37.63	39.42	37.63	39.51	41.39	39.51	41.49	43.47	41.49	43.56	45.63	43.56	45.74	47.92
SEV	Electronic Technician	33.15	34.73	36.31	34.73	36.41	38.11	36.41	38.29	40.07	38.29	40.26	42.14	40.26	42.32	44.30	42.32	44.34	46.41
SEV	Lead Mechanic	32.07	33.67	35.27	33.67	35.35	37.03	35.35	37.12	38.89	37.12	38.98	40.84	38.98	40.93	42.88	40.93	42.98	45.03
SEV	Lead Parts and Materials Clerk	27.15	28.51	29.87	28.51	29.94	31.37	29.94	31.44	32.94	31.44	33.01	34.58	33.01	34.66	36.39	34.66	36.39	38.12
SEV	Lead Vehicle Service Worker	22.72	23.86	25.00	23.86	25.05	26.24	25.05	26.30	27.55	26.30	27.62	28.94	27.62	29.00	30.38	29.00	30.45	31.90
SEV	Mechanic I	24.06	25.26	26.46	25.26	26.52	27.78	26.52	27.85	29.18	27.85	29.24	30.63	29.24	30.70	32.16	30.70	32.24	33.78
SEV	Mechanic II	26.74	28.08	29.42	28.08	29.48	30.88	29.48	30.95	32.42	30.95	32.50	34.05	32.50	34.13	35.76	34.13	35.84	37.55
SEV	Mechanic III	29.40	30.87	32.34	30.87	32.41	33.95	32.41	34.03	35.65	34.03	35.73	37.43	35.73	37.52	39.31	37.52	39.40	41.28
SEV	Parts and Materials Clerk	22.63	23.76	24.89	23.76	24.95	26.14	24.95	26.20	27.45	26.20	27.51	28.82	27.51	28.89	30.27	28.89	30.33	31.77
SEV	Upholsterer I	22.72	23.86	25.00	23.86	25.05	26.24	25.05	26.30	27.55	26.30	27.62	28.94	27.62	29.00	30.38	29.00	30.45	31.90
SEV	Upholsterer II	24.99	26.24	27.49	26.24	27.55	28.86	27.55	28.93	30.31	28.93	30.38	31.83	30.38	31.90	33.42	31.90	33.50	35.10
SEV	Vehicle Body Repair Mechanic	24.99	26.24	27.49	26.24	27.55	28.86	27.55	28.93	30.31	28.93	30.38	31.83	30.38	31.90	33.42	31.90	33.50	35.10
SEV	Vehicle Service Detailer	20.81	21.85	22.89	21.85	22.94	24.03	22.94	24.09	25.24	24.09	25.29	26.49	25.29	26.55	27.81	26.55	27.88	29.21
SEV	Vehicle Service Worker I	17.03	17.88	18.73	17.88	18.77	19.66	18.77	19.71	20.65	19.71	20.70	21.69	20.70	21.74	22.78	21.74	22.83	23.92
SEV	Vehicle Service Worker II	18.99	19.94	20.89	19.94	20.94	21.94	20.94	21.99	23.04	21.99	23.09	24.19	23.09	24.24	25.39	24.24	25.45	26.66

Special Handling - filled positions as of 10/26/2019

UNION	TITLE	Step 1	1L	1LL	Step 2	2L	2LL	Step 3	3L	3LL	Step 4	4L	4LL	Step 5	5L	5LL	Step 6	6L	6LL
SES	Benefits Technician	24.83	26.07	27.31	26.07	27.37	28.67	27.37	28.74	30.11	28.74	30.18	31.62	30.18	31.69	33.20	31.69	33.27	34.85
SES	Human Resources Technician	25.59	26.87	28.15	26.87	28.21	29.55	28.21	29.62	31.03	29.62	31.10	32.58	31.10	32.66	34.22	32.66	34.29	35.92
SES	Planning Aide	23.08	24.23	25.38	24.23	25.44	26.65	25.44	26.71	27.98	26.71	28.05	29.39	28.05	29.45	30.85	29.45	30.92	32.39
SES	Planning Data Analyst	30.83	32.37	33.91	32.37	33.99	35.61	33.99	35.69	37.39	35.69	37.47	39.25	37.47	39.34	41.21	39.34	41.31	43.28
SEV	Mechanic I	24.46	25.68	26.90	25.68	26.96	28.24	26.96	28.31	29.66	28.31	29.73	31.15	29.73	31.22	32.71	31.22	32.78	34.34
SEV	Vehicle Service Worker I	17.24	18.10	18.96	18.10	19.01	19.92	19.01	19.96	20.91	19.96	20.96	21.96	20.96	22.01	23.06	22.01	23.11	24.21

Longevity Pay is based only on length of service.

Notes: \* Adding Customer Service Assistant to the SEA Chapter. Position and wage approved on BOD 06.26.2020. Adding HR Analyst I to the SEA Chapter. Position and wage approved on BOD 01.28.2022.

## Tentative Agreement

### Article 10.1 Pay Rates

Agree to pay scales as provided above.

Date \_\_\_\_\_

\_\_\_\_\_ Dawn Crummie, Interim CEO/General Manager, Santa Cruz METRO

\* Jordan Vascones, President SEA Chapter

10.10B.4

# Attachment B

FY22: 2.5% wage increase, effective June 24, 2021/Adopted by the Board as of February 28, 2020

UNION	TITLE	Step 1	1L	1LL	Step 2	2L	2LL	Step 3	3L	3LL	Step 4	4L	4LL	Step 5	5L	5LL	Step 6	6L	6LL
SEP	Administrative Supervisor	30.58	32.11	33.64	32.11	33.72	35.33	33.72	35.41	37.10	35.41	37.18	38.95	37.18	39.04	40.90	39.04	40.99	42.94
SEP	Assistant Safety & Training Coordinator	33.39	35.06	36.73	35.06	36.81	38.56	36.81	38.65	40.49	38.65	40.58	42.51	40.58	42.61	44.64	42.61	44.74	46.87
SEP	Custodial Supervisor	23.72	24.91	26.10	24.91	26.16	27.41	26.16	27.47	28.78	27.47	28.84	30.21	28.84	30.28	31.72	30.28	31.79	33.30
SEP	Customer Service Supervisor	27.95	29.35	30.75	29.35	30.82	32.29	30.82	32.36	33.90	32.36	33.98	35.60	33.98	35.68	37.38	35.68	37.46	39.24
SEP	Facilities Maintenance Supervisor	32.69	34.32	35.95	34.32	36.04	37.76	36.04	37.84	39.64	37.84	39.73	41.62	39.73	41.72	43.71	41.72	43.81	45.90
SEP	Fleet Maintenance Supervisor	36.98	38.83	40.68	38.83	40.77	42.71	40.77	42.81	44.85	42.81	44.95	47.09	44.95	47.20	49.45	47.20	49.56	51.92
SEP	Parts and Materials Supervisor	31.31	32.88	34.45	32.88	34.52	36.16	34.52	36.25	37.98	36.25	38.06	39.87	38.06	39.96	41.86	39.96	41.96	43.96
SEP	Revenue Collection Supervisor	26.40	27.72	29.04	27.72	29.11	30.50	29.11	30.57	32.03	30.57	32.10	33.63	32.10	33.71	35.32	33.71	35.40	37.09
SEP	Safety & Training Coordinator	36.10	37.91	39.72	37.91	39.81	41.71	39.81	41.80	43.79	41.80	43.89	45.98	43.89	46.08	48.27	46.08	48.38	50.68
SEP	Transit Supervisor	32.36	33.98	35.60	33.98	35.68	37.38	35.68	37.46	39.24	37.46	39.33	41.20	39.33	41.30	43.27	41.30	43.37	45.44
SEP	Transportation Planning Supervisor	47.24	49.60	51.96	49.60	52.08	54.56	52.08	54.68	57.28	54.68	57.41	60.14	57.41	60.28	63.15	60.28	63.29	66.30
SES	Accessible Services Coordinator	24.95	26.20	27.45	26.20	27.51	28.82	27.51	28.89	30.27	28.89	30.33	31.77	30.33	31.85	33.37	31.85	33.44	35.03
SES	Accountant I	31.19	32.75	34.31	32.75	34.39	36.03	34.39	36.11	37.83	36.11	37.92	39.73	37.92	39.82	41.72	39.82	41.81	43.80
SES	Accountant II	34.30	36.02	37.74	36.02	37.82	39.62	37.82	39.71	41.60	39.71	41.70	43.69	41.70	43.79	45.88	43.79	45.98	48.17
SES	Accounting Clerk	20.71	21.75	22.79	21.75	22.84	23.93	22.84	23.98	25.12	23.98	25.18	26.38	25.18	26.44	27.70	26.44	27.76	29.08
SES	Accounting Specialist	30.14	31.65	33.16	31.65	33.23	34.81	33.23	34.89	36.55	34.89	36.63	38.37	36.63	38.46	40.29	38.46	40.38	42.30
SES	Administrative Assistant	24.66	25.89	27.12	25.89	27.18	28.47	27.18	28.54	29.90	28.54	29.97	31.40	29.97	31.47	32.97	31.47	33.04	34.61
SES	Administrative Clerk	24.00	25.20	26.40	25.20	26.46	27.72	26.46	27.78	29.10	27.78	29.17	30.56	29.17	30.63	32.09	30.63	32.16	33.69
SES	Administrative Specialist	26.37	27.69	29.01	27.69	29.07	30.45	29.07	30.52	31.97	30.52	32.05	33.58	32.05	33.65	35.25	33.65	35.33	37.01
SES	Benefits Technician	25.17	26.43	27.69	26.43	27.75	29.14	27.75	29.14	30.53	29.14	30.60	32.06	30.60	32.13	33.66	32.13	33.74	35.35
SES	Buyer	25.76	27.05	28.34	27.05	28.40	29.75	28.40	29.82	31.24	29.82	31.31	32.80	31.31	32.88	34.45	32.88	34.52	36.16
SES	Claims Technician I	22.49	23.61	24.73	23.61	24.79	25.97	24.79	26.03	27.27	26.03	27.33	28.63	27.33	28.70	30.07	28.70	30.14	31.58
SES	Claims Technician II	24.99	26.24	27.49	26.24	27.55	28.86	27.55	28.93	30.31	28.93	30.38	31.83	30.38	31.90	33.42	31.90	33.50	35.10
SES	Custodial Service Worker	17.65	18.53	19.41	18.53	19.46	20.39	19.46	20.43	21.40	20.43	21.45	22.47	21.45	22.52	23.59	22.52	23.65	24.78
SES	Customer Service Representative	20.71	21.75	22.79	21.75	22.84	23.93	22.84	23.98	25.12	23.98	25.18	26.38	25.18	26.44	27.70	26.44	27.76	29.08
SES	Customer Service Assistant	24.00	25.20	26.40	25.20	26.46	27.72	26.46	27.78	29.10	27.78	29.17	30.56	29.17	30.63	32.09	30.63	32.16	33.69
SES	Facilities Maintenance Worker I	21.79	22.88	23.97	22.88	24.02	25.16	24.02	25.22	26.42	25.22	26.48	27.74	26.48	27.80	29.12	27.80	29.19	30.58
SES	Facilities Maintenance Worker II	24.22	25.43	26.64	25.43	26.70	27.97	26.70	28.04	29.38	28.04	29.44	30.84	29.44	30.91	32.38	30.91	32.46	34.01
SES	Financial Analyst	34.98	36.73	38.48	36.73	38.57	40.41	38.57	40.50	42.43	40.50	42.53	44.56	42.53	44.66	46.79	44.66	46.89	49.12
SES	HR Analyst I	29.41	30.88	32.35	30.88	32.42	33.96	32.42	34.04	35.66	34.04	35.74	37.44	35.74	37.53	39.32	37.53	39.41	41.29
SES	HR Analyst II	32.36	33.98	35.60	33.98	35.68	37.38	35.68	37.46	39.24	37.46	39.33	41.20	39.33	41.30	43.27	41.30	43.37	45.44
SES	Human Resources Clerk	21.79	22.88	23.97	22.88	24.02	25.16	24.02	25.22	26.42	25.22	26.48	27.74	26.48	27.80	29.12	27.80	29.19	30.58
SES	Human Resources Specialist	23.97	25.17	26.37	25.17	26.43	27.69	26.43	27.75	29.07	27.75	29.14	30.53	29.14	30.60	32.06	30.60	32.13	33.66
SES	Human Resources Technician	25.17	26.43	27.69	26.43	27.75	29.07	27.75	29.14	30.53	29.14	30.60	32.06	30.60	32.13	33.66	32.13	33.74	35.35
SES	Information Technology Support Analyst I	25.42	26.69	27.96	26.69	28.02	29.35	28.02	29.42	30.82	29.42	30.89	32.36	30.89	32.43	33.97	32.43	34.05	35.67
SES	Information Technology Support Analyst II	28.23	29.64	31.05	29.64	31.12	32.60	31.12	32.68	34.24	32.68	34.31	35.94	34.31	36.03	37.75	36.03	37.83	39.63
SES	Lead Custodial Service Worker	21.09	22.14	23.19	22.14	23.25	24.36	23.25	24.41	25.57	24.41	25.63	26.85	25.63	26.91	28.19	26.91	28.26	29.61
SES	Lead Facilities Maintenance Worker	29.04	30.49	31.94	30.49	32.01	33.53	32.01	33.61	35.21	33.61	35.29	36.97	35.29	37.05	38.81	37.05	38.90	40.75
SES	Legal Secretary	21.79	22.88	23.97	22.88	24.02	25.16	24.02	25.22	26.42	25.22	26.48	27.74	26.48	27.80	29.12	27.80	29.19	30.58
SES	Paralegal I	31.19	32.75	34.31	32.75	34.39	36.03	34.39	36.11	37.83	36.11	37.92	39.73	37.92	39.82	41.72	39.82	41.81	43.80
SES	Paralegal II	34.30	36.02	37.74	36.02	37.82	39.62	37.82	39.71	41.60	39.71	41.70	43.69	41.70	43.79	45.88	43.79	45.98	48.17
SES	Paratransit Eligibility Coordinator	31.19	32.75	34.31	32.75	34.39	36.03	34.39	36.11	37.83	36.11	37.92	39.73	37.92	39.82	41.72	39.82	41.81	43.80
SES	Payroll Specialist	25.17	26.43	27.69	26.43	27.75	29.07	27.75	29.14	30.53	29.14	30.60	32.06	30.60	32.13	33.66	32.13	33.74	35.35

10.10B.5

# Attachment B

FY22: 2.5% wage increase, effective June 24, 2021/Adopted by the Board as of February 28, 2020

UNION	Step 1	1L	Step 2	2L	2U	Step 3	3L	3U	Step 4	4L	4U	Step 5	5L	5U	Step 6	6L	6U
SES	20.09	21.09	21.09	22.14	23.19	22.14	23.25	24.36	24.36	24.41	25.57	24.41	25.63	26.85	25.63	26.91	28.19
SES	31.19	32.75	34.31	34.39	36.03	34.39	36.11	37.83	36.11	37.92	39.73	37.92	39.82	41.72	39.82	41.81	43.80
SES	30.91	32.46	34.01	32.46	35.70	34.08	35.78	37.48	35.78	37.57	39.36	37.57	39.45	41.35	39.45	41.42	43.39
SES	28.34	29.76	31.18	29.76	31.25	32.74	31.25	32.81	34.37	32.81	34.45	36.17	34.37	36.17	37.98	39.79	41.79
SES	21.73	22.82	23.96	23.96	25.10	23.96	25.16	26.36	25.16	26.42	27.68	26.42	27.74	29.06	27.74	29.13	30.52
SES	19.55	20.53	21.51	20.53	21.56	22.59	21.56	22.64	23.72	22.64	23.77	24.90	23.77	24.96	26.15	24.96	26.21
SES	36.40	38.22	40.04	38.22	40.13	42.04	40.13	42.14	44.15	42.14	44.25	46.36	44.25	46.46	48.78	51.10	53.42
SES	40.47	42.49	44.51	42.49	44.61	46.73	44.61	46.84	49.07	46.84	49.18	51.52	49.18	51.64	54.22	56.80	59.38
SES	31.19	32.75	34.31	32.75	34.39	36.03	34.39	36.11	37.83	36.11	37.92	39.73	37.92	39.82	41.72	39.82	41.81
SES	27.41	28.78	30.15	28.78	30.22	31.66	30.22	31.73	33.24	31.73	33.32	34.91	33.32	34.99	36.66	34.99	36.74
SES	24.85	26.09	27.33	26.09	27.39	28.69	27.39	28.76	30.13	28.76	30.20	31.64	30.20	31.71	33.22	31.71	33.30
SES	41.51	43.59	45.67	43.59	45.77	47.95	45.77	48.06	50.35	48.06	50.46	52.86	50.46	52.98	55.50	52.98	55.63
SES	30.23	31.74	33.25	31.74	33.33	34.92	33.33	35.00	36.67	35.00	36.75	38.50	36.75	38.59	40.43	38.59	40.52
SES	46.83	49.17	51.51	49.17	51.63	54.09	51.63	54.21	56.79	54.21	56.92	59.63	56.92	59.77	62.62	59.77	62.76
SES	41.99	44.09	46.19	44.09	46.29	48.49	46.29	48.60	50.91	48.60	51.03	53.46	51.03	53.58	56.13	53.58	56.26
SES	42.56	44.69	46.82	44.69	46.92	49.15	46.92	49.27	51.62	49.27	51.73	54.19	51.73	54.32	56.91	54.32	57.04
SES	31.49	33.06	34.63	33.06	34.71	36.36	34.71	36.45	38.19	36.45	38.27	40.09	38.27	40.18	42.09	40.18	42.19
SES	34.98	36.73	38.48	36.73	38.57	40.41	38.57	40.50	42.43	40.50	42.53	44.56	42.53	44.66	46.79	44.66	46.89
SEV	32.36	33.98	35.60	33.98	35.68	37.38	35.68	37.46	39.33	37.46	39.33	41.20	39.33	41.30	43.27	41.30	43.37
SEV	32.87	34.51	36.15	34.51	36.24	37.97	36.24	38.05	39.95	38.05	41.85	39.95	41.95	43.95	41.95	44.05	46.15
SEV	27.83	29.22	30.61	29.22	30.68	32.14	30.68	32.21	33.74	32.21	33.82	35.43	33.82	35.51	37.20	35.51	37.29
SEV	23.29	24.45	25.61	24.45	25.67	26.89	25.67	26.95	28.23	26.95	28.30	29.65	28.30	29.72	31.14	29.72	31.20
SEV	24.66	25.89	27.12	25.89	27.18	28.47	27.18	28.54	29.90	28.54	29.97	31.40	29.97	31.47	32.97	31.47	33.04
SEV	27.41	28.78	30.15	28.78	30.22	31.66	30.22	31.73	33.24	31.73	33.32	34.91	33.32	34.99	36.66	34.99	36.74
SEV	30.14	31.65	33.16	31.65	33.23	34.81	33.23	34.89	36.55	34.89	36.63	38.37	36.63	38.46	40.29	38.46	40.38
SEV	23.20	24.36	25.52	24.36	25.58	26.80	25.58	26.86	28.14	26.86	28.20	29.54	28.20	29.61	31.02	29.61	31.09
SEV	23.29	24.45	25.61	24.45	25.67	26.89	25.67	26.95	28.23	26.95	28.30	29.65	28.30	29.72	31.14	29.72	31.20
SEV	25.61	26.89	28.17	26.89	28.23	29.57	28.23	29.64	31.05	29.64	31.12	32.60	31.12	32.68	34.24	32.68	34.31
SEV	25.61	26.89	28.17	26.89	28.23	29.57	28.23	29.64	31.05	29.64	31.12	32.60	31.12	32.68	34.24	32.68	34.31
SEV	21.33	22.40	23.47	22.40	23.52	24.64	23.52	24.70	25.88	24.70	25.94	27.18	25.94	27.24	28.54	27.24	28.60
SEV	17.46	18.33	19.20	18.33	19.25	20.17	19.25	20.21	21.17	20.21	21.22	22.23	21.22	22.28	23.34	22.28	23.39
SEV	19.46	20.43	21.45	20.43	21.45	22.47	21.45	22.52	23.59	22.52	23.65	24.78	23.65	24.83	26.01	24.83	26.07

**Special Handling - filled positions as of 10/26/2019**

UNION	Step 1	1L	Step 2	2L	2U	Step 3	3L	3U	Step 4	4L	4U	Step 5	5L	5U	Step 6	6L	6U
SES	25.45	26.72	27.99	26.72	28.06	29.40	28.06	29.46	30.86	29.46	30.93	32.40	30.93	32.48	34.03	32.48	34.10
SES	26.23	27.54	28.85	27.54	28.92	30.30	28.92	30.37	31.82	30.37	31.89	33.41	31.89	33.48	35.07	33.48	35.15
SES	23.66	24.84	26.02	24.84	26.08	27.32	26.08	27.38	28.68	27.38	28.75	30.12	28.75	30.19	31.63	30.19	31.70
SES	31.60	33.18	34.76	33.18	34.84	36.50	34.84	36.58	38.41	36.58	38.41	40.24	38.41	40.33	42.25	40.33	42.35
SEV	25.07	26.32	27.57	26.32	27.64	28.96	27.64	29.02	30.40	29.02	30.47	31.92	30.47	31.99	33.51	31.99	33.59
SEV	17.67	18.55	19.43	18.55	19.48	20.41	19.48	20.45	21.42	20.45	21.47	22.49	21.47	22.54	23.61	22.54	23.67

*Longevity Pay is based only on length of service.*

Notes: \* Adding Customer Service Assistant to the SEA Chapter. Position and wage approved on BOD 06.26.2020. Adding HR Analyst I to the SEA Chapter. Position and wage approved on BOD 01.28.2022.

**Tentative Agreement**

Article 10.1 Pay Rates

Agree to pay scales as provided above.

Date \_\_\_\_\_

\_\_\_\_\_ Dawn Crummie, Interim CEO/General Manager, Santa Cruz METRO

\_\_\_\_\_ \* Jordan Vascones, President SEA Chapter

10.10B.6



**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Chuck Farmer, Chief Financial Officer  
**SUBJECT: DISCLOSURE POLICY AND PROCEDURES**

**I. RECOMMENDED ACTION**

**That the Board of Directors approve METRO's Disclosure Policy and Procedures**

**II. SUMMARY OF ISSUES**

Santa Cruz Metropolitan Transit District (METRO) is looking to issue a Sales Tax Revenue Bond. The issuance of the Bond creates certain disclosures required by METRO along with specific procedures to follow.

This staff report includes a summary of the Disclosure Policy and Procedures and the full policy is attached for your review.

Staff recommends that the Board of Directors (Board) accept and file the attached Disclosure Policy and Procedures.

**III. DISCUSSION/BACKGROUND**

Any time an issuance of a security like a Bond, the issuer is required to disclose certain material information publically so investors can make the best informed decisions on buying or selling the Bond. Also, this lays out the process in which to follow to make sure METRO is compliant with SEC reporting requirements.

Disclosures include:

1. Annual financial information and management discussion and analysis
2. Material changes to how METRO does business that was not already disclosed in the annual financial information
3. Items or things that might material change an investors mind to invest or divest from the Bond
4. Any changes to METRO's debt management program
5. Calling of Bonds

As part of the policy, training for METRO employees on SEC compliance and disclosure is required.

Adoption of the attached Disclosure Policy and Procedures will help ensure that METRO is and remains in compliant with all laws and obligations.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

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

**V. FINANCIAL CONSIDERATIONS/IMPACT**

The Disclosure Policy and Procedures will support the Sales Tax Revenue Bond issuance in February 2022, saving METRO millions in future expenditures.

**VI. CHANGES FROM COMMITTEE**

N/A.

**VII. ALTERNATIVES CONSIDERED**

There is no alternative, as adoption of a Disclosure Policy and Procedures is required by law for any agency that issues public debt.

**VIII. ATTACHMENTS**

**Attachment A:** Disclosure Policy and Procedures

Prepared by: Chuck Farmer, CFO

**IX. APPROVALS**

Chuck Farmer, Chief Financial Officer

A handwritten signature in black ink, appearing to read "C. Farmer", written over a horizontal line.

Dawn Crummié,  
Interim CEO/General Manager

A handwritten signature in black ink, appearing to read "Dawn Crummié", written over a horizontal line.

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# Attachment A

Jones Hall Draft 1-20-2022

## DISCLOSURE POLICIES AND PROCEDURES

### SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

#### **Article I** ***General***

These Disclosure Policies and Procedures (the “**Disclosure Procedures**”) of the Santa Cruz Metropolitan Transit District (the “**Issuer**”) are intended to ensure that the Issuer is in compliance with all applicable federal and state securities laws.

#### **Article II** ***Disclosure Coordinator***

The chief financial officer of the Issuer shall be the disclosure coordinator of the Issuer (the “**Disclosure Coordinator**”).

#### **Article III** ***Review and Approval of Official Statements***

The Disclosure Coordinator of the Issuer shall review any Official Statement prepared in connection with any debt issuance by the Issuer in order to ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by the Issuer.

In connection with its review of the Official Statement, the Disclosure Coordinator shall consult with third parties, including outside professionals assisting the Issuer, and all members of Issuer staff, to the extent that the Disclosure Coordinator concludes they should be consulted so that the Official Statement will include all “material” information (as defined for purposes of federal securities law).

As part of the review process, the Disclosure Coordinator shall submit all Official Statements to the chief executive officer of the Issuer and the Issuer’s Board of Directors (the “**Board of Directors**”) for approval. The cover letter used by the Disclosure Coordinator to submit the Official Statements to the Board of Directors shall be in substantially the form of Exhibit A.

The approval of an Official Statement by the Board of Directors shall be docketed as a new business matter and shall not be approved as a consent item. The Board of Directors shall undertake such review as deemed necessary by the Board of Directors following consultation with the Disclosure Coordinator, to fulfill the Board of Director’s responsibilities under applicable federal and state securities laws. In this regard, the Disclosure Coordinator shall consult with the Issuer’s disclosure counsel to the extent the Disclosure Coordinator considers appropriate.

The Disclosure Coordinator shall retain a record of the actions taken to prepare, check and approve each Official Statement.

# Attachment A

## **Article IV** ***Continuing Disclosure Filings***

Under the continuing disclosure undertakings that the Issuer has entered into, or will enter into, in connection with its debt offerings, the Issuer is required each year to file annual reports with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("**EMMA**") system in accordance with such undertakings. Such annual reports are required to include certain updated financial and operating information, and the Issuer's audited financial statements.

The Issuer is also required under its continuing disclosure undertakings to file notices of certain events with EMMA.

The Disclosure Coordinator is responsible for establishing a system (which may involve the retention of one or more consultants) by which:

- (i) the Issuer will make the annual filings required by its continuing disclosure undertakings on a complete and timely basis, and
- (ii) the Issuer will file notices of enumerated events on a timely basis.

In connection with preparation of annual reports and event filings, the Disclosure Coordinator shall consult with third parties, including outside professionals assisting the Issuer, and all members of Issuer staff, to the extent that the Disclosure Coordinator concludes they should be consulted so the annual report and event filings will include all "material" information (as defined for purposes of federal securities law).

As part of the review process, the Disclosure Coordinator shall submit all annual reports and event filings to the chief executive officer of the Issuer for approval.

The Disclosure Coordinator shall retain a record of the actions taken to prepare, check and approve each Official Statement.

## **Article V** ***Public Statements Regarding Financial Information; Website***

Whenever the Issuer makes statements or releases information relating to its finances to the public that are reasonably expected to reach investors and the trading markets, the Issuer is obligated to ensure that such statements and information are complete, true, and accurate in all material respects.

The Issuer shall include a disclaimer on the Issuer website:

"No information on the Issuer's website is intended to be the basis of or should be relied upon in making an investment decision. The information on this website is not posted for the purpose of reaching the investing public, including bondholders, rating analysts, investment advisors, or any other members of the investment community. Because each security issued by the Issuer or its related entities may involve different sources of payment and security, you should refer for additional information to the official statement and continuing disclosure filings for the

# Attachment A

particular security, which can be found on the Municipal Security Rulemaking Board's Electronic Municipal Market Access website: <https://emma.msrb.org/>."

## **Article VI** ***Training***

The Disclosure Coordinator shall ensure that the members of the Issuer staff involved in the initial or continuing disclosure process and the Board of Directors are properly trained to understand and perform their responsibilities.

The Disclosure Coordinator shall arrange for disclosure training sessions conducted by the Issuer's disclosure counsel. Such training sessions shall include education on these Disclosure Procedures, the Issuer's disclosure obligations under applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of members of the Issuer's staff and members of the Board of Directors. Such training sessions may be conducted using a recorded presentation.

## **Article VII** ***Updates to Disclosure Procedures***

The Disclosure Coordinator shall review the Disclosure Procedures annually and propose updates to the Disclosure Procedures as needed to address changes, including but not limited to changes in the Issuer's debt management program, financial reporting processes, or organizational structure. In addition, at any time all officers and employees of the Issuer are invited and encouraged to make recommendations for changes to these Disclosure Procedures so that they foster better compliance with applicable law, result in better information to investors, or makes the procedures required by these Disclosure Procedures more efficient. Following receipt of any such recommendation, the Disclosure Coordinator shall consult with third parties, including outside professionals assisting the Issuer and members of Issuer staff, where appropriate, and shall determine whether such recommendation should be submitted as a proposal to the chief executive officer.

Upon receipt of a proposal from the Disclosure Coordinator, the chief executive officer shall approve and implement any change to these Disclosure Procedures that is proposed by the Disclosure Coordinator, does not change the fundamental policies or procedures established by these Disclosure Procedures, and is determined by the chief executive officer to be advisable.

## **Article VIII** ***Documenting Compliance***

The Disclosure Coordinator is responsible for establishing a system (which may involve the retention or one or more consultants) by which compliance with these Disclosure Procedures is documented.

# Attachment A

## **Article IX** ***Waiver of Procedures***

The Disclosure Coordinator may, with the approval of the chief executive officer, depart from this Disclosure Policy when he or she in good faith determines that such departure is in the best interests of the Issuer and is consistent with the duties of the Issuer under federal and state securities laws.

## **Article X** ***Internal Use Only***

These Disclosure Procedures are intended for the internal use of the Issuer only and are not intended to establish any duties in favor of or rights of any person other than the Issuer.

# Attachment A

## EXHIBIT A

### Form of Staff Report

**To:** Members of the Board of Directors  
[Chief Financial Officer]

**From:**

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

This Staff Report relates to the proposed issuance of \_\_\_\_\_ (the "Obligations") by the Issuer. The Board of Directors is asked to approve issuance of the Obligations and all related documents. The near-final versions of these documents are attached.

The attached Preliminary Official Statement has been reviewed and approved for transmittal to the Board of Directors by the Issuer's financing team. The distribution of the Preliminary Official Statement by the Issuer is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor in the Obligations. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Obligations. If the Board of Directors concludes that the Preliminary Official Statement includes all facts that would be material to an investor in the Obligations, it must adopt a resolution that authorizes staff to execute a certificate to the effect that the Preliminary Official Statement has been "deemed final."

The Securities and Exchange Commission (the "SEC"), the agency with regulatory authority over the Issuer's compliance with the federal securities laws, has issued guidance as to the duties of the Board of Directors with respect to its approval of the Preliminary Official Statement. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761 / January 24, 1996) (the "Release"), the SEC indicated that, if a member of the Board of Directors has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the Obligations, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the Preliminary Official Statement. In the Release, the SEC indicated that the steps that a member of the Board of Directors could take include becoming familiar with the Preliminary Official Statement and questioning staff and consultants about the disclosure of such facts.

Set forth below is a summary of the financing, including cross-references to specific sections of the Preliminary Official Statement.

Section 1. *Purpose of Financing.*

Section 2. *Documents for Approval; Security for the Obligations.*

Section 3. *Risks Relating to Repayment and Tax-Exempt Status of the Obligations.*

Section 4. *Requested Approvals.*

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**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Isaac Holly, IT and ITS Director  
**SUBJECT: CONSIDERATION OF ISSUING PURCHASE ORDER TO GMV SYNCROMATICS FOR CONTINUATION OF INTELLIGENT TRANSPORTATION SYSTEM SUPPORT**

**I. RECOMMENDED ACTION**

**That the Board of Directors issue a purchase order in the amount of \$10,000 per month to GMV Syncromatics for the continued support of the intelligent transportation system (ITS) while new ITS system is being installed by Clever Devices**

**II. SUMMARY**

- On November 19, 2021, the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) terminated its contract with GMV Syncromatics for the Purchase and Installation of an Intelligent Transportation System (ITS) and awarded an ITS contract to Clever Devices.
- During the transition period in which the GMV Syncromatics system will be removed and the Clever Devices system will be installed, GMV Syncromatics has committed to support its existing ITS system at no cost to METRO for a period of 6 months.
- After six months, GMV Syncromatics would be paid \$10,000 per month to support its system.
- Staff is recommending Board approval of a purchase order (PO) to GMV Syncromatics in the event that the transition period lasts longer than 6 months.

**III. DISCUSSION/BACKGROUND**

On October 26, 2018, the Board of Directors awarded a contract to GMV Syncromatics for Purchase and Installation of an ITS. The project commenced in January of 2019.

During GMV Syncromatics's performance of the contract, staff came to the conclusion that the business relationship between the two parties was not working out as anticipated and that it was in Metro's best interest to terminate the contract for convenience.

On November 19, 2021, the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) terminated its contract with GMV Syncromatics for the Purchase and Installation of an Intelligent Transportation System (ITS) and awarded an ITS contract to Clever Devices. During the transition period in which the GMV Syncromatics system will be removed and the Clever Devices system will be installed, GMV Syncromatics has committed to support its existing ITS system at no cost to METRO for a period of 6 months. After six months, GMV Syncromatics would be paid \$10,000 per month to support its system.

Staff is recommending Board approval of a purchase order (PO) in the amount of \$10,000 per month up to a maximum amount of \$130,000 to GMV Syncromatics in the event that the transition period lasts longer than 6 months. If the transition is complete within six months, no money will be spent for GMV Syncromatics' support.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report aligns to METRO's Service Quality and Delivery and Internal and External Technology.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

Funding in the amount of \$130,000 shall be included in the FY23 and FY24 IT Department Operating budget.

#### **VI. CHANGES FROM COMMITTEE (Board Report ONLY)**

None

#### **VII. ALTERNATIVES CONSIDERED**

The Board could direct staff to allow the GMV Syncromatics' support to expire at the end of six months. This is not recommended because the ITS would be unsupported and cease to function for a likely period of several months, which would interrupt operations.

#### **VIII. ATTACHMENTS**

Attachments: Resolution

Prepared by: Isaac Holly, IT and ITS Director

**IX. APPROVALS**

Isaac Holly, IT & ITS Director



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Approved as to fiscal impact:  
Chuck Farmer, CFO



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Dawn Crummié,  
Interim CEO/General Manager



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# Attachment A



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 ISSUING PURCHASE ORDER TO  
GMV SYNCROMATICS FOR CONTINUATION OF  
INTELLIGENT TRANSPORTATION SYSTEM SUPPORT**

**WHEREAS**, on November 19, 2021, the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) terminated its contract with GMV Syncromatics for the Purchase and Installation of an Intelligent Transportation System (ITS) and awarded an ITS contract to Clever Devices; and

**WHEREAS**, during the transition period in which the GMV Syncromatics system will be removed and the Clever Devices system will be installed, GMV Syncromatics has committed to support its existing ITS system at no cost to METRO for a period of 6 months; and

**WHEREAS**, after six months, GMV Syncromatics would be paid \$10,000 per month to support its system; and

**WHEREAS**, staff is recommending Board approval of a purchase order (PO) to GMV Syncromatics in the amount of \$10,000 per month up to a maximum amount of \$130,000 in the event that the transition period lasts longer than 6 months.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) approves the issuance of a PO to GMV Syncromatics in the amount of \$10,000 per month up to a maximum amount of \$130,000 for the purpose of supporting its existing ITS system.

**PASSED AND ADOPTED** by the Board of Directors of the Santa Cruz Metropolitan Transit District this 28<sup>th</sup> Day of January 2022 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

# Attachment A

Resolution #  
Page 2 of 2

**ABSTAIN:** Directors -

**ABSENT:** Directors -

**APPROVED** \_\_\_\_\_

DONNA LIND  
Board Chair

**ATTEST** \_\_\_\_\_

DAWN CRUMMIÉ  
Interim CEO/General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
JULIE SHERMAN  
General Counsel

**10.12A.2**



**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Dawn Crummié, Interim CEO/General Manager  
**SUBJECT: CONSIDERATION OF A RESOLUTION MAKING CERTAIN FINDINGS  
AND DIRECTING THAT THE BOARD AND ITS COMMITTEE  
MEETINGS WILL CONTINUE TO BE HELD VIA TELECONFERENCE**

**I. RECOMMENDED ACTION**

**That the Board of Directors approve a resolution making certain findings and directing that the Board and its committee meetings will continue to be held via teleconference**

**II. SUMMARY**

Due to the ongoing COVID-19 pandemic, the Interim General Manager/CEO and General Counsel recommend the Board adopt a resolution making certain findings and directing that Board meetings and Board committees meetings will continue to be held via teleconference because the proclaimed COVID-19 pandemic State of Emergency continues to impact the ability of the Santa Cruz Metropolitan Transit District (METRO) Board of Directors (Board) and its committees to meet safely in person.

**III. DISCUSSION/BACKGROUND**

On September 16, 2021, Governor Newsom signed into law Assembly Bill (AB) 361 amending Government Code Section 54953 to allow local agencies to use teleconferencing for public meetings without requiring teleconference locations to be included on published agendas or accessible to the public, and without requiring a quorum of the members of the legislative body of the agency to participate from locations within the boundaries of the agency's jurisdiction, during proclaimed states of emergencies.

Local agency determinations to meet using the modified teleconferencing rules under AB 361 must be reviewed every 30 days following the first teleconferenced meeting held pursuant to this law, which as an urgency statute, came into effect on October 1. The legislative body must reconsider the circumstances of the state of emergency and find that they directly impact the ability to meet safely in person. These findings can be relied upon for up to 30 days, so the Board will need to consider the circumstances of the state of emergency at each subsequent Board meeting in order to continue to meet remotely under the modified teleconference rules.

The Governor's State of Emergency related to the COVID-19 pandemic remains active and the Santa Cruz County Health Officer, the California Department of Public Health, and the Department of Industrial Relations have imposed or recommended measures to promote social distancing. Compliance with these measures directly impacts the ability of the public to meet safely in person, and METRO cannot ensure social distancing recommendations are met in circumstances of in-person public meetings.

Furthermore, there is a continuing threat of COVID-19 to the community, and Board and committee meetings have characteristics that give rise to risks to health and safety of meeting participants. Consequently, it is recommended that METRO continue to use remote teleconferencing for public meetings as permitted under AB 361 and to reconsider its determination (and make the necessary findings) every 30 days.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report pertains to METRO's Safety First Culture priority.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

There is no financial impact.

#### **VI. CHANGES FROM COMMITTEE**

N/A

#### **VII. ALTERNATIVES CONSIDERED**

The Board could decide to no longer meet via teleconference. Due to the ongoing COVID-19 pandemic, this is not recommended.

#### **VIII. ATTACHMENTS**

**Attachment A:** Authorizing Resolution

Prepared by: Donna Bauer, Executive Assistant

**IX. APPROVALS**

Dawn Crummié  
Interim CEO/General Manager



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# Attachment A



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 FINDING THAT THE PROCLAIMED  
STATE OF EMERGENCY FOR THE COVID-19  
PANDEMIC CONTINUES TO IMPACT THE ABILITY FOR THE BOARD OF DIRECTORS  
AND ITS COMMITTEES TO MEET SAFELY IN PERSON, AND DIRECTING THAT VIRTUAL  
BOARD AND COMMITTEE MEETINGS CONTINUE**

**WHEREAS**, on March 4, 2020, Governor Newsom declared a State of Emergency to exist in California as a result of the threat of the COVID-19 pandemic, which declaration remains in effect; and

**WHEREAS**, the Santa Cruz County Board of Supervisors subsequently declared a local emergency related to COVID-19, which declaration also remains in effect; and

**WHEREAS**, on March 17 and June 11, 2020, the Governor issued Executive Orders N-29-20 and N-08-21, respectively, suspending certain provisions of the Ralph M. Brown Act related to teleconferencing through September 30, 2021 to facilitate legislative bodies conducting public meetings remotely to help protect against the spread of COVID-19 and to protect the health and safety of the public; and

**WHEREAS**, on September 16, 2021, the Governor signed Assembly Bill (AB) 361 into law, amending Government Code Section 54953, effective immediately, to allow legislative bodies to continue to meet remotely under less restrictive requirements during a proclaimed State of Emergency provided that (1) state or local officials have imposed or recommended measures to promote social distancing, or (2) the legislative bodies determine that meeting in person would present imminent risks to the health or safety of attendees, and (3) the legislative bodies make such findings at least every thirty days during the term of the declared state of emergency; and

**WHEREAS**, on November 19, 2021, pursuant to Resolution 21-11-01, Board of Directors (Board) made the requisite findings to allow teleconferencing under AB 361 for 30 days; and

# Attachment A

Resolution #  
Page 2 of 3

**WHEREAS**, the Board has reviewed its previous findings and again concludes that there is a continuing threat of COVID-19 to the community, and that Board and committee meetings have characteristics that continue to give rise to risks to health and safety of meeting participants; and

**WHEREAS**, to help protect against the spread of COVID-19 and its variants, and to protect the health and safety of the public, the Board desires to take the actions necessary to continue to hold its Board and committee meetings remotely as authorized by AB 361.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) has reconsidered the circumstances of the COVID-19 State of Emergency, and finds and determines that the state of emergency continues to directly impact its ability to meet safely in person; and

**BE IT FURTHER RESOLVED**, that in light of these findings, the Board directs the Interim CEO/General Manager and Board Secretary to continue to agendize public meetings of the Board, and all METRO committees that are subject to the Brown Act, only as online teleconference meetings; and

**BE IT FURTHER RESOLVED**, that METRO will comply with the requirements of Government Code Section 54953(e)(2) when holding Board and committee meetings pursuant to this Resolution; and

**BE IT FURTHER RESOLVED**, that this Resolution will be in effect for the maximum period of time permitted under AB 361 (30 days), and the Board will consider the findings in this Resolution each month and may, by motion, reaffirm these findings.

**PASSED AND ADOPTED** by the Board of Directors of the Santa Cruz Metropolitan Transit District this 28<sup>th</sup> Day of January 2022 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

**APPROVED** \_\_\_\_\_

DONNA LIND  
Board Chair

**10.13A.2**

# Attachment A

Resolution #  
Page 3 of 3

**ATTEST** \_\_\_\_\_  
DAWN CRUMMIÉ  
Interim CEO/General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
JULIE SHERMAN  
General Counsel

**10.13A.3**

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**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Chuck Farmer, Chief Financial Officer  
**SUBJECT:** **AUTHORIZING SALES TAX REVENUE BONDS (MEASURE G), SERIES 2022 (FEDERALLY TAXABLE) TO REFINANCE THE DISTRICT'S CALPERS UAL AND APPROVAL OF RELATED LEGAL AND DISCLOSURE DOCUMENTS.**

**I. RECOMMENDED ACTION**

**THAT THE BOARD OF DIRECTORS APPROVE THE ISSUANCE OF SALES TAX REVENUE BONDS (MEASURE G), SERIES 2022 (FEDERALLY TAXABLE) (2022 BONDS), WHICH BONDS ARE ANTICIPATED NOT-TO-EXCEED THE AGGREGATE PRINCIPAL AMOUNT OF \$55 MILLION.**

**THE BOARD SHALL ALSO CONFIRM APPROVAL OF THE FORM OF AN INDENTURE OF TRUST FOR SUCH BONDS, AND APPROVE THE FORM OF PRELIMINARY OFFICIAL STATEMENT (POS) AND BOND PURCHASE AGREEMENT (BPA).**

**THE BOARD SHALL AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE BPA WITH SAMUEL A. RAMIREZ & CO. TO PURCHASE THE PROPOSED BOND ISSUE, WHICH WILL BE PAID A NOT-TO-EXCEED UNDERWRITER'S DISCOUNT EQUAL TO (\$2.86 PER BOND) \$149,431.82 INCLUDING EXPENSES.**

- The Santa Cruz Metropolitan Transit District (METRO or District)'s current outstanding pension balance, as of June 30, 2020, is approximately \$68 million.
- METRO's unfunded accrued liability (UAL) is currently accruing interest at a Discount Rate of 7.0%.
- CalPERS recently announced an investment return of 21.3% and subsequent lowering of the Discount Rate to 6.8%, which will result in a net credit, lowering the UAL to approximately \$51.3 million.
- METRO has applied for a bond rating from Standard & Poor's.
- The 2022 Bonds will be secured by METRO's ½ Sales Tax (Measure G), to obtain the highest rating and potentially qualify for municipal bond insurance.

**II. SUMMARY OF ISSUES**

Santa Cruz Metropolitan Transit District (METRO) obtained approval to issue Sales Tax Revenue Bonds (Measure G), Series 2022 (Federally Taxable) (2022 Bonds) to refinance its outstanding CalPERS pension liability on December 17,

2021. The approval triggered a 60-day passive validation period under California law. Staff is returning to the Board for the final approval of the sale of the 2022 Bonds, which it will sell after the 60-day period expires on or about February 16, 2022.

Staff recommends that the Board of Directors (Board) approve the sale of the 2022 Bonds for funding METRO's outstanding UAL, which bonds are anticipated not-to-exceed the aggregate principal of \$55 million. This staff report also includes a summary of the related legal and disclosure documents: Indenture of Trust, BPA and the POS.

### III. DISCUSSION/BACKGROUND

METRO reviewed various funding strategies to address its UAL. METRO has determined that the issuance of bonds to refinance UAL provided the most significant impact.

METRO has assembled the financing team, via competitive RFP process, to assist with the issuance of bonds finance its pension liability, which includes Urban Futures, Inc. as Municipal Advisor, Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel, and Samuel A. Ramirez & Co., Inc. as the Bond Underwriter.

The Municipal Advisor and the Bond Underwriter have determined that the bond/legal structure that would provide METRO with the highest bond rating and lowest cost of borrowing would require the direct pledge of the District's 1978 Measure G ½ cent Sales Tax Revenues.

Although METRO's UAL is equal to \$68 million, CalPERS recorded a 21.3% last year. This also prompted CalPERS to lower the discount rate to 6.80% and the Price Inflation to 2.30%. These actions, collectively, will result in an estimated credit of approximately \$16 million, lower METRO's UAL to approximately \$52 million\*\*.

*\*\*This value is only an estimate, which does not include adjustments for "demographic" changes, such as death, termination, disability, early/late retirement, raises or promotions, which are difficult to estimate. The actual UAL for FY21 will be determined in the June 30, 2021 actuarial reports, which will be released in August 2022.*

The 2022 Bonds will be structured as fixed rate bonds with a 15-year final maturity and 10-year call (refinance) option. The 2022 Bonds will be sold as a series of 15 bonds: 1 Year to 15 Year maturities. Each bond has a different interest rate or yield – increasing with the term to maturity.

**Bond Rating & Bond Insurance**– In the majority of cases, an issuer is required to obtain a bond rating from one or more of the nationally recognized rating agencies (i.e., S&P, Moody's, or Fitch). METRO has applied for a bond rating from Standard & Poor's Investors Service.

METRO has not issued long-term fixed rate bonds previously; therefore, this was considered METRO's inaugural rating, which required a more in-depth analysis by S&P. The finance team and METRO staff put together a 40-page PowerPoint and made a presentation to S&P (over 1 ½ hours) earlier this month. The finance team anticipates that the 2022 Bonds will receive an underlying rating in the "AA" category. However, the final bond rating will not be determined until after this meeting (but before the sale of the 2022 Bonds).

The payment of interest and principal bonds will also likely be guaranteed by under a municipal bond insurance policy, which also carry a "AA" rating but viewed favorably by investors; and therefore, it is expected to lower METRO's total cost of borrowing. This will be a decision made around the day of bond pricing based on a cost/benefit analysis.

The capital markets are experiencing volatility in the current market, due to a variety of factors, including the Federal Open Market Committee's (FOMC) indication that it plans to raise interest rates in the near future. METRO is planning to issue the 2022 Bonds as soon as the 60-day passive validation period expires, on or about February 16, 2022.

Interest rates have moved considerably since we provided an estimate in December of 2021. The financing team estimates that the bonds borrowing rate will be in the 3.00% to 3.50%, which will provide \$14 to \$16 million in budgetary savings.

The 2022 Bonds are anticipated to not exceed the aggregate principal amount of \$55 million, which provides for the cost of issuance of \$275,000 plus the underwriter's discount of \$149,431.82. The remaining proceeds will be sent directly to CalPERS to pay-off METRO's UAL.

### **Related Legal Documents**

Attached are three legal documents: Bond Purchase Agreement (BPA), Indenture of Trust, and Preliminary Official Statement (POS), for the Board's review and approval. The General Manager and CFO will be required to sign numerous other legal forms and disclaimers related to the financing; however, these three key legal documents require Board approval.

**Bond Purchase Agreement** - The Bond Purchase Agreement specifies the price at which Samuel A. Ramirez & Co., LLC will purchase the 2022 Bonds and the fees or commission that they will receive for selling the bonds to investors. This fee has been negotiated and signed via contract to be \$149,431.42. This amount includes approximately \$29,431.32 related expenses for the sale of the bonds (CUSIP, wiring charges, DTC, CDIAC, day loan, and underwriters counsel).

**Indenture of Trust** – The Indenture of Trust is the legal agreement drafted by bond counsel between METRO and a third-party trustee (US Bank), that assigns certain fiduciary duties to the Trustee who represents the bondholder's interests. The document highlights the rules and responsibilities that each party must adhere to; and includes the security pledged toward the bonds (ie., income stream and/or assets). The Indenture of

Trust outlines the key terms of the bonds: payment dates, call features, and default remedies.

**Preliminary Official Statement** - The Preliminary Official Statement is the primary document provided to investors. It provides a summary of the plan of finance and the key financial and legal provisions of the bonds: source of repayment, sources and uses of funds, final maturity, payments dates, optional redemption, key bond covenants, and continuing disclosure requirements. The POS also provides a summary of the District's operating results, performance data, and key demographic information (Appendix A.) The Audited Financial Statements, recently approved by the Board, will be appended to the POS prior to distribution (Appendix B). The POS is the primary disclosure document of the District. Therefore, it must include all facts and financial information that would be material to an investor. Omission of key material facts could result in enforcement actions by the SEC.

A form of continuing disclosure certificate of METRO is appended to the POS, and describes METRO's obligations to provide continuing disclosure to investors with respect to METRO.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

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

**V. FINANCIAL CONSIDERATIONS/IMPACT**

The reports and documents will support the Sales Tax Revenue Bond issuance in February 2022, saving METRO millions in future expenditures.

**VI. CHANGES FROM COMMITTEE**

N/A.

**VII. ALTERNATIVES CONSIDERED**

Should METRO not approve the sale of the 2022 Bonds, METRO will incur millions in interest payments above the interest payments in issuing bonds.

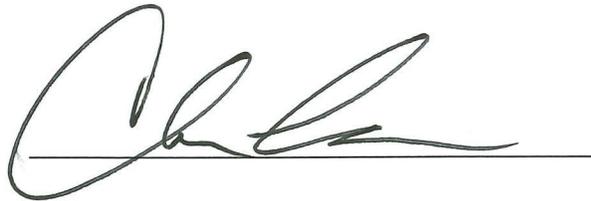
**VIII. ATTACHMENTS**

- Attachment A:** Resolution approving the sale of Sales Tax Revenue Bonds
- Attachment B:** Bond Purchase Agreement (BPA)
- Attachment C:** Indenture of Trust
- Attachment D:** Preliminary Offer Statement (POS)

Prepared by: Chuck Farmer, CFO

**IX. APPROVALS**

Chuck Farmer, Chief Financial Officer



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Dawn Crummié,  
Interim CEO/General Manager



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# Attachment A



Resolution No.: \_\_\_\_\_  
On the Motion of Director: \_\_\_\_\_  
Duly Seconded by Director: \_\_\_\_\_  
The Following Resolution is Adopted:

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING THE SALE OF SALES TAX REVENUE BONDS (MEASURE G), SERIES 2022 (FEDERALLY TAXABLE) TO REFINANCE THE OUTSTANDING OBLIGATIONS OF THE DISTRICT TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, CONFIRMING APPROVAL OF THE FORM OF AN INDENTURE OF TRUST FOR SUCH BONDS, APPROVING AN OFFICIAL STATEMENT AND BOND PURCHASE AGREEMENT FOR SUCH BONDS, AND APPROVING AND DIRECTING RELATED MATTERS**

**WHEREAS**, the Santa Cruz Metropolitan Transit District (the "District") was created pursuant to the Santa Cruz Metropolitan Transit District Act of 1967 (the "Act"), commencing with Section 98000 of the Public Utilities Code (the "Code") of the State of California (the "State"); and

**WHEREAS**, the Board of Directors of the District may establish a retirement system for the officers and employees of the District and provide for the payment of annuities, pensions, retirement allowances, disability payments, and death benefits or any of them pursuant to Chapter 5 of the Act, commencing with Section 98180 of the Code; and

**WHEREAS**, pursuant to Section 98184 of the Code, the District is authorized to participate in and make all or part of its employees members of the California Employees' Retirement System by contract entered into between the District and the board of administration of the system under the State Employees' Retirement Law, and the District may perform all acts necessary or convenient for such participation; and

**WHEREAS**, the Public Employees Retirement Law is set forth in Sections 20000 et seq. of the Government Code of the State (hereinafter referred as, the "Retirement Law"); and

**WHEREAS**, Section 20058(b) of the Retirement Law states that the terms "State Employees' Retirement System" and "State Employees' Retirement Law" in every statute enacted prior to the enactment of the Retirement Law, like the Act, shall be construed to refer to and mean the "Public Employees' Retirement System" and the "Public Employees Retirement Law," respectively; and

# Attachment A

Resolution #

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**WHEREAS**, pursuant to the authority granted under Chapter 5 of the Act, the District previously adopted a retirement plan pursuant to the Retirement Law and elected to become a contracting member of the California Public Employees' Retirement System ("PERS"), and as such the District is obligated to make certain payments to PERS (the "PERS Obligations"); and

**WHEREAS**, the Board of Directors is authorized under Article 8.5 of Chapter 6 of the Act, commencing with Section 98290 of the Code, to adopt a retail and use tax ordinance provided that two-thirds of the electors voting on the measure vote to authorize its enactment at a special election called for that purpose by the Board of Directors; and

**WHEREAS**, pursuant to Section 98290 of the Code, the Board of Directors adopted Ordinance No. 78-3-1 on March 17, 1978 (the "Measure G Ordinance"), imposing a retail transaction and use tax at a rate of 0.5 percent that is applicable in the District (the "Measure G Revenues"), and the Measure G Ordinance was submitted to the electors of the District in the form of Measure G and was approved by greater than a two-thirds vote at an election held on June 6, 1978; and

**WHEREAS**, prior to the enactment of the Measure G Ordinance, the District was authorized to levy and collect property taxes for any lawful purpose of the District under Article 8 of Chapter 6 of the Act, commencing with Section 98280 of the Code; and

**WHEREAS**, pursuant to the Measure G Ordinance and Section 98289.5 of the Code, the provisions of Article 8 of Chapter 6 of the Act became inoperative on and after the effective date of the Measure G Ordinance and, as a result, Measure G Revenues replaced the property tax authorized under said article and the Measure G Revenues are available for any lawful purpose of the District, including the payment by the District of the PERS Obligations; and

**WHEREAS**, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, commencing with Section 53570 of said Government Code (the "Bond Law"), to issue its bonds for the purpose of refunding certain outstanding obligations of the District, including the PERS Obligations; and

**WHEREAS**, in order to refund the PERS Obligations and thereby realize interest savings, the District proposes to issue its Santa Cruz Metropolitan Transit District Sales Tax Revenue Bonds (Measure G), Series 2022 (Federally Taxable) (the "2022 Bonds") under the Bond Law for the purpose of refinancing the PERS Obligations in whole or in part; and

**WHEREAS**, pursuant to Resolution No. 21-12-02, adopted by the Board of Directors of the District on December 17, 2021, the Board of Directors authorized the issuance by the District of the 2022 Bonds and additional bonds in the future under the Bond Law for the purpose of refinancing the PERS Obligations in whole or in part (such additional bonds, together with the 2022 Bonds and any refunding bonds thereof, the "Bonds"); and

**WHEREAS**, with the aid of outside consultants, the District has prepared drafts of an Indenture of Trust (the "Indenture"), by and between the District and U.S. Bank National Association, as trustee, the Preliminary Official Statement and the Bond Purchase Agreement for the 2022 Bonds for approval by the Board of Directors; and

**WHEREAS**, the Board of Directors wishes at this time to confirm its approval of the issuance of the Bonds, approve the sale of the 2022 Bonds, which constitute the first series of

# Attachment A

Resolution #

Page 3

Bonds, and approve the forms of the Indenture, the Preliminary Official Statement and Bond Purchase Agreement for the 2022 Bonds; and

**WHEREAS**, pursuant to Section 5451 of the Government Code of the State, the 2022 Bonds shall be secured by a pledge of, and lien and security interest in, all of the District's rights, title and interest in the Measure G Revenues as provided in the Indenture; and

**WHEREAS**, pursuant to Government Code Section 5852.1, the District disclosed certain financial information relating to the 2022 Bonds in Appendix A to Resolution No. 21-12-02; and

**WHEREAS**, the Board of Directors has previously approved a Debt Management Policy, which complies with Government Code Section 8855, and the issuance of the 2022 Bonds will be in compliance with said policy;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Santa Cruz Metropolitan Transit District as follows:

**Section 1. Recitals.** The foregoing recitals are true and correct and the Board of Directors hereby so finds and determines.

**Section 2. Confirmation of Approval to Issue Bonds.** The Board of Directors hereby confirms its actions in Resolution No. 21-12-02 authorizing the issuance of the Bonds, including the 2022 Bonds, from time to time pursuant to the Bond Law for the purpose of refinancing the PERS Obligations. The aggregate principal amount of the 2022 Bonds shall not at the time of issuance exceed the aggregate amount of (i) the unfunded accrued actuarial liability and the normal cost for the then-current fiscal year represented by the PERS Obligations as of such time of issuance, as reported to the District by PERS, (ii) the amount required to pay capitalized interest on the 2022 Bonds, if any, (iii) the amount required to fund a debt service reserve fund or account for each series of Bonds, if any, and (iv) the amount required to pay all costs of issuing the 2022 Bonds (including, but not limited to, underwriter's discount and original issue discount, and premiums for bond insurance and debt service reserve policies or surety bonds, if any), which total amount is currently estimated not to exceed \$55,000,000.

The Board of Directors hereby confirms and approves the Indenture and authorizes the delivery and performance of the Indenture by the District in substantially the form on file with the Secretary of the Board of Directors, together with any changes, insertions or omissions as deemed advisable by the CEO/General Manager and the Chief Financial Officer of the District (each, an "Authorized Officer"), acting alone. The execution of the Indenture by an Authorized Officer shall be conclusive evidence of the approval of any such changes, insertions or omissions.

**Section 3. Approval of Official Statement.** The Board of Directors hereby approves the preliminary Official Statement in substantially the form on file with the Secretary of the Board of Directors. Distribution of the preliminary Official Statement by the District and Samuel A. Ramirez & Co., as underwriter of the 2022 Bonds (the "Underwriter"), is hereby approved, and, prior to the distribution of the preliminary Official Statement, each of the Authorized Officers is hereby authorized and directed, on behalf of the District, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer executing the same, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the 2022 Bonds, and each Authorized

# Attachment A

Resolution #

Page 4

Officer, acting alone, is authorized and directed to execute and deliver the final Official Statement for and on behalf of the District, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a continuing disclosure undertaking substantially in the form appended to the final Official Statement, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4. Approval of Bond Purchase Agreement.** The Board of Directors hereby approves the Bond Purchase Agreement prescribing the provisions for sale of the 2022 Bonds by the District to the Underwriter; provided, however, that (i) the true interest cost with respect to the 2021 Bonds shall not exceed 3.75% and (ii) the Underwriter's discount with respect to the Bonds shall not exceed 0.286% of the principal amount thereof. Each Authorized Officer is hereby authorized and directed to execute and deliver, for and in the name and on behalf of the District, in substantially the form on file with the Secretary of the Board of Directors, with such changes therein, deletions therefrom and additions thereto as the Authorized Officer shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The Board of Directors hereby authorizes the delivery and performance of the Bond Purchase Agreement by the District.

**Section 5. Official Actions.** The Authorized Officers are hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver any and all documents and instruments and to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the 2022 Bonds, including procurement of one or more municipal bond insurance policies and/or debt service reserve policies, if any, for the 2022 Bonds, in whole or in part, and any agreements with the California Department of Tax and Fee Administration. Whenever in this Resolution any officer of the District is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable. All actions heretofore taken by Authorized Officers and by any other officers, employees or agents of the District with respect to the issuance of the 2022 Bonds, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified

**Section 6. Effective.** This Resolution shall take effect immediately upon its passage and adoption.

# Attachment A

Resolution #  
Page 5

**PASSED AND ADOPTED** by the Board of Directors of the Santa Cruz Metropolitan Transit District on January 28, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

**APPROVED** \_\_\_\_\_  
DONNA LIND  
Board Chair

**ATTEST** \_\_\_\_\_  
DAWN CRUMMIÉ  
Interim CEO/General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
JULIE SHERMAN  
General Counsel

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# Attachment B

\$ \_\_\_\_\_  
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SALES TAX REVENUE BONDS (MEASURE G), SERIES 2022  
(FEDERALLY TAXABLE)**

## BOND PURCHASE AGREEMENT

\_\_\_\_\_, 2022

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

Ladies and Gentlemen:

The undersigned Samuel A. Ramirez & Co., Inc. (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the Santa Cruz Metropolitan Transit District (the “**District**”), which, upon the acceptance by the District, will be binding upon the District and the Underwriter. This offer is made subject to acceptance by the District by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the District at any time prior to the acceptance hereof by the District. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture of Trust (defined herein).

**Section 1. Purchase and Sale.** Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the Santa Cruz Metropolitan Transit District Sales Tax Revenue Bonds (Measure G), Series 2022 (Federally Taxable) (the “**Bonds**”) in the aggregate principal amount of \$\_\_\_\_\_. The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on February 1 and August 1 in each year, commencing August 1, 2022 (each an “**Interest Payment Date**”) and will bear interest at the rates and on the dates as set forth in Exhibit A hereto. In addition, the Bonds shall be subject to redemption as set forth in the Indenture of Trust. The purchase price for the Bonds shall be \$\_\_\_\_\_ (which represents the principal amount of the Bonds in the amount of \$\_\_\_\_\_, less an Underwriter’s discount of \$\_\_\_\_\_).

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering yields set forth in the Official Statement (defined herein); however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Underwriter agrees that, in connection with the public offering and initial delivery of the Bonds to the purchasers thereof from the Underwriter, the Underwriter will deliver or cause to be delivered to each purchaser a copy of the final Official Statement prepared in connection with the Bonds, for the time period required under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”).

# Attachment B

Terms defined in the Preliminary Official Statement, and to be set forth in the final Official Statement are used herein as so defined.

The District acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters); (iv) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the District has consulted its own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

**Section 2. The Bonds.** The Bonds are being issued pursuant to an Indenture of Trust, dated as of March 1, 2022 (the "**Indenture of Trust**"), between the District and U.S. Bank National Association, as trustee (together with any successor as trustee under the Indenture of Trust, the "**Trustee**"), and Resolution Nos. \_\_\_\_ and \_\_\_\_, adopted by a majority of the Board of Directors of the District (the "**Board**") on December 17, 2021 and \_\_\_\_\_, 2022, respectively (collectively, the "**Resolutions**"). The Bonds shall be secured by a first pledge of and lien on, and a security interest in all Measure G Revenues (as defined in the Indenture of Trust) and certain other funds and accounts as provided in the Indenture of Trust. Except with respect to the Measure G Revenues, the Bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The Bonds otherwise shall be as described in the Preliminary Official Statement and the Official Statement and the Indenture of Trust. The Underwriter's agreement to purchase the Bonds from the District is made in reliance upon the District's representations, covenants and warranties and on the terms and conditions set forth in this Purchase Agreement.

The District is obligated by the Public Employees' Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the "**Retirement Law**"), and the contract between the Board of Administration of the California Public Employees' Retirement System ("**PERS**"), established under Government Code sections 20000 through 21500 of the Retirement Law, and the Board, effective \_\_\_\_, 19\_\_\_\_ (as amended, the "**PERS Contract**"), to make contributions to PERS to (a) fund pension benefits for its employees who are members of PERS, (b) amortize the unfunded actuarial liability with respect to such pension benefits, and (c) appropriate funds for the purposes described in (a) and (b).

The proceeds of the Bonds will be used to: (i) refund a portion of the District's obligations to PERS evidenced by the retirement plan in which the District participates pursuant to the PERS Contract and representing the current unfunded accrued liability (the "**Unfunded Liability**") with respect to certain pension benefits under the Retirement Law and (ii) pay certain costs associated with the issuance and delivery of the Bonds.

**Section 3. Public Offering.** The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and

# Attachment B

incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

**Section 4. The Official Statement.** By its acceptance of this Purchase Agreement, the District ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated \_\_\_\_\_, 2022 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “**Preliminary Official Statement**”) that the District has deemed “final” as of its date, for purposes of Rule 15c2-12 except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The District hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the District and the Underwriter (the “**Official Statement**”)) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”). To the extent required by applicable MSRB Rules, the District hereby confirms that it does not object to distribution of the Official Statement in electronic form.

**Section 5. Closing.** At 8:00 a.m., California time, on \_\_\_\_\_, 2022 (the “**Closing Date**”), or at such other time or date as the District and the Underwriter mutually agree upon, the District shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York, New York (“**DTC**”), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the District shall deliver the documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California (“**Bond Counsel**”) or another place to be mutually agreed upon by the District and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the “**Closing**.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of \$5,000 and any integral multiple thereof as provided in the Indenture of Trust, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The District acknowledges that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agrees to cooperate fully with the Underwriter in employing such services.

**Section 6. Representations, Warranties and Covenants of the District.** The District represents, warrants and covenants to the Underwriter as follows.

(a) The District is a public transit district of the State of California (the “**State**”), duly organized and validly existing pursuant to the laws of the State.

## Attachment B

(b) The District had full legal right, power and authority to adopt the Resolutions, and the District has, and at the Closing Date will have, full legal right, power and authority (i) to execute and deliver the Indenture of Trust, the Continuing Disclosure Certificate of the District dated the Closing Date, relating to the Bonds (the “**Continuing Disclosure Certificate**”) and this Purchase Agreement (collectively, the “**Legal Documents**”), to perform its obligations under the Legal Documents, and has by official action duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in the Legal Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out, give effect to and consummate the transactions contemplated by the Legal Documents and the Resolutions.

(c) The Board has duly and validly adopted the Resolutions at meetings of the Board duly noticed and at which a quorum was present, and the Resolutions have not been modified or amended and are in full force and effect, and has duly approved the execution and delivery of the Bonds and the other Legal Documents, and the performance by the District of its obligations contained therein, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by each of said documents.

(d) The Bonds and the other Legal Documents have been, on or before the Closing Date will be, duly executed and delivered by the District, and, on the Closing Date, the Bonds, when authenticated and delivered to the Underwriter in accordance with the Indenture of Trust, and the Legal Documents will constitute legally valid and binding obligations, enforceable against the District in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or limiting creditors’ rights generally.

(e) The District is, and at the Closing Date will be, in compliance, in all respects, with the Legal Documents.

(f) The District is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the District to perform its obligations under the Legal Documents.

(g) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the District that has not been obtained is or will be required for the issuance and delivery of the Bonds or the consummation by the District of the other transactions contemplated by the Indenture of Trust.

(h) The adoption of the Resolutions and the execution and delivery by the District of the Legal Documents and the approval by the District of the Official Statement and compliance with the provisions on the District’s part contained in the Legal Documents, will not conflict with, or result in a violation or breach of, or constitute a default under, any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the District to carry out its obligations under the Legal Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any

## Attachment B

material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the District under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Legal Documents.

(i) Prior to the date hereof, the District has provided to the Underwriter for its review the Preliminary Official Statement, that the District has deemed final for purposes of Rule 15c2-12, has approved the distribution of the Preliminary Official Statement and the Official Statement, and has duly authorized the execution and delivery of the Official Statement (including in electronic form). The Preliminary Official Statement, at the date thereof, and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC, its book-entry system and information provided by the Underwriter, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC, its book-entry system and information provided by the Underwriter, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(j) By official action of the District prior to or concurrently with the acceptance hereof, the District has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement (including in electronic form), and has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained, in the Legal Documents.

(k) The District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(l) The financial statements relating to the receipts, expenditures and cash balances of the District as of June 30, 2021 as set forth in the Preliminary Official Statement and in the Official Statement fairly represent the financial position and results of operations of the District as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles. Except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial position and results of operations of the District or in its operations since June 30, 2021 and, except as disclosed in the Preliminary Official Statement or the Official Statement, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(m) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the knowledge of the District, threatened (i) in any way questioning the corporate existence of the District or the titles of the officers of the District to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the

# Attachment B

Legal Documents or the consummation of the transactions contemplated thereby or contesting the power of the District to enter into the Legal Documents; (iii) which may result in any material adverse change to the financial condition of the District or to its ability to make payment of principal or redemption price of and interest on the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence.

(n) To the extent required by law, the District will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. As disclosed in the Preliminary Official Statement, the District has not previously entered into any continuing disclosure undertakings pursuant to Rule 15c2-12.

(o) Any certificate signed by any officer of the District authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the District to the Underwriter as to the statements made therein but not of the person signing such certificate.

(p) The District will promptly apply the proceeds of the Bonds to refund the Unfunded Liability as of the date of issuance of the Bonds and to pay costs associated with the issuance and delivery of the Bonds.

(q) During the period from the date hereof until the Closing Date, the District agrees to furnish the Underwriter with copies of any documents it files with any regulatory authority which are reasonably requested by the Underwriter.

(r) The District is not in material default, nor has the District been in material default at any time, as to the payment of principal or interest with respect to a material obligation issued by the District or with respect to a material obligation guaranteed by the District as guarantor.

(s) As of the date hereof, the District does not have any revenue bonds, capital lease obligations, installment payment obligations or other material financial obligation, nor other material obligations secured by payments from Measure G Revenues, except as disclosed in the Preliminary Official Statement and the Official Statement.

(t) The District had, prior to the adoption of the Resolutions, and has, in full force and effect, a Debt Management Policy that complies with Government Code Section 8855(i).

**Section 7. Conditions to the Obligations of the Underwriter.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the District, as well as authorized representatives of the District Attorney, Bond Counsel, Jones Hall, A Professional Law Corporation, as disclosure counsel ("**Disclosure Counsel**") and the Trustee made in any certificates or other documents furnished

## Attachment B

pursuant to the provisions hereof, to the performance by the District of its obligations to be performed hereunder at or prior to the date of the Closing, and to the following additional conditions:

(a) The representations, warranties and covenants of the District contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Preliminary Official Statement and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Legal Documents, or any other agreement or document pursuant to which any of the District's financial obligations were executed and delivered, and the District shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would result in any material adverse change to the financial condition of the District or adversely impact its ability to make payment of principal or redemption price of and interest on the Bonds when due;

(d) In recognition of the desire of the District and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the reasonable judgment of the Underwriter by notification, in writing, to the District prior to delivery of and payment for the Bonds, if at any time prior to such time:

(i) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to make it, in the reasonable judgment of the Underwriter, impractical to proceed with the purchase or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto); or

(ii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(iii) an event occurs which in the reasonable opinion of the Underwriter requires a supplement or amendment to the Official Statement and: (i) the District refuses to prepare and furnish such supplement or amendment; or (ii) in the reasonable judgment of the Underwriter, the occurrence of such event materially and adversely affects the marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(iv) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(v) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the

## Attachment B

Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration; or

(vi) an order, decree or injunction shall have been issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture of Trust is not exempt from qualification under the Trust Indenture Act of 1939; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(vii) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement; or

(viii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) the Comptroller of the Currency, the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements or financial responsibility requirements of broker dealers; or

## Attachment B

(x) trading in securities on the New York Stock Exchange or other major exchange shall have been suspended or limited or minimum prices have been established on either such exchange which, in the Underwriter's reasonable judgment, materially adversely affects the marketability or market price of the Bonds; or

(xi) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(xii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(xiii) any rating of the Bonds or the rating of any securities of the District shall have been downgraded, withdrawn or placed on negative watch by a national rating service, which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(xiv) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States securities market, rendering the marketing and sale of the Bonds, or enforcement of sale contracts with respect thereto impracticable; or

(xv) the commencement of any action, suit or proceeding described in Section 6(m).

(e) at or prior to the Closing, the Underwriter shall receive or have received the following documents, in each case to the reasonable satisfaction, in form and substance, of the Underwriter and Kutak Rock LLP, Irvine, California ("**Underwriter's Counsel**"):

(i) all resolutions relating to the Bonds adopted by the Board and certified by an authorized official of the District, authorizing the execution and delivery of the Legal Documents and the delivery of the Bonds and the Official Statement;

(ii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter; and

(iii) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the District, in substantially the form attached as Appendix E to the Preliminary the Official Statement and the Official Statement, together with a reliance letter thereon addressed to the Underwriter;

(iv) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions "INTRODUCTION," "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," and "TAX MATTERS," and in "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," AND APPENDIX E – "PROPOSED FORM OF OPIONION OF BOND COUNSEL," and excluding any material that may be treated as included

## Attachment B

under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Indenture of Trust, and Bond Counsel's final opinion relating to the Bonds, are accurate in all material respects as of the date of Closing;

(B) the Continuing Disclosure Certificate and the Purchase Agreement have been duly authorized, executed and delivered by the District and are the valid, legal and binding agreements of the District enforceable in accordance with their terms, except that the rights and obligations under the Continuing Disclosure Certificate and the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture of Trust is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(v) the Official Statement, executed on behalf of the District;

(vi) evidence that the rating on the Bonds is as described in the Official Statement;

(vii) a certificate, dated the date of Closing, signed by a duly authorized officer of the District satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the District contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the District, and the District has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the District at or prior to the date of Closing; (ii) to the best of such officer's knowledge, no event affecting the District has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Preliminary Official Statement and the Official Statement (other than information relating to DTC, its book-entry system and information provided by the Underwriter) did not as of their date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) the District is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, which would have a material adverse impact on the District's ability to perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Preliminary Official Statement and the Official Statement;

(viii) an opinion dated the date of Closing and addressed to the Underwriter, the Trustee, Bond Counsel, of the District's General Counsel, substantially in the form attached as Exhibit B hereto;

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(ix) a letter of Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel to the District dated the date of Closing and addressed to the Underwriter substantially to the effect that: we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements; however, in connection with the Preliminary Official Statement and the Official Statement, we have reviewed certain documents and have participated in conferences in which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. During the course of our work on this matter, no facts have come to our attention that have caused us to believe that the Preliminary Official Statement as of its date, and the Official Statement as of its date or the date hereof (except for the following items, which we expressly exclude from the scope of this sentence: any financial, statistical and demographic data, forecasts, numbers, charts, estimates, assumptions, expressions of opinion, and information concerning The Depository Trust Company and the book-entry system for the Bonds, that is contained or incorporated by reference in the Preliminary Official Statement and the Official Statement, and the appendices to the Preliminary Official Statement and the Official Statement) contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(x) an opinion of counsel to the Trustee, addressed to the Underwriter and the District, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Indenture of Trust;

(B) the Indenture of Trust has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Indenture of Trust constitutes the valid, legal and binding obligations of the Trustee enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) the Trustee has duly authenticated the Bonds upon the order of the District;

(D) the Trustee's actions in executing and delivering the Indenture of Trust are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture of Trust; and

(F) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge,

## Attachment B

threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Indenture of Trust.

(xi) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Indenture of Trust;

(B) the Trustee is duly authorized to enter into the Indenture of Trust and has duly executed and delivered the Indenture of Trust, and assuming due authorization and execution by the other parties thereto, the Indenture of Trust is legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;

(C) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture of Trust; and

(D) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Indenture of Trust.

(xii) the preliminary and final forms required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code of the State of California and Section 8855(i) and (j) of the Government Code;

(xiii) a copy of the executed Blanket Issuer Letter of Representations by and between the District and DTC relating to the book-entry system;

(xiv) an opinion of Underwriter's Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter;

(xv) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement and executed by the District;

(xvi) a certificate of Urban Futures, Inc. ("UFI") satisfactory in form and substance to the Underwriter, to the effect that:

(A) the undersigned is an authorized officer of UFI, which has acted as municipal advisor to the District in connection with the issuance of the Bonds, and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(B) UFI has reviewed the Preliminary Official Statement and the final Official Statement; and

(C) nothing has come to the attention of UFI which would lead it to believe that the Preliminary Official Statement as of the date of the pricing of the Bonds or its date or the

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Official Statement as of its date or the Closing Date contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(xvii) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter's Counsel may reasonably request.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, this Purchase Agreement shall terminate, and except as set forth in Section 9 hereof, neither the Underwriter nor the District shall be under further obligation hereunder.

**Section 8. Changes in Official Statement.** Within 90 days after the Closing or within 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, or the District shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the District will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The District shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the "end of the underwriting period" will be the date of Closing unless the Underwriter otherwise notifies the District in writing that it still owns some or all of the Bonds.

**Section 9. Expenses.** (a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, the Underwriter shall be under no obligation to pay, and the District shall pay out of the proceeds of the Bonds or any other legally available funds of the District, all expenses incidental to the performance of the District's obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter, the costs of printing and shipping and electronic distribution of the Preliminary Official Statement and the Official Statement in reasonable quantities, the fees and disbursements of the District, the Trustee and its counsel, Bond Counsel, Disclosure Counsel, the District's General Counsel, the District's actuary, accountants, engineers, appraisers, economic consultants and any other experts or consultants retained by the District in connection with the issuance and sale of the Bonds, rating agency fees, advertising expenses, and any other expenses not specifically enumerated in paragraph (b) of this section incurred in connection with the issuance and sale of the Bonds. The District shall pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the District's employees and representatives which are incidental to implementing this Purchase Agreement, including meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set forth herein, the District shall be under no obligation to pay, and the Underwriter shall be responsible for and pay (which may be included as an expense component of the Underwriter's discount), MSRB, CUSIP Bureau and CDIAAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws, and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this section, including the cost of preparing this

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Purchase Agreement and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter's Counsel.

**Section 10. Notices.** Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Samuel A. Ramirez & Co., Inc., 633 West Fifth Street, Suite 2693, Los Angeles, California 90071, Attention: Raul Amezcua, Senior Managing Director. Any notice or communication to be given to the District under this Purchase Agreement may be given by delivering the same in writing to the District, at the address first set forth above, Attention: Chief Financial Officer. All notices or communications hereunder by any party shall be given and served upon each other party.

**Section 11. Parties in Interest.** This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the District in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

**Section 12. Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

# Attachment B

**Section 13. Governing Law.** This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

**SAMUEL A. RAMIREZ & CO., INC.**

By: \_\_\_\_\_  
Authorized Officer

Accepted:

**SANTA CRUZ METROPOLITAN  
TRANSIT DISTRICT**

By: \_\_\_\_\_  
Authorized Officer

Time of Execution: \_\_\_\_:\_\_\_\_ California time

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## EXHIBIT A

\$ \_\_\_\_\_  
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SALES TAX REVENUE BONDS (MEASURE G), SERIES 2022  
(FEDERALLY TAXABLE)**

### MATURITY SCHEDULE

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
20__ <sup>(1)</sup>				
20__ <sup>(1)</sup>				

<sup>(1)</sup> Term Bonds

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## EXHIBIT B

### FORM OF DISTRICT GENERAL COUNSEL OPINION

\_\_\_\_\_, 2022

Santa Cruz Metropolitan Transit District  
Santa Cruz, California

Jones Hall, A Professional Law Corporation  
San Francisco, California

Samuel A. Ramirez & Co., Inc.,  
Los Angeles, California

\$ \_\_\_\_\_  
**Santa Cruz Metropolitan Transit District  
Sales Tax Revenue Bonds (Measure G), Series 2022  
Federally Taxable**

Ladies and Gentlemen:

We have acted as counsel to the Santa Cruz Metropolitan Transit District (the “District”) in connection with the issuance and sale by the District of \$ \_\_\_\_\_ aggregate principal amount of its Sales Tax Revenue Bonds (Measure G), Series 2022 (the “Bonds”). We have examined and relied upon originals (or copies certified or otherwise identified to our satisfaction) of such documents, records and other instruments as we deem necessary or appropriate for the purposes of this opinion, including, without limitation: (i) those documents relating to the existence, organization and operation of the District; (ii) Resolution Nos. \_\_\_\_ and \_\_\_\_\_, adopted by a majority of the Board of Directors of the District (the “Board”) on December 17, 2021 and \_\_\_\_\_, 2022; (iii) all necessary documentation of the District relating to the authorization, execution and delivery of the Indenture of Trust, dated as of March 1, 2022 (the “Indenture of Trust”), between the District and U.S. Bank National Association, as trustee; (iii) the Bond Purchase Agreement, dated \_\_\_\_\_, 2022 (the “Purchase Agreement”), executed by Samuel A. Ramirez & Co., Inc. (the “Underwriter”), and accepted by the District; (iv) the Preliminary Official Statement, dated \_\_\_\_\_, 2022 (the “Preliminary Official Statement”), relating to the Bonds; (v) the Official Statement, dated \_\_\_\_\_, 2022 (the “Official Statement”), relating to the Bonds; (vi) the Continuing Disclosure Certificate, dated \_\_\_\_\_, 2022 (the “Continuing Disclosure Certificate”), executed by the District; and (vii) such other records, documents, certificates, opinions, and other matters as are in our judgment necessary or appropriate to enable us to render the opinions expressed herein. All capitalized terms used herein and not otherwise defined shall have the meaning given to such terms as set forth in the Indenture of Trust.

Based on the foregoing, and with regard to State of California (the “State”) law and United States federal law, we are of the opinion that:

(a) The District is a public transit district of the State, duly organized and validly existing pursuant to the laws of the State.

(b) The resolutions of the District approving and authorizing the execution and delivery of the Bonds, the Indenture of Trust, the Purchase Agreement, and the Continuing Disclosure Certificate

## Attachment B

(collectively, the “Legal Documents”) and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the District were duly adopted at meetings of the governing body of the District which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the resolutions are now in full force and effect and have not been amended or superseded in any way.

(c) Except as disclosed in the Preliminary Official Statement and in the Official Statement, there is no action, suit or proceeding pending, or to the best of our knowledge, threatened against the District to (i) restrain or enjoin the execution or delivery of the Legal Documents (ii) in any way contesting or affecting the validity of the Legal Documents, the Resolutions or the authority of the District to enter into the Legal Documents, or (iii) in any way contesting or affecting the powers of the District in connection with any action contemplated by the Official Statement, the Resolutions or the Legal Documents.

(d) The execution and delivery of the Legal Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the District a breach of or default under any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the District is subject, which breach or default has or may have a material adverse effect on the ability of the District to perform its obligations under the Legal Documents.

(e) No authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the Legal Documents or the consummation by the District of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter.

Very truly yours,

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**INDENTURE OF TRUST**

Dated as of March 1, 2022

between the

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

and

**U.S. BANK NATIONAL ASSOCIATION,**  
*as Trustee*

Relating to

**[\$[PAR]]  
Santa Cruz Metropolitan Transit District  
Sales Tax Revenue Bonds (Measure G), Series 2022  
(Federally Taxable)**

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APPENDIX A	DEFINITIONS
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## DEFINITIONS

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## INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture") dated as of March 1, 2022, is between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a transit district duly organized and existing under the laws of the State of California (the "District"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

### *BACKGROUND:*

**WHEREAS**, the Santa Cruz Metropolitan Transit District (the "District") was created pursuant to the Santa Cruz Metropolitan Transit District Act of 1967 (the "Act"), commencing with Section 98000 of the Public Utilities Code (the "Code") of the State of California (the "State"); and

**WHEREAS**, the Board of Directors of the District may establish a retirement system for the officers and employees of the District and provide for the payment of annuities, pensions, retirement allowances, disability payments, and death benefits or any of them pursuant to Chapter 5 of the Act, commencing with Section 98180 of the Code; and

**WHEREAS**, pursuant to Section 98184 of the Code, the District is authorized to participate in and make all or part of its employees members of the California Employees' Retirement System by contract entered into between the District and the board of administration of the system under the State Employees' Retirement Law, and the District may perform all acts necessary or convenient for such participation; and

**WHEREAS**, the Public Employees Retirement Law is codified in Part 3 of Division 5 of Title 2 of the Government Code of the State, commencing with Section 20000 of the Government Code of the State (hereinafter referred as, the "Retirement Law"); and

**WHEREAS**, Section 20058(b) of the Retirement Law states that the terms "State Employees' Retirement System" and "State Employees' Retirement Law" in every statute enacted prior to the enactment of the Retirement Law, like the Act, shall be construed to refer to and mean the "Public Employees' Retirement System" and the "Public Employees Retirement Law," respectively; and

**WHEREAS**, pursuant to the authority granted under Chapter 5 of the Act, the District previously adopted a retirement plan pursuant to the Retirement Law and elected to become a contracting member of the California Public Employees' Retirement System ("PERS"), and as such the District is obligated to make certain payments to PERS (the "PERS Obligations"); and

**WHEREAS**, the Board of Directors is authorized under Article 8.5 of Chapter 6 the Act, commencing with Section 98290 of the Code, to adopt a retail and use tax ordinance provided that two-thirds of the electors voting on the measure vote to authorize its enactment at a special election called for that purpose by the Board of Directors; and

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**WHEREAS**, pursuant to Section 98290 of the Code, the Board adopted Ordinance No. 78-3-1 on March 17, 1978 (the "Measure G Ordinance"), imposing a retail transaction and use tax at a rate of 0.5 percent that is applicable in the District (the "Measure G Revenues"), and the Measure G Ordinance was submitted to the electors of the District in the form of Measure G and was approved by greater than a two-thirds vote at an election held on June 6, 1978; and

**WHEREAS**, the Measure G Revenues are available for any lawful purpose of the District, including the payment by the District of the PERS Obligations; and

**WHEREAS**, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State, commencing with Section 53570 of said Code (the "Bond Law"), to issue its bonds for the purpose of refunding certain outstanding obligations of the District, including the PERS Obligations; and

**WHEREAS**, under Chapter 5.5 (commencing with Section 5450) of Division 6 of Title 1 of the Government Code of the State, a pledge of collateral by any public body to secure, directly or indirectly, the payment of the principal or redemption price of, or interest on, any bonds shall be valid and binding in accordance with the terms of the pledge document from the time the pledge is made for the benefit of the pledgees and successors thereto; and

**WHEREAS**, in order to refund the PERS Obligations and thereby realize interest savings, and to refund its normal cost for fiscal year \_\_\_\_\_ and accomplish a more prudent amortization of its unfunded actuarial accrued liability in respect of the PERS Obligations, the District has determined to issue its \$[PAR] aggregate principal amount of Santa Cruz Metropolitan Transit District Sales Tax Revenue Bonds (Measure G), Series 2022 (Federally Taxable) (the "Bonds") under the Bond Law and this Indenture, and under a Resolution adopted by the Board of Directors of the District on December 17, 2021; and

**WHEREAS**, principal of and interest and redemption premiums (if any) on the Bonds shall be secured by a pledge of, and lien and security interest in, all of the District's rights, title and interest in the Measure G Revenues, and the funds and accounts provided for in this, pursuant to Section 5451 of the Government Code of the State; and

**WHEREAS**, the District has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the District, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken.

## **AGREEMENT:**

In order to secure the payment of the principal of and the interest and redemption price (if any) on all the Outstanding Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the

# Attachment C

District and the Trustee hereby covenant and agree with one another, for the respective Owners from time to time of the Bonds, as follows:

## ARTICLE I

### DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. *Definitions.* Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in Appendix A attached to this Indenture have the respective meanings specified in Appendix A when used in this Indenture.

SECTION 1.02. *Authorization.* Each of the parties represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

## ARTICLE II

### AUTHORIZATION AND TERMS OF BONDS

SECTION 2.01. *Authorization and Purpose of Bonds.* The District has reviewed all proceedings heretofore taken and as a result of such review has found, and hereby finds and determines, that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the District is now duly empowered, under each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

The District hereby authorizes the issuance of the Bonds in the aggregate principal amount of \$[PAR] under the Authorizing Resolution and the Bond Law for the purposes

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of providing funds to refinance the PERS Obligations of the District as provided herein. The Bonds are designated "Santa Cruz Metropolitan Transit District Sales Tax Revenue Bonds (Measure G), Series 2022 (Federally Taxable)."

SECTION 2.02. *Terms of the Bonds.* The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Bonds shall be dated as of the Closing Date and mature on August 1 in the years and in the respective principal amounts and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the respective rates per annum, as set forth in the following table:

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
---	-----------------------------------	--------------------------------

Interest on the Bonds is payable from the Interest Payment Date immediately preceding the date of authentication thereof unless:

- (a) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,
- (b) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or
- (c) interest on a Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest is payable on each Interest Payment Date to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on a Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than ten days prior to such special record date.

The Trustee will pay interest on the Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such Bonds on each

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succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner. The Trustee will pay principal of the Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

## SECTION 2.03. *Redemption of Bonds.*

(a) Optional Redemption. The Bonds maturing on or before August 1, \_\_\_\_\_, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, \_\_\_\_\_, are subject to redemption in whole, or in part among maturities on such basis as set forth in a Request of the District, and within a maturity on a pro rata basis among the Beneficial Owners of the Bonds of such maturity, at the option of the District, on any date on or after August 1, \_\_\_\_\_, from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

The District shall give the Trustee written notice of its intention to redeem Bonds under this subsection (a), and the manner of selecting such Bonds for redemption from among the maturities thereof and the amount of the redemption premium thereon, at least 45 days prior to the date fixed for redemption.

(b) Mandatory Sinking Fund Redemption. The Term Bonds are subject to mandatory redemption, within a maturity on a pro rata basis among the Beneficial Owners of the Term Bonds of such maturity, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following tables. If some but not all of the Term Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the District to the Trustee).

### **Term Bonds Maturing August 1, \_\_\_\_\_**

<b>Sinking Fund Redemption Date (August 1)</b>	<b>Principal Amount To Be Redeemed</b>
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## Term Bonds Maturing August 1, \_\_\_\_

Sinking Fund  
Redemption Date  
(August 1)

Principal Amount  
To Be Redeemed

(c) Notice of Redemption. The Trustee on behalf and at the expense of the District will mail (by first class mail) notice of any redemption to the respective Owners of Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and the Municipal Securities Rulemaking Board, at least 20 but not more than 60 days prior to the date fixed for redemption; *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice must state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and must require that such Bonds be then surrendered at the Office of the Trustee identified in such notice for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

(d) Right to Rescind Notice of Optional Redemption. The District may send a conditional notice of an optional redemption of Bonds under subsection (a) of this Section. The District may rescind any notice of the optional redemption of Bonds under subsection (a) of this Section by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default. The District and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under subsection (c) of this Section.

(e) Manner of Redemption. Whenever provision is made in this Section 2.03 for the redemption of less than all of the Bonds of a maturity, the Trustee shall select the Bonds of such maturity to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purpose of such selection, all Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

So long as the Bonds are registered in book-entry-only form and so long as the Depository or a successor securities depository is the sole registered Owner of the Bonds, partial redemptions will be done in accordance with procedures of the Depository. It is the District's intent that redemption allocations made by the Depository be made in

# Attachment C

accordance with the proportional provisions described herein. However, neither the District nor the Trustee has a duty to assure, and can provide no assurance, that DTC will allocate redemptions among Beneficial Owners on such a proportional basis, and neither the District nor the Trustee shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason. The portion of any registered Bonds of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof.

(f) Partial Redemption of Bonds. If only a portion of a Bond is called for redemption, then upon surrender of such Bond the District will execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same series and maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(g) Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. Unless otherwise directed in writing by the District, the Trustee shall cancel and destroy all Bonds redeemed under this Section 2.03.

## SECTION 2.04. *Book Entry System.*

(a) Original Delivery. The Bonds will be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds will be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which is registered in the name of the Nominee, the District and the Trustee have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the District and the Trustee have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the District elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The District and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of and premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes

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whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments will be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the District to make payments of principal, interest and premium, if any, under this Indenture. Upon delivery by the Depository to the District of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee will become the Nominee hereunder for all purposes; and upon receipt of such a notice the District will promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the District will execute and deliver to such Depository a letter representing such matters as necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the District may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the District determines to terminate the Depository as such, then the District will thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the District and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the District fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

If the District determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the District may notify the Depository System Participants of the availability of such certificated Bonds through the Depository. In such event, the Trustee will authenticate, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the District will cooperate with the Depository in taking appropriate action (a) to make available one or more separate certificates evidencing the Bonds to any Depository System Participant having Bonds credited to its account with the Depository, or (b) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the District's expense.

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(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as a Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on that Bond and all notices with respect to that Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

SECTION 2.04. *Form and Execution of Bonds.* The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Chief Financial Officer of the District shall execute, and the Secretary of the Board of Directors of the District shall attest each Bond. Any or all of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on a Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. A Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of that Bond are the proper officers of the District, duly authorized to execute debt instruments on behalf of the District, although on the date of that Bond any such person was not an officer of the District.

Only those Bonds bearing a certificate of authentication in the form set forth in Appendix B, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.05. *Transfer and Exchange of Bonds.*

(a) Transfer. A Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of that Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds under this Section. Whenever any Bond or Bonds are surrendered for transfer, the District will execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The District will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

(b) Exchange. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of Bonds under this subsection (b). The District will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

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SECTION 2.06. *Registration Books.* The Trustee will keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the District. The Trustee will register the ownership and transfer of the Bonds on the Registration Books under such reasonable regulations as it may prescribe.

SECTION 2.07. *Bonds Mutilated, Lost, Destroyed or Stolen.* If a Bond is mutilated, the District, at the expense of the Owner of that Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, upon surrender to the Trustee of the Bond so mutilated. The Trustee shall cancel every mutilated Bond surrendered to it and deliver such mutilated Bond to or upon the order of the District. If a Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and if indemnity satisfactory to the Trustee is given, the District, at the expense of the Owner, will execute, and the Trustee will thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and are equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued under this Indenture.

Notwithstanding any other provision of this Section, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

## ARTICLE III

### DEPOSIT AND APPLICATION OF PROCEEDS OF BONDS; ISSUANCE OF PARITY DEBT

SECTION 3.01. *Issuance of Bonds.* Upon the execution and delivery of this Indenture, the District shall execute and deliver Bonds in the aggregate principal amount of \$[PAR] to the Trustee and the Trustee shall authenticate and deliver the Bonds to the Original Purchaser upon receipt of a Request of the District therefor.

SECTION 3.02. *Deposit and Application of Proceeds.* Upon receipt of the proceeds of the Bonds on the Closing Date, the Trustee shall deposit the proceeds into a special fund to be held by the Trustee and known as the Bond Proceeds Account which the Trustee shall establish and hold in trust hereunder, to be applied as follows:

- (a) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the Costs of Issuance Fund.

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- (b) The Trustee shall apply the amount of \$\_\_\_\_\_, constituting the remainder of the proceeds of sale of the Bonds, to the satisfaction of the District's obligations under the PERS Contracts by effecting a wire transfer of such proceeds to PERS, in accordance with a Request of the District.

After making the foregoing transfers, the Trustee shall close the Bond Proceeds Account.

SECTION 3.03. *Establishment and Application of Costs of Issuance Fund.* The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund" into which the Trustee shall deposit a portion of the proceeds of sale of the Bonds under Section 3.02(a). The Trustee shall disburse amounts in the Costs of Issuance Fund from time to time to pay the Costs of Issuance of the Bonds upon submission of a Request of the District stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. The Trustee may conclusively rely on such Requests of the District and shall be fully protected in relying thereon. On June 1, 2022, or upon the earlier Request of the District, the Trustee shall transfer all amounts remaining in the Costs of Issuance Fund to the Project Fund, and shall thereupon close the Costs of Issuance Fund.

SECTION 3.04. *Validity of Bonds.* The validity of the authorization and issuance of the Bonds is not dependent upon the expenditure of the proceeds thereof to pay PERS Obligations, or upon the performance by any person of its obligation with respect to the PERS Obligations.

SECTION 3.05. *Issuance of Parity Debt.* The District may issue Parity Debt in such principal amount as it determines, which are secured in whole or in part by a pledge of and lien on the Measure G Revenues, subject to the following conditions precedent:

- (a) No Event of Default (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute an Event of Default) has occurred and is continuing.
- (b) The Measure G Revenues, as shown in audited financial statements of the District for the most recent Fiscal Year for which audited financial statements are available, are at least equal to 200% of Maximum Annual Debt Service on all Bonds and Parity Debt which will be Outstanding following the issuance of the Parity Debt.
- (c) The Supplemental Indenture or other document authorizing the issuance of such Parity Debt shall provide that:
  - (i) interest on the Parity Debt is payable on February 1 and August 1 in each year of the term of the Parity Debt, except that interest during the first twelve month period may be payable on any February 1 or August 1; and
  - (ii) the principal of the Parity Debt is payable on August 1 in any year in which principal is payable.

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Any Parity Debt issued by the District shall be secured by a pledge of and lien on the Measure G Revenues which is on a parity with the pledge and lien which secures the Bonds. However, such Parity Debt will not be secured by or payable from amounts held in the Interest Account or the Principal Account which are established hereunder for the Bonds. In addition, any Parity Debt issued by the District may, but is not required to, be secured by a separate reserve fund or account established therefore in the Supplemental Indenture or other document authorizing the issuance of such Parity Debt.

SECTION 3.06. *No Senior Debt; Issuance of Subordinate Debt.* The District hereby covenants that, so long as the Bonds are Outstanding, the District shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness (collectively, "Indebtedness"), which is in any case payable from all or any part of the Measure G Revenues, except (i) the Bonds, (ii) Parity Debt issued or incurred pursuant to Section 3.05, (iii) Indebtedness payable from, but not secured by a pledge of or lien upon Measure G Revenues, and (iv) Indebtedness secured by a pledge of or lien on any Measure G Revenues which is subordinate to the pledge and lien which secures the Bonds and any Parity Debt.

## ARTICLE IV

### SECURITY FOR THE BONDS; FLOW OF FUNDS; INVESTMENTS

SECTION 4.01. *Security of Bonds; Equal Security.* For the security of the Bonds, the District hereby grants a first pledge of and lien on, and a security interest in, all of the Measure G Revenues and all of the moneys on deposit in the Revenue Fund, on a parity with the pledge, lien and security interest which secures any Parity Debt. Such pledge, lien and security interest are for the equal security of the Bonds and any Parity Debt without preference or priority for number, date of execution or date of delivery.

In addition, the Bonds (but not any Parity Debt) are secured by a first pledge of and lien on, and a security interest in, all of the moneys on deposit in the Debt Service Fund and the Interest Account and the Principal Account. Except for the Measure G Revenues and such other moneys, no funds of the District are pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds and the redemption price thereof.

In consideration of the acceptance of the Bonds by those who hold the same from time to time, this Indenture constitutes a contract between the District and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the District are for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

SECTION 4.02. *Revenue Fund; Deposit of Measure G Revenues.* So long as any Bonds are Outstanding, the District shall transmit Measure G Revenues promptly upon

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receipt to the Trustee, and, upon the execution of an agreement with the CDTFA pursuant to Section 5.04 hereof, the District shall cause the CDTFA to transmit Measure G Revenues directly to the Trustee. Subject to Section 5.04 hereof, the District covenants to use its best efforts to cause the direct transmittal by the CDTFA of Measure G Revenues to the Trustee to commence as promptly as possible subsequent to the Closing Date. The Trustee shall forthwith deposit in a trust fund, designated as the "Revenue Fund," which fund the Trustee shall establish and maintain, all Measure G Revenues, when and as received by the Trustee.

SECTION 4.03. *Debt Service Fund; Transfer of Amounts to Trustee.* There is hereby established a separate fund to be known as the "Debt Service Fund" which shall be held by the Trustee in trust for the benefit of the Bond Owners. The Trustee shall hold the Debt Service Fund for the uses and purposes set forth herein, so long as any of the Bonds remain Outstanding. In addition to any transfers required to be made in respect of outstanding Parity Debt, the Trustee shall withdraw from the Revenue Fund following receipt of Measure G Revenues each month and transfer the following amounts to the following respective special accounts within the Debt Service Fund, which accounts are hereby established with the Trustee with respect to the Bonds, in the following order of priority; provided that (i) on a parity with such deposits the Trustee may set aside or transfer amounts with respect to any outstanding Parity Debt as provided in the proceedings for such Parity Debt delivered to the Trustee pursuant to the Indenture (which shall be proportionate in the event such amounts are insufficient to provide for all deposits required as of any date to be made with respect to the Bonds and such Parity Debt), and (ii) in the event any of the deposits or transfers requires more than one such deposit or payment and there is not then on deposit in the Revenue Fund sufficient moneys to make all such deposits and payments, then such deposits and payments shall be made pro rata (based on the total amount of such deposits and payments then due) to the extent of available moneys:

- (a) Interest Account. Following receipt of the Measure G Revenues in each month, the Trustee shall set aside in the Interest Account as soon as practicable in such month an amount equal to one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Bonds during the next ensuing 6 months, until the requisite half-yearly amount of interest on all Outstanding Bonds is on deposit in such account; provided that from the Closing Date until the first Interest Payment Date for the Bonds, the amounts set aside in such account shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on said Interest Payment Date. No deposit need be made into the Interest Account with respect to any Bonds if the amount contained therein is at least equal to the interest to become due and payable on the Interest Payment Dates falling within the next 6 months upon all of the Bonds then Outstanding and on February 1 and August 1 of each year any excess amounts in the Interest Account not needed to pay interest on such date (and not held to pay interest on Bonds having interest payment dates other than February 1 and August 1) shall be transferred to the District (but excluding, in each case, any moneys on deposit in the Interest Account from the proceeds of the Bonds or other source and reserved as capitalized interest or funded interest to pay interest on any future Interest

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Payment Dates following such Interest Payment Dates). The Trustee will apply amounts in the Interest Account solely for the purpose of paying the interest on the Bonds when due and payable.

- (b) Principal Account. Following receipt of the Measure G Revenues in each month, the Trustee shall deposit in the Principal Account as soon as practicable in such month an amount equal to at least (a) one-twelfth of the aggregate yearly amount of the principal becoming due and payable on the Outstanding Bonds maturing within the next 12 months, plus (b) one-twelfth of the aggregate of the principal amount of the Term Bonds which are subject to mandatory sinking fund redemption on that date under Section 2.03(b) during the next 12-month period. All of the aforesaid deposits made in connection with future mandatory sinking fund redemption payments shall be made without priority of any payment over any other such payment. The Trustee will apply amounts in the Principal Account solely for the purpose of paying the principal of the Bonds at the maturity thereof and the principal of the Term Bonds upon the mandatory sinking fund redemption thereof.

In the event that the Measure G Revenues shall not be sufficient to make the required deposits so that moneys in the Principal Account on any principal or mandatory redemption date are equal to the amount of principal to become due and payable on the Outstanding Bonds, including the principal amount of the Term Bonds which are subject to mandatory sinking fund redemption on that date under Section 2.03(b), required to be redeemed or paid at maturity on such date, then such moneys shall be applied on a Proportionate Basis and in such proportion as said Bonds and said Term Bonds shall bear to each other, after first deducting for such purposes from said Term Bonds any of said Term Bonds required to be redeemed annually as shall have been redeemed or purchased during the preceding 12-month period.

No deposit need be made into the Principal Account so long as there shall be in such fund (i) moneys sufficient to pay the principal to become due and payable on the Outstanding Bonds maturing by their terms within the next 12 months plus (ii) the aggregate of all mandatory sinking fund redemption payments required to be made under Section 2.03(b) in such 12-month period, but less any amounts deposited into the Principal Account during such 12-month period and theretofore paid from the Principal Account to redeem or purchase Term Bonds during such 12-month period. On August 1 of each year or as soon as practicable thereafter any excess amounts in the Principal Account not needed to pay principal on such date (and not held to pay principal on Bonds having principal payment dates other than such August 1) shall be transferred to the District.

Any amounts remaining in the Revenue Fund after the foregoing transfers in the accounts described above, except as the District shall otherwise direct in writing or as is otherwise provided in a Supplemental Indenture, shall be transferred by the Trustee to the

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District on the same Business Day or as soon as practicable thereafter. The District may use and apply the Measure G Revenues when received by it for any lawful purpose of the District.

If five (5) days prior to any principal payment date, Interest Payment Date or mandatory sinking fund redemption date the amounts on deposit in the Revenue Fund, the Interest Account, and the Principal Account are insufficient to make such payments, the Trustee shall immediately notify the District, in writing, of such deficiency and direct that the District transfer the amount of such deficiency to the Trustee on or prior to such payment date. The District covenants and agrees to transfer to the Trustee from any Measure G Revenues in its possession the amount of such deficiency on or prior to the principal, interest or mandatory redemption date referenced in such notice.

In the event that the District reasonably determines that the practice of the CDTFA has changed such that Measure G Revenues are distributed to the District or the Trustee less frequently than monthly, the District shall deliver to the Trustee a Request of the District specifying such additional transfers, set asides or deposits to be made from the Revenue Fund at the time of each receipt by the Trustee of Measure G Revenues from the CDTFA as may be necessary to provide for timely transfers, set asides and deposits required by the Indenture. If the District so determines, the Indenture may also be amended in the manner provided in Section 7.01(b)(v).

#### SECTION 4.04. *Investment of Moneys in Funds.*

The Trustee shall invest moneys in the funds and accounts established and held by it hereunder in Permitted Investments specified in the Request of the District (which Request will be deemed to include a certification that the specified investment is a Permitted Investment) delivered to the Trustee at least two Business Days in advance of the making of such investments. If and to the extent set forth in a Request of the District filed with the Trustee, the District may designate an investment advisor or investment advisory firm that is authorized to act on its behalf for purposes of directing the investment of amounts in any of the funds and accounts established hereunder and held by the Trustee. In the absence of any direction from the District concerning the investment of amounts held by the Trustee hereunder, the Trustee shall invest any such amounts solely in Permitted Investments described in subsection (f) of the definition thereof.

The District shall invest amounts held by it under this Indenture in any obligations or securities in which the District is legally authorized to invest funds within its control under the laws of the State of California.

Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. Whenever in this Indenture the District is required to transfer any moneys to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder will be retained in the respective fund or account from which such investment was made. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon receipt by the Trustee of a Request of the District. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under this Section.

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The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic transaction statements which include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

## ARTICLE V

### OTHER COVENANTS OF THE DISTRICT

SECTION 5.01. *Punctual Payment.* The District will punctually pay or cause to be paid the principal, premium (if any) and interest to become due in respect of all the Bonds in strict conformity with the terms of the Bonds and this Indenture. The District will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures. Nothing herein contained prevents the District from making advances of other legally available funds to make any payment referred to herein.

SECTION 5.02. *Budget and Appropriation.* So long as any Bonds remain Outstanding hereunder, the District shall adopt all necessary budgets and make all necessary appropriations for the payment of principal of and interest and premium (if any) on the Bonds from the Measure G Revenues. If any payment of principal of and interest and premium (if any) on the Bonds requires the adoption by the District of a supplemental budget or appropriation, the District shall promptly adopt the same. The covenants on the part of the District contained in this Section constitute duties imposed by law and it is the duty of each and every public official of the District to take such actions and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Section.

SECTION 5.03. *Compliance with Parity Debt Documents.* The District will faithfully observe and perform all of the conditions, covenants and requirements of the documents authorizing the issuance of any Parity Debt. The District shall not take any action, or omit to take any action within its control, which constitutes or which with the passage of time if not cured would constitute an event of default under and within the meaning of the documents authorizing the issuance of any Parity Debt.

SECTION 5.04. *Collection of Measure G Revenues.* The District hereby covenants not to amend, modify or alter the Measure G Ordinance so long as any of the Bonds are Outstanding in any manner which would reduce the amount of or timing of receipt of Measure G Revenues, and the District will continue to levy and collect the retail transactions and use tax imposed thereunder to the full amount permitted by law.

The District covenants to use its best efforts to enter into an agreement with the CDTFA as possible as possible after the Closing Date, under and pursuant to which the CDTFA agrees to process and supervise collection of the Measure G Revenues. The

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District further covenants and agrees to use its best efforts to cause the Measure G Revenues to be transmitted by the CDTFA directly to the Trustee, such direct transmittal to commence as promptly as possible subsequent to the Closing Date. Said agreement with the CDTFA if and when executed and delivered by the CDTFA and the District will be continued in effect so long as any of any Bonds are Outstanding and the District covenants and agrees that said agreement shall not be further amended, modified or altered in any manner which would adversely affect the direct transmittal of the Measure G Revenues to the Trustee so long as any of the Bonds are Outstanding. The District will receive and hold in trust for (and remit immediately to) the Trustee any Measure G Revenues paid to the District by the CDTFA. Measure G Revenues received by the Trustee shall be transmitted to the District pursuant to the Indenture; provided that, during the continuance of an Event of Default, any Measure G Revenues received by the Trustee shall be applied in accordance with Section 8.04. The District covenants and agrees to separately account for all Measure G Revenues and to provide to the Trustee access to such accounting records at reasonable hours and under reasonable circumstances. The District covenants that so long as the Bonds are Outstanding, it will not, to the best of its ability, suffer or permit any change, modification or alteration to be made to the Act or the Ordinance which would materially and adversely affect the rights of the Owners of the Bonds.

SECTION 5.05. *Books and Accounts.* The District shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries are made of all transactions relating to the Measure G Revenues. Such books of record and accounts shall at all times during business hours be subject, upon prior written request, to the reasonable inspection of the Trustee (who has no duty to inspect) and the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The District will cause to be prepared annually, within nine months after the close of each Fiscal Year so long as any of the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year, as of the end of such Fiscal Year. The District will furnish a copy of such statements, upon reasonable request, to the Trustee. The Trustee has no duty to review any such financial statement.

SECTION 5.06. *Protection of Security and Rights of Owners.* The District shall preserve and protect the security of the Bonds and the rights of the Owners. From and after the date of issuance of the Bonds, the District shall not contest the validity or enforceability of the Bonds or this Indenture.

SECTION 5.07. *Continuing Disclosure.* The District shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate which has been executed and delivered by the District on the Closing Date. Notwithstanding any other provision hereof, failure of the District to comply with such Continuing Disclosure Certificate does not constitute an Event of Default hereunder; *provided, however,* that any Participating Underwriter (as such term is defined in such Continuing Disclosure Certificate) or any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations under this Section.

SECTION 5.08. *Further Assurances.* The District shall adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be

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reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Bond Owners the rights and benefits provided in this Indenture.

## ARTICLE VI

### THE TRUSTEE

#### SECTION 6.01. *Duties, Immunities and Liabilities of Trustee.*

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties will be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonable corporate trustee would exercise or use.

(b) The District may remove the Trustee at any time, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time (A) the Trustee ceases to be eligible in accordance with subsection (e) of this Section, (B) becomes incapable of acting, (C) is adjudged a bankrupt or insolvent, (D) a receiver of the Trustee or its property is appointed, or (E) any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. The District may accomplish such removal by giving 30 days written notice to the Trustee, whereupon the District will appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the District, and by giving notice of such resignation by first class mail, postage prepaid, to the Bond Owners at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the District will promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee becomes effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee, at the expense of the District, or any Owner (on behalf of such Owner and all other Owners) may petition any federal or state court for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the District and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such

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successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the District will execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the District will mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds, and to the Owners at the addresses shown on the Registration Books. If the District fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the District.

(e) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall:

- be a company or bank having trust powers,
- have a corporate trust office in the State of California,
- have (or be part of a bank holding company system whose bank holding company has) a combined capital and surplus of at least \$50,000,000, and
- be subject to supervision or examination by federal or state authority.

If such bank or company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or company is deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in subsection (c) of this Section.

The District shall maintain a Trustee qualified under the provisions of the foregoing provisions of this subsection (e), so long as any Bonds are Outstanding.

SECTION 6.02. *Merger or Consolidation.* Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or

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substantially all of its corporate trust business, provided such bank or company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

## SECTION 6.03. *Liability of Trustee.*

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the District, and the Trustee assumes no responsibility for the correctness of the same, nor does it have any liability whatsoever therefor, nor does it make any representations as to the validity or sufficiency of this Indenture or of the Bonds nor does it incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee is, however, responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee is not liable for the acts of any agents of the Trustee selected by it with due care. The Trustee may become the Owner of Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding. The Trustee, either as principal or agent, may engage in any financial or other transaction with the District.

(b) The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee is not liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder shall not be construed as a mandatory duty.

(d) The Trustee will not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee has actual knowledge thereof, or unless and until a responsible officer of the Trustee has received written notice thereof at its Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee shall not be responsible for the District's payment of principal and interest on the Bonds, the District's observance or performance of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, the Trustee is not responsible for reviewing the contents of any financial statements furnished to the Trustee under Section 5.05 and may rely conclusively on the Certificate of the District accompanying such financial statements to establish the District's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit and

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investment of Measure G Revenues (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(e) No provision in this Indenture requires the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee is entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law.

(f) The Trustee may establish additional accounts or subaccounts of the funds established hereunder as the Trustee deems necessary or prudent in furtherance of its duties under this Indenture.

(g) The Trustee has no responsibility or liability whatsoever with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, nor shall the Trustee have any obligation to review any such material, and any such review by the Trustee will not be deemed to create any obligation, duty or liability on the part of the Trustee.

(h) Before taking any action under Article VIII hereof the Trustee may require indemnity satisfactory to the Trustee be furnished to it to hold the Trustee harmless from any expenses whatsoever and to protect it against any liability it may incur hereunder.

(i) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(j) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(k) The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

SECTION 6.04. *Right to Rely on Documents.* The Trustee is protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, including, without limitation, Bond Counsel or other counsel of or to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and

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protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee is not bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such person's title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the District, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may (but has no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant appointed by the District.

SECTION 6.05. *Preservation and Inspection of Documents.* The Trustee shall retain in its possession all documents received by it under the provisions of this Indenture, which are subject during normal business hours, and upon reasonable prior written notice, to the inspection of the District and any Owner, and their agents and representatives duly authorized in writing.

SECTION 6.06. *Compensation and Indemnification.* Absent any agreement to the contrary, the District shall pay to the Trustee from time to time compensation for all services rendered under this Indenture and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including any allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee has a first lien on the Measure G Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including compensation to its experts, attorneys and counsel incurred in declaring such Event of Default and in exercising the rights and remedies set forth in Article VIII. Any such expenses incurred by the Trustee will be deemed to constitute a substantial contribution to the trust estate which secures the Bonds.

The District further covenants to indemnify the Trustee and its officers, directors, agents and employees, from and against any loss, expense and liabilities, whether or not litigated, which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the District under this Section shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

SECTION 6.07. *Accounting Records and Financial Statements.* The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and

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accounts established and held by the Trustee under this Indenture. Such books of record and account shall be available for inspection by the District at reasonable hours, during regular business hours, with reasonable prior notice and under reasonable circumstances. The Trustee shall furnish to the District, at least semiannually, an accounting (which may be in the form of its customary statements) of all transactions relating to the proceeds of the Bonds and all funds and accounts held by the Trustee under this Indenture.

## ARTICLE VII

### MODIFICATION OR AMENDMENT OF THIS INDENTURE

#### SECTION 7.01. *Amendments Permitted.*

(a) Amendment With Bond Owner Consent. This Indenture and the rights and obligations of the District and of the Owners of the Bonds may be modified or amended by the District and the Trustee upon Request of the District at any time by the execution of a Supplemental Indenture, with the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.05. Any such Supplemental Indenture becomes effective upon the execution and delivery thereof by the parties thereto and upon consent of the requisite Bond Owners. No such modification or amendment may:

- (i) extend the maturity of a Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the District to pay the principal thereof, or interest thereon, at the time and place and at the rate and in the currency provided therein, without the written consent of the Owner of such Bond;
- (ii) permit the creation by the District of any mortgage, pledge or lien upon the Measure G Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as expressly permitted by this Indenture), or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification; or
- (iii) modify any of the rights or obligations of the Trustee without its written consent.

(b) Amendment Without Bond Owner Consent. This Indenture and the rights and obligations of the District and of the Owners of the Bonds may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners of the Bonds, for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District contained in this Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the District;
- (ii) to provide additional security for the Bonds;

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- (iii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained in this Indenture, or in any other respect whatsoever as the District deems necessary or desirable, provided under any circumstances that such modifications or amendments do not materially adversely affect the interests of the Owners in the opinion of Bond Counsel filed with the District and the Trustee; or
- (iv) to provide for the issuance of Parity Debt under Section 3.05, and to provide the terms and conditions under which such Parity Debt may be issued, including but not limited to the establishment of funds and accounts relating thereto and any other provisions relating solely thereto, subject to and in accordance with the provisions of Section 3.05; or
- (v) to modify, amend or supplement the Indenture in any manner necessary, appropriate or desirable to conform the Indenture to the current practice of the CDTFA.

SECTION 7.02. *Effect of Supplemental Indenture.* From and after the time any Supplemental Indenture becomes effective under this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 7.03. *Endorsement or Replacement of Bonds After Amendment.* After the effective date of any amendment or modification hereof under this Article VII, the District may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the District, as to such amendment or modification and in that case upon demand of the District the Owners of such Bonds shall present such Bonds for that purpose at the Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the District may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and in that case upon demand of the District the Owners of the Bonds shall present such Bonds for exchange at the Office of the Trustee without cost to such Owners.

SECTION 7.04. *Amendment by Mutual Consent.* The provisions of this Article VII do not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner.

SECTION 7.05. *Trustee's Reliance.* The Trustee may conclusively rely, and is protected in relying, upon a Certificate of the District and an opinion of counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Bond Owners.

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## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01. *Events of Default.* Each of the following events constitutes an Event of Default hereunder:

- (a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by acceleration or otherwise.
- (b) Failure to pay any installment of interest on the Bonds when due.
- (c) Failure by the District to observe and perform any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such failure has continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the District by the Trustee; *provided, however*, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, such failure will not constitute an Event of Default if the District institutes corrective action within such 30-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.
- (d) The District commences a voluntary case under Title 11 of the United States Code or any substitute or successor statute.
- (e) The occurrence and continuation of an event of default under and as defined in the documents authorizing the issuance of any Parity Debt.

SECTION 8.02. *Remedies on Default.* Whenever any Event of Default has happened and is continuing, the Trustee has the right, at its option and without any further demand upon or notice to the District, to take any one or more of the following actions:

(a) Acceleration of Maturities. The Trustee may declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Bonds has been so declared due and payable, and before any judgment or decree for the payment of the moneys due has been obtained or entered, the District deposits with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest at the respective rates of interest borne by those Bonds, and the reasonable fees and expenses of the Trustee, including fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) has been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate has been made therefor, then, and in

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every such case, the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the District and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment extends to or affects any subsequent default, or impairs or exhausts any right or power consequent thereon.

(b) Actions at Law or in Equity. The Trustee may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the District under this Indenture.

(c) Appointment of Receiver. As a matter of right, in connection with the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Owners hereunder, the Trustee may cause the appointment of a receiver or receivers of the Measure G Revenues and other amounts pledged hereunder, with such powers as the court making such appointment shall confer.

SECTION 8.03. *Notice of Event of Default.* Immediately upon becoming aware of the occurrence of an Event of Default, but in no event later than five Business Days following becoming aware of such occurrence, the Trustee shall give notice of such Event of Default to the District by telephone confirmed in writing. Such notice shall also state whether the principal of the Bonds has been declared to be or have immediately become due and payable as provided in Section 8.02(a). With respect to any Event of Default described in Section 8.01(a) or (b), the Trustee shall, and with respect to any Event of Default described in Section 8.01(c) the Trustee in its sole discretion may, also give such notice to the Bond Owners, which shall include the statement that interest on the Bonds will cease to accrue from and after the date, if any, on which the Trustee declares the Bonds to become due and payable under Section 8.02 (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

SECTION 8.04. *Application of Funds Upon Event of Default.* All of the Measure G Revenues and all sums in the funds and accounts established and held by the Trustee hereunder upon the occurrence of an Event of Default, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee as follows and in the following order:

*First*, to the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under this Indenture and the payment of all fees, costs and expenses owing to the Trustee under Section 6.06, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law.

*Second*, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by those Bonds, and in case such moneys are insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without

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preference or priority among such interest, principal and interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

SECTION 8.05. *Power of Trustee to Control Proceedings.* If the Trustee, upon the happening of an Event of Default, takes any action, by judicial proceedings or otherwise, in the performance of its duties hereunder, whether upon its own discretion, upon the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action. The Trustee may not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 8.06. *Limitation on Owners' Right to Sue.* No Owner of a Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless:

- (a) said Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;
- (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;
- (c) said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and
- (d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners has any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and premium, if any, and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

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SECTION 8.07. *Non-waiver.* Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to pay from the Measure G Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the Bond Owners when due and payable as herein provided, or affects or impairs the right of action, which is also absolute and unconditional, of the Bond Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner does not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the District and the Owners will be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

SECTION 8.08. *Actions by Trustee as Attorney-in-Fact.* Any suit, action or proceeding which any Owner has the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, subject to the provisions of Article VI. Notwithstanding the foregoing provisions of this Section, the Trustee has no duty to enforce any such right or remedy unless it has been indemnified to its satisfaction for any additional fees, charges and expenses of the Trustee related thereto, including without limitation, fees and charges of its attorneys and advisors.

SECTION 8.09. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Bond Law or any other law.

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## ARTICLE IX

### MISCELLANEOUS

SECTION 9.01. *Benefits Limited to Parties.* Nothing in this Indenture, expressed or implied, gives any person other than the District, the Trustee and the Owners, any right, remedy, claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the District are for the sole and exclusive benefit of the Trustee and the Owners.

SECTION 9.02. *Successor is Deemed Included in All References to Predecessor.* Whenever in this Indenture or any Supplemental Indenture either the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the District or the Trustee binds and inures to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 9.03. *Defeasance of Bonds.* If the District pays and discharges the entire indebtedness on any Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing with the Trustee or an escrow bank, in trust, at or before maturity, an amount of cash which, together with the available amounts then on deposit in the funds and accounts established under this Indenture, in the opinion or report of an Independent Accountant is fully sufficient to pay such Bonds, including all principal, interest and redemption premium, if any ;
- (c) by irrevocably depositing with the Trustee or an escrow bank, in trust, Federal Securities in such amount as an Independent Accountant determines will, together with the interest to accrue thereon and available moneys then on deposit in any of the funds and accounts established under this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premium, if any) at or before maturity; or
- (d) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been duly given or provision satisfactory to the Trustee has been made for the giving of such notice, then, at the election of the District, and notwithstanding that any such Bonds have not been surrendered for payment, the pledge of the Measure G Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the District under this Indenture with respect to such Bonds shall cease and terminate, except only:

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- (a) the obligation of the Trustee to transfer and exchange Bonds hereunder,
- (b) the obligation of the District to pay or cause to be paid to the Owners of such Bonds, from the amounts so deposited with the Trustee, all sums due thereon, and
- (c) the obligations of the District to compensate and indemnify the Trustee under Section 6.06.

The District shall file notice of such election with the Trustee. The Trustee shall pay any funds thereafter held by it, which are not required for said purpose, to the District.

To accomplish defeasance, the District shall cause to be delivered (i) a report of an Independent Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement, (iii) an opinion of Bond Counsel to the effect that the Bonds are no longer Outstanding and (iv) a certificate of discharge of the Trustee with respect to the Bonds. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the District and the Trustee.

In the case of a defeasance or payment of all of the Bonds Outstanding in accordance with this Section, the Trustee shall pay all amounts held by it in any funds or accounts hereunder, which are not required for said purpose or for payment of amounts due the Trustee under Section 6.06, to the District.

SECTION 9.04. *Execution of Documents and Proof of Ownership by Owners.* Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof are conclusively proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Bond binds all future Owners of such Bond in respect of anything done or suffered to be done by the District or the Trustee in good faith and in accordance therewith.

SECTION 9.05. *Disqualified Bonds.* In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the District shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. The Trustee will not be deemed to have

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knowledge that any Bond is owned or held by the District unless the Trustee has received written notice to that effect.

SECTION 9.06. *Waiver of Personal Liability.* No member, officer, agent or employee of the District is individually or personally liable for the payment of the principal of or interest or any premium on the Bonds. However, nothing contained herein relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.07. *Destruction of Canceled Bonds.* Whenever in this Indenture provision is made for the surrender to the District of any Bonds which have been paid or canceled under the provisions of this Indenture, a certificate of destruction duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the District is entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to. The District will pay all costs of any microfilming of Bonds to be destroyed.

SECTION 9.08. *Notices.* All written notices under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice is effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) upon actual receipt after deposit in the United States mail, postage prepaid, or (c) in any other case, upon actual receipt. The District or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are given hereunder.

*If to the District:* Santa Cruz Metropolitan Transit District  
110 Vernon Street  
Santa Cruz, California 95060

*If to the Trustee:* U.S. Bank National Association  
633 West 5th Street, 24<sup>th</sup> Floor  
Los Angeles, California 90071

SECTION 9.09. *Partial Invalidity.* If any Section, paragraph, sentence, clause or phrase of this Indenture is for any reason held illegal, invalid or unenforceable, such holding will not affect the validity of the remaining portions of this Indenture. The District and the Trustee hereby declare that they would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 9.10. *Unclaimed Moneys.* Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the District as its absolute property free from trust, and

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the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of the principal of and interest and redemption premium (if any) on such Bonds.

SECTION 9.11. *Execution in Counterparts.* This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.12. *Governing Law.* This Indenture shall be construed and governed in accordance with the laws of the State of California.

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IN WITNESS WHEREOF, the Santa Cruz Metropolitan Transit District has caused this Indenture to be signed in its name by its Chief Financial Officer and attested to by its Secretary of the Board of Directors, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

By \_\_\_\_\_  
Chief Financial Officer

Attest:

\_\_\_\_\_  
Secretary of Board of Directors

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

By \_\_\_\_\_  
Authorized Officer

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## APPENDIX A

### DEFINITIONS

"Act" means the Santa Cruz Metropolitan Transit District Act of 1967, being Part 10 of the Public Utilities Code of the State of California, commencing with Section 98000 thereof, as amended or supplemented.

"Authorizing Resolution" means the Resolution adopted by the Board of Directors of the District on \_\_\_\_\_, 2021, authorizing the issuance of the Bonds.

"Beneficial Owner" means the beneficial owner of each such Bond, determined under the rules of DTC.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the District of nationally-recognized experience in the issuance of obligations issued by public agencies.

"Bond Law" means the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code, as in effect on the Closing Date or as thereafter amended.

"Bond Year" means any twelve-month period beginning on August 2 in any year and extending to the next succeeding August 1, both dates inclusive; except that the first Bond Year begins on the Closing Date and ends on August 1, 2022.

"Bonds" means Santa Cruz Metropolitan Transit District Sales Tax Revenue Bonds (Measure G), Series 2022 (Federally Taxable) issued by the District in the aggregate principal amount of \$[PAR] under the municipal affairs powers of the District as a charter city of the State of California, and under this Indenture.

"Business Day" means a day of the year (other than a Saturday or Sunday) on which banks in California are not required or permitted to be closed, and on which the New York Stock Exchange is open.

"CDTFA" means the California Department of Tax and Fee Administration.

"Certificate of the District" means a certificate in writing signed by the Chair of Board, General Manager, Chief Executive Officer, or Chief Financial Officer of the District, or any other person designated as an authorized officer of the District by a written certificate executed by the General Manager and filed with the Trustee.

"Closing Date" means [Closing Date], being the date on which the Bonds are delivered by the District to the Original Purchaser.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to: printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel, including the Trustee's first annual administrative fee; fees, charges and disbursements of

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attorneys, financial advisors, accounting firms, consultants and other professionals; Bond Insurance Policy premium; and any other cost, charge or fee in connection with the original issuance of the Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee under Section 3.03.

“Debt Service Fund” means the fund by that name established and held by the Trustee under Section 4.03.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.03.

“Depository System Participant” means any participant in the Depository’s book-entry system.

“District” means the Santa Cruz Metropolitan Transit District, a transit district organized and existing under the laws of the State of California.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Event of Default” means any of the events described in Section 8.01.

“Federal Securities” means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the District as its official fiscal year period under a Certificate of the District filed with the Trustee.

“Indenture” means this Indenture of Trust between the District and the Trustee, as amended or supplemented from time to time under any Supplemental Indenture entered into under the provisions hereof.

“Independent Accountant” means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State of California, appointed by or acceptable to the District, and who, or each of whom: (a) is in fact independent and not under domination of the District; (b) does not have any substantial interest, direct or indirect, with the District; and (c) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District.

“Interest Account” means the account by that name established and held by the Trustee under Section 4.03(a).

# Attachment C

“Interest Payment Date” means [August 1, 2022], and each February 1 and August 1 thereafter so long as any of the Bonds remain unpaid.

“Maximum Annual Debt Service” means, with respect to the Outstanding Bonds or Parity Debt, the largest amount of principal and interest coming due with respect to the Outstanding Bonds or Parity Debt during the current or any future Bond Year.

“Measure G Ordinance” means Ordinance No. 78-3-1 adopted by the Board of Directors on March 17, 1978, and approved by at least two-thirds of electors voting on such proposition in the June 6, 1978 election, pursuant to Article 8.5 of Chapter 6 of the Act, as supplemented and amended.

“Measure G Revenues” means the revenues of the District which are derived from a retail transactions and use tax imposed in the District pursuant to the Act, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Measure G Ordinance, which revenues are allocated to the District under the Measure G Ordinance after deducting amounts payable by the District to the CDTFA for costs and expenses for its services in connection with such retail transactions and use tax collected pursuant to the Act and the Measure G Ordinance.

“Nominee” means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.03(a).

“Office” means, with respect to the Trustee, the corporate trust office of the Trustee at the address set forth in Section 9.08, or at such other or additional offices as may be specified by the Trustee in writing to the District; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

“Original Purchaser” means \_\_\_\_\_, as original purchaser of the Bonds upon the negotiated sale thereof.

“Outstanding”, when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (c) Bonds in lieu of or in substitution for which other Bonds have been authorized, executed, issued and delivered by the District hereunder.

“Owner” means, with respect to any Bond, the person in whose name the ownership of such Bond is registered on the Registration Books.

“Parity Debt” means any bonds, notes, loans, advances or other indebtedness issued or incurred by the District which are secured by a pledge of and lien on the Measure G Revenues on a parity with the Bonds under Section 3.05.

“Permitted Investments” means any of the following:

- (a) Federal Securities.

# Attachment C

- (b) Any direct or indirect obligations of an agency or department of the United States of America whose obligations represent the full faith and credit of the United States of America, or which are rated A or better by S&P.
- (c) Interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by S&P; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation.
- (d) Commercial paper rated "A-1+" or better by S&P.
- (e) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating of "A-1+" or better by S&P.
- (f) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAM-G, AAAM or AAM, which funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services.
- (g) Obligations the interest on which is excludable from gross income under Section 103 of the Tax Code, and which are either (a) rated A or better by S&P, or (b) fully secured as to the payment of principal and interest by Permitted Investments described in clauses (a) or (b).
- (h) Obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated A or better by S&P.
- (i) Bonds or notes issued by any state or municipality which are rated A or better by S&P.
- (j) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by S&P at the time of initial investment, by the terms of which all amounts invested thereunder are required to be withdrawn and paid to the Trustee in the event such rating at any time falls below A.
- (k) The Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

"PERS" means the California Public Employees' Retirement System.

# Attachment C

“PERS Contracts” means the contracts, as amended from time to time, entered into by the District and PERS pursuant to the Retirement Law obligating the District to make contributions to PERS in exchange for PERS providing retirement benefits to certain District employees.

“PERS Obligations” means the obligation of the District under the Retirement Law and the PERS Contracts to make payments to PERS with respect to benefits accruing to retired District employees who are PERS members, including retired public safety employees and retired miscellaneous employees.

“Principal Account” means the account by that name established and held by the Trustee under Section 4.03(b).

“Record Date” means, with respect to any Interest Payment Date, the close of business on the 15<sup>th</sup> calendar day of the month preceding such Interest Payment Date, whether or not such 15<sup>th</sup> calendar day is a Business Day.

“Registration Books” means the records maintained by the Trustee under Section 2.06 for the registration and transfer of ownership of the Bonds.

“Request of the District” means a request in writing signed by the Chair of Board of Directors, General Manager, Chief Executive Officer, or Chief Financial Officer of the District, or any other person designated as an authorized officer of the District by a written certificate executed by the General Manager and filed with the Trustee.

“Retirement Law” means the California Public Employees Retirement Law, commencing with Section 20000 et. seq of the Government Code of the State.

“Revenue Fund” means the fund by that name established and held by the Trustee under Section 4.02.

“S&P” means S&P Global Ratings, and its successors.

“Securities Depositories” means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Request of the District delivered by the District to the Trustee.

“Supplemental Indenture” means any indenture, agreement or other instrument which amends, supplements or modifies this Indenture and which has been duly entered into between the District and the Trustee; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“State” means the State of California.

“Term Bonds” means the Bonds maturing on August 1 in each of the years \_\_\_\_ and \_\_\_\_.

# Attachment C

“Trustee” means U.S. Bank National Association, as Trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VI.



# Attachment C

payable by check of the Trustee mailed by first class mail on each Interest Payment Date to the Registered Owner hereof at the address of such Registered Owner as it appears on the registration books of the Trustee as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner.

This Bond is one of a duly authorized issue of bonds of the District designated as the "Santa Cruz Metropolitan Transit District Sales Tax Revenue Bonds (Measure G), Series 2022 (Federally Taxable)" (the "Bonds") of an aggregate principal amount of \$[PAR], all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities or interest rates) and all issued under an Indenture of Trust, dated as of March 1, 2022, between the District and the Trustee (the "Indenture"). The Bonds have been authorized to be issued by the District pursuant to a resolution adopted by the Board of Directors of the District on December 17, 2021. Reference is hereby made to the Indenture (copies of which are on file at the office of the District) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Measure G Revenues, as that term is defined in the Indenture, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the District thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the District to finance the acquisition, construction and improvement of qualifying transportation projects of the District for which the Measure G Revenues are authorized to be expended.

This Bond and the interest hereon and all other parity obligations and the interest thereon (to the extent set forth in the Indenture) are payable from, and are secured by a charge and lien on the Measure G Revenues. The District may issue additional obligations on a parity with the Bonds under and in accordance with the Indenture. As and to the extent set forth in the Indenture, all of the Measure G Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest on the Bonds and any such parity obligations. Notwithstanding the foregoing, certain amounts out of Measure G Revenues may be applied for other purposes as provided in the Indenture.

This Bond is not a debt of the District, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation, and neither said District, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties other than the Measure G Revenues.

The rights and obligations of the District and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall permit a change in the terms of maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the rate of interest thereon without the consent of the owner of

# Attachment C

such Bond, or shall reduce the percentages of the owners required to effect any such modification or amendment.

The Bonds maturing on or before August 1, \_\_\_\_\_, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, \_\_\_\_\_, are subject to redemption in whole, or in part among maturities on such basis as set forth in a Request of the District, and within a maturity on a pro rata basis among the Beneficial Owners of the Bonds of such maturity, at the option of the District, on any date on or after August 1, \_\_\_\_\_, from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

The Bonds maturing on August 1 in each of the years \_\_\_\_\_ and \_\_\_\_\_ (the "Term Bonds") are subject to mandatory redemption, within a maturity on a pro rata basis among the Beneficial Owners of the Term Bonds of such maturity, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following tables. If some but not all of the Term Bonds have been redeemed pursuant to optional redemption described in the preceding paragraph, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the District to the Trustee).

**Term Bonds Maturing  
August 1, \_\_\_\_\_**

Sinking Fund Redemption Date ( <u>August 1</u> )	Principal Amount <u>To Be Redeemed</u>
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**Term Bonds Maturing  
August 1, 20\_\_**

Sinking Fund Redemption Date ( <u>August 1</u> )	Principal Amount <u>To Be Redeemed</u>
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As provided in the Indenture, the Trustee is required to mail notice of redemption of any Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before the redemption date, to the registered owners of the Bonds to be redeemed, but neither failure to receive such notice nor any defect in the notice so mailed affects the sufficiency of the proceedings for prepayment or the cessation of accrual of interest thereon. Any notice so given by the Trustee with respect to the optional redemption of Bonds may be rescinded under the circumstances and with the effect set forth in the Indenture. If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest hereon will cease to accrue from and after the date fixed for redemption.

Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of a maturity, the Trustee will select the Bonds of such maturity to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purpose of such selection, all Bonds will be deemed to be comprised of separate \$5,000

# Attachment C

denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

So long as the Bonds are registered in book-entry-only form and so long as DTC (as defined below) or a successor securities depository is the sole registered Owner of the Bonds, partial redemptions will be done in accordance with procedures of the DTC. It is the District's intent that redemption allocations made by DTC be made in accordance with the proportional provisions described in the Indenture. However, neither the District nor the Trustee has a duty to assure, and can provide no assurance, that DTC will allocate redemptions among Beneficial Owners (as defined in the Indenture) on such a proportional basis, and neither the District nor the Trustee shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason.

If an Event of Default occurs under and as defined in the Indenture, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said corporate trust office of the Trustee in Los Angeles, California, or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The District and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

# Attachment C

This Bond is not entitled to any benefit under the Indenture and is not valid or obligatory for any purpose until the certificate of authentication hereon endorsed has been signed by the Trustee.

IN WITNESS WHEREOF, the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Chief Financial Officer and to be attested to by the facsimile signature of the Secretary of the Board of Directors of the District, all as of the Original Issue Date specified above.

**SANTA CRUZ METROPOLITAN TRANSIT  
DISTRICT**

By \_\_\_\_\_  
Chief Financial Officer

Attest:

\_\_\_\_\_  
Secretary of Board of Directors

## ***TRUSTEE'S CERTIFICATE OF AUTHENTICATION***

This is one of the Bonds described in the within-mentioned Indenture.

Dated:

**U.S. BANK NATIONAL ASSOCIATION,**  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

# Attachment C

## **ASSIGNMENT**

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ whose address and social security or other tax identifying number is \_\_\_\_\_, the within-mentioned Bond and hereby irrevocably \_\_\_\_\_ constitute(s) \_\_\_\_\_ and \_\_\_\_\_ appoint(s) \_\_\_\_\_ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature(s) shall be guaranteed by an eligible guarantor institution.

\_\_\_\_\_  
Note: The signature(s) on this Assignment shall correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

# Attachment D

Jones Hall Draft Dated January 21, 2022

## PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2022

NEW ISSUE-BOOK-ENTRY ONLY

S&P: "\_\_\_\_"  
See "RATING."

*In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, based upon existing laws, regulations, rulings, court decisions, and assuming (among other things) compliance with certain covenants, interest on the Refunding Bonds is exempt from State of California personal income taxes. Interest on the Refunding Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences caused by the ownership or disposition of, or the accrual or receipt of interest on, the Refunding Bonds. See "TAX MATTERS" herein.*



\$ \_\_\_\_\_  
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SALES TAX REVENUE BONDS (MEASURE G), SERIES 2022  
(FEDERALLY TAXABLE)**

**Dated: Date of Delivery**

**Due: August 1, as shown on inside cover**

The Santa Cruz Metropolitan Transit District (the "District") is issuing its Sales Tax Revenue Bonds (Measure G), Series 2022 (Federally Taxable) (the "Bonds") under an Indenture of Trust, dated as of March 1, 2022 (the "Indenture"), by and between the District and U.S. Bank National Association, as trustee. The net proceeds of the Bonds will be used to refund a portion of the District's obligations to the California Public Employee's Retirement System ("CalPERS") under the CalPERS Contract, evidencing the District's obligation to pay its unfunded accrued actuarial liability to CalPERS. See "REFINANCING PLAN."

The payment of debt service on the Bonds will be secured by the Measure G Revenues, generally consisting of certain amounts received by the District from a 0.5% tax (the "Measure G Sales Tax") collected in the County of Santa Cruz, California (the "County"), for deposit in the Debt Service Fund in accordance with the Indenture, and from certain funds held under the Indenture. The Measure G Revenues are the sole source of payment of the Bonds. Neither the general fund of the District nor any other moneys of the District are available to pay or secure the Bonds.

**The District has not and will not establish a debt service reserve fund for the Bonds.** See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

There are currently no other obligations of the District payable on a parity basis from the Measure G Revenues, although the City may in the future incur additional parity obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Bonds accrue interest from the date of delivery thereof and are payable semiannually on August 1 and February 1 of each year, commencing August 1, 2022.

The Bonds are being issued in fully registered form, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") in the United States. DTC will act as Securities Depository for the Bonds. Individual purchases of Bonds will be made in book-entry form only in integral multiples of \$5,000. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds purchased. See "APPENDIX C – BOOK-ENTRY-ONLY SYSTEM."

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption Provisions."

EXCEPT WITH RESPECT TO THE MEASURE G REVENUES, THE BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE DISTRICT TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

**This cover page contains information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined will have the meanings set forth herein.**

The Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and certain other conditions. Certain matters will be passed upon for the District by Hanson Bridgett LLP, as General Counsel, and by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in New York, New York on or about \_\_\_\_\_, 2022.

**Ramirez & Co., Inc.**

Dated: \_\_\_\_\_, 2022.

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities.

# Attachment D

## MATURITY SCHEDULE

\$ \_\_\_\_\_\*

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SALES TAX REVENUE BONDS (MEASURE G), SERIES 2022  
(FEDERALLY TAXABLE)**

Base CUSIP†: \_\_\_\_\_

\$ \_\_\_\_\_ Serial Bonds

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
[2022]				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				

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\* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright © CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for CGS. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter, or their agents or counsel assume responsibility for the accuracy of such numbers.

# Attachment D

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

### DISTRICT BOARD OF DIRECTORS

Donna Lind, Chair  
Bruce McPherson, Vice Chair

Jimmy Dutra	Donna Meyers
Dan Henderson	Alta Northcutt
Shebreh Kalantari-Johnson	Larry Pageler
Manu Koenig	Kristen Petersen
Bruce McPherson	Dan Rothwell

### DISTRICT OFFICIALS

Dawn Crummié, *Interim CEO/General Manager*  
Chuck Farmer, *Chief Financial Officer*  
Kristina Mihaylova, *Finance Deputy Director*  
Cathy L. Downs, *Senior Financial Analyst*  
Julie A. Sherman, Hanson Bridgett LLP, *General Counsel*

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### BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation  
San Francisco, California

### MUNICIPAL ADVISOR

Urban Futures, Inc.  
Tustin, California

### TRUSTEE

U.S. Bank National Association  
San Francisco, California

# Attachment D

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement and the information that is contained herein are subject to completion or amendment without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or any other parties that are described herein since the date hereof. These securities may not be sold, nor may an offer to buy them be accepted, prior to the time that the Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the District. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements which are included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained under the captions "THE DISTRICT" and in Appendix A. As described under this Official Statement, the COVID-19 pandemic is expected to materially adversely impact the District's financial condition. Historical information set forth in the Official Statement is not intended to be predictive of future results.

**THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.**

**IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, DEALER BANKS, BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.**

**THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.**

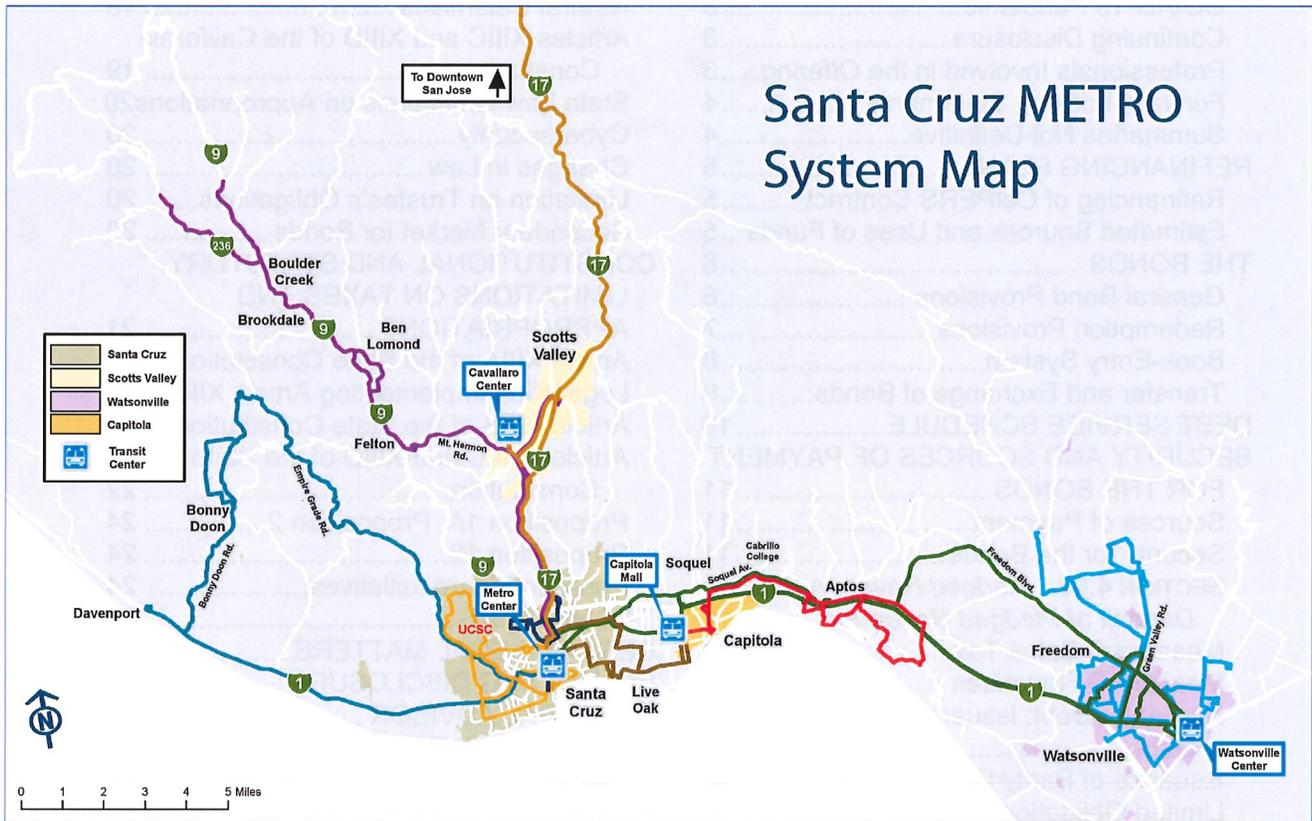
*The District maintains a website; however, information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.*

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# Attachment D



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# Attachment D

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## OFFICIAL STATEMENT

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SALES TAX REVENUE BONDS (MEASURE G), SERIES 2022  
(FEDERALLY TAXABLE)**

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information concerning the issuance and sale by the Santa Cruz Metropolitan Transit District (the "**District**") of its \$ \_\_\_\_\_\* aggregate principal amount of Sales Tax Revenue Bonds (Measure G), Series 2022 (Federally Taxable) (the "**Bonds**").

### INTRODUCTION

*This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement, and the offering of the Bonds to potential investors is made only by means of the entire Official Statement. Terms used in this Introduction and not otherwise defined will have the respective meanings assigned to them elsewhere in this Official Statement.*

#### **Authority for the Bonds**

The Bonds are to be issued in accordance with applicable provisions of the California Government Code, and an Indenture of Trust, dated as of March 1, 2022 (the "**Indenture**"), by and between the District and U.S. Bank National Association, as trustee (the "**Trustee**"), and a resolution adopted by the District Council of the District on December 17, 2021 (the "**Resolution**"). Under Section 863 of the California Code of Civil Procedure, any interested person may bring an action within 60 days from the date the Resolution was adopted to determine the validity of the Bonds. The period for bringing such action will expire on February 15, 2022.

#### **The District**

The Santa Cruz Metropolitan Transit District (the "**District**") is a public transit district formed pursuant to the provisions of the Santa Cruz Metropolitan Transit District Act of 1967 and approved as a special district with taxing authority by the voters of the County of Santa Cruz (the "**County**") in November 1968. The District serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola and unincorporated areas of the County.

See "APPENDIX A – INFORMATION REGARDING THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT" and "APPENDIX B – FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020."

#### **Purpose**

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\* Preliminary; subject to change.

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Pursuant to its contract (as amended to date, and as may further be amended from time to time, the “**CalPERS Contract**”) with the Board of Administration of the California Public Employee’s Retirement System (“**CalPERS**”) and the Public Employees’ Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the “**Retirement Law**”), the District is obligated to make payments to CalPERS arising as a result of retirement benefits accruing to members of CalPERS. The District’s obligations under the Retirement Law include, among others, the requirement to amortize the unfunded accrued actuarial liability (the “**UAL**”) with respect to such retirement benefits.

The District is issuing the Bonds to (i) refund a portion of the District’s obligations to CalPERS under the CalPERS Contract, evidencing the District’s UAL to CalPERS and (ii) pay the costs of issuance related to the Bonds. See “REFINANCING PLAN.”

## **Security and Sources of Payment for the Bonds**

The Bonds and any Parity Debt will be secured by a first pledge of and lien on, and a security interest in all Measure G Revenues and certain other funds and accounts as provided in the Indenture. Except for the Measure G Revenues and such accounts, no funds or properties of the District shall be pledged to the payment of principal of or interest or redemption premium (if any) on the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

EXCEPT WITH RESPECT TO THE LEVY OF THE MEASURE G SALES TAX, THE BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE DISTRICT FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE DISTRICT TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The assets of CalPERS will not secure or be available to pay principal, premium, if any, and interest on, the Bonds.

Currently, there are no other obligations of the District payable on a parity basis from the Measure G Revenues, although the City may in the future incur parity obligations. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

## **No Debt Service Reserve Fund**

The District has not and will not establish a debt service reserve fund for the 2022Bonds.

## **Redemption**

The Bonds are subject to redemption as described herein. See “THE BONDS – Redemption Provisions” herein.

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## COVID-19 Pandemic

The spread of the novel strains of coronavirus that cause an upper respiratory tract illness known as COVID-19 (“**COVID-19**”) and local, state and federal actions in response to COVID-19, is having a significant impact on the economy and on the District’s operations and finances.

The COVID-19 pandemic has had an adverse effect on, among other things, the world economy, global supply chain, international travel and a number of travel-related industries. From time to time, all counties in California (including the County) have implemented and revised shelter-in-place (“**Shelter-in-Place**”) emergency orders or directives, which direct individuals to stay home, except for limited travel for the conduct of essential services.

The temporary and permanent business closures caused by the COVID-19 pandemic led to a stark increase in unemployment across the County and the nation. Depending on the length and the breadth of the impacts of the COVID-19 pandemic, the economic costs may be very significant for the District and the region’s economy. As more restaurants, retail stores and other non-essential businesses temporarily or permanently close, unemployment figures could continue to remain elevated and sales tax revenues could decrease. Federal and state governments (including California) have enacted legislation and have taken executive actions designed to mitigate the negative public health and economic impacts of the COVID-19 pandemic. Beginning on June 15, 2021, the State has moved beyond the Blueprint for a Safer Economy and indoor and outdoor activities and businesses may return to usual operations with limited exceptions for events characterized by large crowds greater than 5,000 (indoors) and 10,000 (outdoors) attendees. In addition to the general public health recommendations including those relating to face coverings, verification of fully vaccinated status or pre-entry negative test results are strongly recommended for all attendees.

There are many variables that will continue to contribute to the economic impact of the COVID-19 pandemic and the recovery therefrom, including the length of time social distancing measures are in place, the effectiveness of State and Federal governments’ relief programs and the timing for the containment and treatment of COVID-19. Certain historical information set forth in “APPENDIX A – INFORMATION REGARDING THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT” may not reflect the impacts of the federal, state and local responses to the COVID-19 pandemic. Projected information set forth in this Official Statement may be negatively affected in unpredictable and material ways by the continuing impacts to the governmental responses to the COVID-19 pandemic. See “RISK FACTORS – Public Health Emergencies.”

## Continuing Disclosure

The District has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board certain annual financial information and operating data and, in a timely manner, notice of certain listed events for purposes of Securities and Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”) adopted by the Securities and Exchange Commission. These covenants have been made in order to assist the Underwriter (as defined herein) in complying with the Rule. See “CONTINUING DISCLOSURE” herein and “APPENDIX F – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

## Professionals Involved in the Offering

Jones Hall, A Professional Law Corporation, San Francisco, California, is acting as Bond Counsel with respect to the Bonds and will receive compensation from the District contingent

# Attachment D

upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the District by Hanson Bridges, LLP, as General Counsel, and by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Kutak Rock LLP, Irvine, California, as Underwriter's Counsel. Urban Futures, Inc., Tustin, California (the "**Municipal Advisor**"), is acting as the Municipal Advisor to the District with respect to the Bonds. All the fees of Bond Counsel, Disclosure Counsel, Underwriter's Counsel and the Municipal Advisor with respect to the issuance of the Bonds are contingent upon the issuance and delivery of the Bonds.

## **Forward-Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although such expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The District is not obligated to issue any updates or revisions to the forward-looking statements if, or when, its expectations, or events, conditions or circumstances on which such statements are based change.

## **Summaries Not Definitive**

Brief descriptions of the Bonds, the District and the Indenture are included in this Official Statement and appendices related thereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds and the Indenture are qualified in their entirety by reference to the actual documents, or with respect to the Bonds, the forms thereof included in the Indenture, copies of all of which are available for inspection by written request mailed to the Santa Cruz Metropolitan Transit District, District Manager, 920 Pacific Avenue, Santa Cruz, California, 95060, and will be available upon request and payment of duplication costs from the Trustee.

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## REFINANCING PLAN

### Refinancing of CalPERS Contract

The District is obligated to make payments to CalPERS arising as a result of retirement benefits accruing to members of CalPERS pursuant the CalPERS Contract and the Retirement Law. The District's obligations under the Retirement Law include, among others, the requirement to amortize the UAL with respect to such retirement benefits.

According to the most recent actuarial valuation performed by CalPERS for the District's pension plan (herein defined as the "Plan") dated as of June 30, 2020, the District's UAL with respect to the Plan totaled approximately \$68 million as of such date. CalPERS has provided the District with a pay-off amount with respect to the Plan of \$\_\_\_\_\_ as of \_\_\_\_\_, 2022 (the "Pay-off Date"). Such amount is based on the most recent actuarial valuations performed by CalPERS for the Plan dated as of June 30, 2020, rolled forward to June 30, 2022, and discounted back to the Pay-off Date. Upon the issuance of the Bonds, the District will apply the net proceeds thereof in the approximate amount of \$\_\_\_ million to refund a portion of its CalPERS Obligations under the CalPERS Contract. The District projects that immediately after the refunding of the CalPERS Contract with the net proceeds of the Bonds on the Pay-off Date, the funding level of the will be approximately \_\_\_\_%. **[Ramirez/UFI to provide]**

It is possible that CalPERS will determine at a future date that additional UAL exists attributable to the District, including in part with respect to the UAL being refunded, if actual plan experience differs from the current actuarial estimates, including any variance from projections. See "APPENDIX A – INFORMATION REGARDING THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT – Employee Retirement System" for additional information regarding the Plan.

### Estimated Sources and Uses of Funds

The estimated sources and uses of funds with respect to the Bonds are set forth below:

<u>Sources</u>	<u>Amount</u>
Principal Amount	\$
Total Sources	\$
<u>Uses</u>	
Refund CalPERS Contract <sup>(1)</sup>	\$
Costs of Issuance <sup>(2)</sup>	
Total Uses	\$

(1) See "REFINANCING PLAN – Refinancing of CalPERS Contract."

(2) Includes, among other things, Underwriter's discount, the fees and expenses of Bond Counsel, Disclosure Counsel, the Trustee, the Municipal Advisor, rating agency fees, and printing the preliminary and final Official Statements.

\* Preliminary; subject to change.

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## THE BONDS

### General Bond Provisions

**Bond Terms.** The Bonds will be issued in the form of fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple of \$5,000, and will be dated the date of issuance to the original purchaser. The Bonds will mature on the dates and in the amounts and bear interest at the rates (based on a 360-day year of twelve 30-day months) set forth on the inside front cover of this Official Statement. Interest on the Bonds will be payable semiannually on August 1 and February 1 of each year, commencing August 1, 2022 (each, an “**Interest Payment Date**”)

**Calculation of Interest.** The Bonds will bear interest from the Interest Payment Date immediately preceding the date of authentication, unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date (as defined below), in which event it will bear interest from such Interest Payment Date, or (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the date of delivery of the Bonds, or (iii) interest on a Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

**Record Date.** Under the Indenture, “Record Date” means, with respect to any Interest Payment Date, the close of business on the 15<sup>th</sup> calendar day of the month preceding such Interest Payment Date occurs, whether or not such 15<sup>th</sup> calendar day is a Business Day.

**Payments of Principal and Interest.** Interest is payable on each Interest Payment Date to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on a Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than ten days prior to such special record date.

The Trustee will pay interest on the Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner. The Trustee will pay principal of the Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Purchasers will not receive securities certificates representing their interests in the Bonds purchased. Payments of principal or premium, if any, and interest on the Bonds will be paid by

# Attachment D

the Trustee to DTC, which is obligated in turn to remit such principal or premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See "APPENDIX C – BOOK-ENTRY ONLY SYSTEM."

## Redemption Provisions\*

**Optional Redemption.** The Bonds maturing on or before August 1, \_\_\_\_, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, \_\_\_\_, are subject to redemption in whole, or in part among maturities on such basis as set forth in a Request of the District, and within a maturity on a pro rata basis among the Beneficial Owners of the Bonds of such maturity, at the option of the District, on any date on or after August 1, \_\_\_\_, from any available source of funds, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

**Mandatory Sinking Fund Redemption.** The Bonds maturing on August 1, 20\_\_ and August 1, 20\_\_ (collectively, the "Term Bonds") are subject to mandatory redemption, within a maturity on a pro rata basis among the Beneficial Owners of the Term Bonds of such maturity, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following tables.

### Term Bonds Maturing August 1, 20\_\_

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
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If some but not all of the Term Bonds have been redeemed pursuant to the section above captioned "– Optional Redemption", the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the District to the Trustee).

**Manner of Redemption.** Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of a maturity, the Trustee shall select the Bonds of such maturity to be redeemed on a pro rata basis among the Beneficial Owners of the Bonds of such maturity. For purpose of such selection, all Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

So long as the Bonds are registered in book-entry-only form and so long as the Depository or a successor securities depository is the sole registered Owner of the Bonds, partial redemptions will be done in accordance with procedures of the Depository. It is the District's intent that redemption allocations made by the Depository be made in accordance with the

\* Preliminary; subject to change.

# Attachment D

proportional provisions described herein. However, neither the District nor the Trustee has a duty to assure, and can provide no assurance, that DTC will allocate redemptions among Beneficial Owners on such a proportional basis, and neither the District nor the Trustee shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason. The portion of any registered Bonds of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof.

**Notice of Redemption.** The Trustee on behalf and at the expense of the District will mail (by first class mail) notice of any redemption to the respective Owners of Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and the Municipal Securities Rulemaking Board, at least 20 but not more than 60 days prior to the date fixed for redemption; *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice must state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and must require that such Bonds be then surrendered at the Office of the Trustee identified in such notice for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

**Right to Rescind Notice of Optional Redemption.** The District has the right to rescind any notice of redemption pursuant to the section above captioned “– Optional Redemption” by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The District and the Trustee have no liability to the Owners of Bonds or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

**Effect of Redemption.** From and after the date fixed for redemption, if notice of redemption has been duly given as aforesaid and funds for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice.

## **Book-Entry System**

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee). One fully registered Bond will be issued for each maturity of the Bonds. See “APPENDIX C – BOOK-ENTRY ONLY SYSTEM.” The District and the Trustee cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal or premium, if any, and interest on the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the beneficial owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The District and the Trustee are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to beneficial owner with respect to the Bonds or an error of delay relating thereto.

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## **Transfer and Exchange of Bonds**

**Transfer.** Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds under this Section. Whenever any Bond or Bonds are surrendered for transfer, the District will execute and the Trustee shall authenticate and deliver to the transferee a new Bond of like series, interest rate, maturity and aggregate principal amount. The District will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

**Exchange of Bonds.** The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of Bonds under this subsection. The District will pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

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## DEBT SERVICE SCHEDULE

The following table shows the debt service schedule with respect to the Bonds, assuming no optional redemptions.

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
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Total

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Source: Samuel A. Ramirez & Co., Inc.

# Attachment D

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

### Sources of Payment

The District has agreed in the Indenture to pay, from Measure G Revenues, all amounts due and owing with respect to Bonds issued under the Indenture and all Supplemental Indentures executed pursuant to the Indenture according to the provisions for such agreements, including principal and interest thereon and the redemption price thereof.

### Security for the Bonds

**Generally.** For the security of the Bonds, under the Indenture the District grants a first pledge of and lien on, and a security interest in, all of the Measure G Revenues and all of the moneys on deposit in the Revenue Fund, on a parity with the pledge, lien and security interest which secures any Parity Debt. Such pledge, lien and security interest are for the equal security of the Bonds and any Parity Debt without preference or priority for number, date of execution or date of delivery.

In addition, the Bonds (but not any Parity Debt) are secured by a first pledge of and lien on, and a security interest in, all of the moneys on deposit in the Debt Service Fund and the Interest Account and the Principal Account. Except for the Measure G Revenues and such other moneys, no funds of the District are pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds and the redemption price thereof.

The term "**Measure G Revenues**" is defined in the Indenture to mean revenues of the District which are derived from a retail transactions and use tax imposed in the District pursuant to the Article 8.5 of Chapter 6 of Part 10 of the Public Utilities Code of the State of California, commencing with Section 98290 of said Code (the "**Act**"), as now in effect and as it may from time to time hereafter be amended or supplemented, and Ordinance No. 78-3-1 adopted by the Board of Directors on March 17, 1978, and approved by at least two-thirds of electors voting on such proposition in the June 6, 1978 election, as supplemented and amended (the "**Measure G Ordinance**"), which revenues are allocated to the District under the Measure G Ordinance after deducting amounts payable by the District to the CDTFA for costs and expenses for its services in connection with such retail transactions and use tax collected pursuant to the Act and the Measure G Ordinance. Under the Measure G Ordinance, a 0.5% retail transactions and use tax imposed in the District (the "**Measure G Sales Tax**"). Under the Measure G Ordinance, the Measure G Sales Tax does not sunset.

Except with respect to the District's pledge of the Measure G Revenues, as summarized in the following subsection with respect to the Bonds, the Bonds do not constitute an obligation of the District for which the District is obligated to pledge any form of taxation or other funds. Neither the Bonds nor the obligations of the District to make payments on the Bonds constitute an indebtedness of the District, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

**Revenue Fund; Deposit of Measure G Revenues.** Under the Indenture, so long as any Bonds are Outstanding, the District shall transmit Measure G Revenues promptly upon receipt to the Trustee, and, upon the execution of an agreement with the California Department of Tax and Fee Administration ("**CDTFA**") relating to the processing, collection and remittance of the Measure G Revenues to the Trustee, the District shall cause the CDTFA to transmit Measure G Revenues directly to the Trustee. Under the Indenture, the District covenants to use its best efforts to cause

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the direct transmittal by the CDTFA of Measure G Revenues to the Trustee to commence as promptly as possible subsequent to the Closing Date. Upon receipt of Measure G Revenues, the Trustee will deposit such revenues in a trust fund, designated as the "Revenue Fund," which fund the Trustee shall establish and maintain under the Indenture. See "*Measure G Collections*" below for a description of the District's covenant to use its best efforts to enter into an agreement with the CDTFA. As of the Closing Date, the District has not entered into any such agreement with the CDTFA and cannot provide any assurance as to when, if ever, such agreement will be entered into by the District with the CDTFA. The District's failure to enter into any such agreement does not constitute an Event of Default under the Indenture.

***Debt Service Fund; Transfer of Amounts to Trustee.*** Following receipt of the Measure G Revenues in each month, the Trustee will set aside (i) an amount equal to one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Bonds during the next 6 months, until the requisite half-yearly amount of interest on all Outstanding Bonds is on deposit in such account, and (ii) an amount equal to at least (a) one-twelfth of the aggregate yearly amount of the principal becoming due and payable on the Outstanding Bonds maturing within the next 12 months, plus (b) one-twelfth of the aggregate of the principal amount of the Term Bonds which are subject to mandatory sinking fund redemption on that date during the next 12-month period.

If 5 days prior to any principal payment date, Interest Payment Date or mandatory sinking fund redemption date the amounts on deposit in the Revenue Fund, the Interest Account, and the Principal Account are insufficient to make such payments, the Trustee will direct that the District transfer the amount of such deficiency to the Trustee on or prior to such payment date. The District has agreed in the Indenture to transfer to the Trustee from any Measure G Revenues in its possession the amount of such deficiency on or prior to the applicable principal, interest or mandatory redemption date.

See APPENDIX D - "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" for a additional information regarding the required the provisions of the Indenture relating to the transfer of Measure G Revenues to the Trustee for payment of debt service on the Bonds.

***Measure G Collections.*** The District has covenanted in the Indenture not to amend, modify or alter the Measure G Ordinance so long as any of the Bonds are Outstanding in any manner which would reduce the amount of or timing of receipt of Measure G Revenues, and the District will continue to levy and collect the retail transactions and use tax imposed thereunder to the full amount permitted by law.

As described above, the District has also covenanted in the Indenture to use its best efforts to enter into an agreement with the CDTFA as soon as possible after the Closing Date, under and pursuant to which the CDTFA will agree to process and supervise collection of the Measure G Revenues. The District has further covenanted and agreed to use its best efforts to cause the Measure G Revenues to be transmitted by the CDTFA directly to the Trustee, such direct transmittal to commence as promptly as possible subsequent to the Closing Date. Said agreement with the CDTFA if and when executed and delivered by the CDTFA and the District will be in effect so long as any of any Bonds are Outstanding and the District covenants and agrees that said agreement shall not be further amended, modified or altered in any manner which would adversely affect the direct transmittal of the Measure G Revenues to the Trustee so long as any of the Bonds are Outstanding. The District's failure to enter into any such agreement does not constitute an Event of Default under the Indenture.

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**Covenant to Appropriate.** Pursuant to the Indenture, the District covenants to adopt all necessary budgets and make all necessary appropriations for the payment of principal of and interest and premium (if any) on the Bonds from the Measure G Revenues. If any payment of debt service requires the adoption by the District of a supplemental budget or appropriation, the District has covenanted in the Indenture to promptly adopt the same. The covenants on the part of the District are deemed to constitute duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in the Indenture.

**The assets of CalPERS are not available for payment of the Bonds and the Bonds do not constitute an obligation of CalPERS.**

## Measure G Sales Tax

In an election on June 6, 1978, more than two-thirds of the voters in the County approved the Measure G Ordinance, thereby imposing the Measure G Sales Tax. The Measure G Sales Tax commenced in January 1979, and is administered by the CDTFA. The Measure G Sales Tax does not sunset.

Action by the State Legislature or by voter initiative could change the transactions and items upon which the State Sales Tax and the Measure G Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial effect on Measure G Sales Tax. Neither the Authority nor the City is currently aware of any proposed legislative change that would have a material adverse effect on Measure G Sales Tax.

## Measure G Revenues

The following table sets forth the portion of the Measure G Revenues that were received by the District over the past eight fiscal years.

<u>Fiscal Year</u>	<u>Measure G Revenues</u>	<u>Annual Change</u>
2013-14	\$18,297,933	--
2014-15	18,763,918	2.4%
2015-16	19,712,551	4.8
2016-17	20,338,220	3.1
2017-18	21,526,675	5.8
2018-19	22,473,422	4.4
2019-20	21,587,491	(3.9)
2020-21	24,836,116	15.0

*Source: the District.*

The District is unable to predict whether annual Measure G Revenues will increase or decrease or what portion, if any, of such Measure G Revenues it will receive.

## No Senior Debt; Issuance of Subordinate Debt

So long as the Bonds are outstanding, the District may not issue or incur any additional bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness (collectively, "**Indebtedness**"), which is in any case payable from all or any part of the Measure G Revenues, except (i) the Bonds, (ii) Parity Debt issued or incurred pursuant to the Indenture

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and described below under the heading “- Issuance of Parity Debt”, (iii) Indebtedness payable from, but not secured by a pledge of or lien upon Measure G Revenues, and (iv) Indebtedness secured by a pledge of or lien on any Measure G Revenues which is subordinate to the pledge and lien which secures the Bonds and any Parity Debt.

## **Issuance of Parity Debt**

Under the Indenture, the District may issue Parity Debt in such principal amount as it determines, which are secured in whole or in part by a pledge of and lien on the Measure G Revenues, subject to the following conditions precedent:

- (i) No Event of Default (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute an Event of Default) has occurred and is continuing.
- (ii) The Measure G Revenues, as shown in audited financial statements of the District for the most recent Fiscal Year for which audited financial statements are available, are at least equal to 200% of Maximum Annual Debt Service on all Bonds and Parity Debt which will be Outstanding following the issuance of the Parity Debt.
- (iii) The Supplemental Indenture or other document authorizing the issuance of such Parity Debt will provide that:
  - a) interest on the Parity Debt is payable on February 1 and August 1 in each year of the term of the Parity Debt, except that interest during the first twelve month period may be payable on any February 1 or August 1; and
  - b) the principal of the Parity Debt is payable on August 1 in any year in which principal is payable.

Any Parity Debt issued by the District may, but is not required to, be secured a separate reserve fund or account established therefore in the Supplemental Indenture or other document authorizing the issuance of such Parity Debt.

## **Limited Obligation**

The Bonds are limited obligations of the District, payable solely from the Measure G Revenues and certain amounts held under the Indenture. Neither the faith and credit nor the taxing power of the County, the State or any political subdivision or public agency thereof, other than the District to the extent of the pledge of Measure G Revenues and other amounts held under the Indenture, is pledged to the payment of the principal of, redemption price or interest on the Bonds. Neither the general fund of the District nor any other moneys of the District other than the Measure G Revenues are available to pay or secure the Bonds.

## **COVID-19 Statement**

The COVID-19 pandemic has resulted in a public health crisis that is fluid and unpredictable with financial and economic impacts that cannot be predicted. As such, investors are cautioned that the District cannot, at this time, predict the impacts that the COVID-19 pandemic might have on the Measure G Revenues. For more disclosure regarding the COVID-19 emergency, see “COVID-19 PANDEMIC.”

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## No Debt Service Reserve Fund

The District has not and will not establish a debt service reserve fund for the Series 2022 Bonds.

## Debt Service Coverage

The following table sets forth the projected debt service coverage with respect to the Bonds. The debt service coverage projections are based upon Measure G Revenues paid to the District in the 12 months ending June 30, 2021 and assume no growth in Measure G Revenues.

Fiscal Year	Measure G Revenue	Bonds Debt Service	Bonds Debt Service Coverage
2022-23	\$24,836,116		
2023-24	24,836,116		
2024-25	24,836,116		
2025-26	24,836,116		
2026-27	24,836,116		
2027-28	24,836,116		
2028-29	24,836,116		
2029-30	24,836,116		
2030-31	24,836,116		
2031-32	24,836,116		
2032-33	24,836,116		
2033-34	24,836,116		
2034-35	24,836,116		
2035-36	24,836,116		
2036-37	24,836,116		

Source: Samuel A. Ramirez & Co., Inc.

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## RISK FACTORS

*The following information should be considered by potential investors in evaluating the Bonds. However, it does not purport to be an exhaustive list of the risks or other considerations which may be relevant to an investment in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.*

### **Potential Impact of COVID-19 Pandemic**

The COVID-19 pandemic is materially adversely affecting the local, state and world economies. The District cannot currently predict the extent or duration of the outbreak or what ultimate impact it may have on the Measure G Revenues. See "COVID-19 Pandemic."

The negative impacts from the COVID-19 pandemic on the District's revenues will continue into the current fiscal year and potentially several fiscal years beyond, depending on the pace of recovery of the local economy to the levels that existed prior to the outbreak of the COVID-19 pandemic. While certain businesses and industries have begun to reopen, social distancing protocols currently remain intact. These protocols could continue to limit the capacity of businesses, and many other tourism and sales tax generating activities in the County.

### **Passive Revenue Source**

The payment of principal of and interest on the Bonds is secured solely by the Measure G Revenues, and certain funds pledged under the respective Indentures. The District does not have any control over the amount of Measure G Revenues to be received by the District because: (i) the District has no ability to control the number of transactions and revenues generated by the tax; and (ii) the District does not have any control over the collection or distribution procedures related to any State taxes or local retail transactions and use taxes. There can be no assurance that future Measure G Revenues will be available in the historical amounts shown in this Official Statement. A decrease in Measure G Sales Tax would adversely affect the amount and/or availability of Measure G Revenues.

### **Increased Internet Use May Reduce Sales Tax Revenues**

The increasing use of the Internet to conduct electronic commerce may affect the levels of Measure G Sales Tax. Internet sales of physical products by businesses that are located in the State, and Internet sales of physical products delivered to the State by businesses that are located outside of the State, are generally subject to sales taxes. As a result, the more that the Internet is used to conduct electronic commerce, along with the failure to collect sales taxes on such Internet purchases, the more that the District may experience reductions in Measure G Revenues. On September 23, 2011, Governor Brown signed into law a settlement with Amazon.com Inc., one of the largest internet retailers in the State. As a result, beginning in September 2012, Amazon.com began collecting taxes from its Internet sales in the State to remit to the Board of Equalization.

On June 21, 2018, in the case of *South Dakota v. Wayfair*, the Supreme Court of the United States ruled that states can require online sellers to collect sales taxes. As a result of this ruling, states will be able to require retailers to collect state sales tax on their transactions, whether or not the retailer has a physical presence within the state. The District cannot predict the degree that the ruling in *South Dakota v. Wayfair* will affect the collection of the Measure G Sales Tax on a going forward basis. However, on April 25, 2019, Governor Gavin Newsom signed AB 147 in law to implement the Wayfair decision, which obligates retailers, whether inside or outside

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California, to collect applicable sales and use tax on all sales made for delivery in any city or county that imposes such tax, if annual sales in California by the retailer exceed \$500,000.

## **Limitations on Remedies Available; Bankruptcy**

The enforceability of the rights and remedies of the Owners and the obligations of the District may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equitable principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of servicing a significant and legitimate public purpose.

In addition to the limitation on remedies contained in the Indenture, the rights and remedies provided in the Indenture may be limited by and are subject to the provisions of federal bankruptcy laws. The District is a governmental unit and therefore cannot be the subject of an involuntary case under the United States Bankruptcy Code (the "**Bankruptcy Code**"); however, the District is a municipality and therefore may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts. If the District were to become a debtor under the Bankruptcy Code, the District would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Such a bankruptcy could adversely affect the payments under the Indenture. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the District or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the District and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have priority of payment superior to that of the Owners of the Bonds; and (iv) the possibility of the adoption of a plan (the "**Bankruptcy Plan**") for the adjustment of the District's debt without the consent of the Trustee or all of the Owners of the Bonds, which Bankruptcy Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Bankruptcy Plan is fair and equitable and in the best interests of creditors.

Past bankruptcies in the City of Stockton, the City of San Bernardino and the City of Detroit brought scrutiny to municipal securities. A variety of events including, but not limited to, additional rulings adverse to the interests of bond owners in the Stockton, San Bernardino and Detroit bankruptcy cases or additional municipal bankruptcies, could prevent or materially adversely affect the rights of Owners to receive payments on the Bonds in the event the District files for bankruptcy. Accordingly, in the event of bankruptcy, it is likely that Owners may not recover their principal, as applicable, and interest.

The opinions of counsel, including Bond Counsel, delivered in connection with the issuance and delivery of the Bonds will be so qualified. Bankruptcy proceedings, or the exercising of powers by the federal or state government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

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While the District believes that the Measure G Revenues should be treated as “special revenues,” in a bankruptcy proceeding involving the District, no assurance can be given that a bankruptcy court would not find otherwise. If the Measure G Revenues are not “special revenues,” there could be delays or reductions in payments on the Series Bonds.

## **Increasing Retirement Related Costs**

The District is required to make contributions to CalPERS and to the OPEB Plan (as defined and described in Appendix A hereto) for District employees and retirees. Such obligations are a significant financial obligation of the District and could increase in the future. Many factors influence the amount of the District’s pension benefit liability, including, without limitation, inflationary factors, changes in statutory provisions of the Retirement Law, changes in the levels of benefits provided or in the contribution rates of the District, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods, and differences between actual and anticipated investment performance of CalPERS. Any of these factors could give rise to additional liability of the District to CalPERS as a result of which the District would be obligated to make additional payments to CalPERS over the amortization schedule for full funding of the District’s obligation to CalPERS.

## **Natural Calamities**

**General.** From time to time, the District is subject to natural calamities, including, but not limited to, earthquake, flood, drought or wildfire, that may adversely affect economic activity in the District, and which could have a negative impact on District finances.

**Seismic.** The District is, like most regions in California, in an area of significant seismic activity. There are numerous faults within and around the District. Surface rupture, ground shaking and liquefaction are the primary seismic risks in the County from a major earthquake along the San Andreas fault or within the Butano, Sargent, Zayante and Corralitos fault zones. Slope instability could result in landslides during ground shaking in some portions of the County. The epicenter of the 7.1 magnitude Loma Prieta earthquake, which struck in 1989, was located approximately 10 miles east-northeast of the City of Santa Cruz. In the County, 674 dwelling units, 32 mobile homes and 310 businesses were destroyed in the earthquake, with an estimate of \$274 million in damages.

**Wildfire.** The County includes areas where there is high or extreme danger of wildfires during dry months and during periods of prolonged drought. During calendar years 2008 and 2009, there were 5 significant wildfires, resulting in a total of 327 structures or mobile homes destroyed. In October 2017, 29 structures or mobile homes were destroyed and 391 acres burned in the Bear Fire.

The CZU Lightning Complex Fire burned over 86,000 acres in the County and San Mateo County in 2020. As noted above, such areas affected by wildfires are more prone to flooding and mudslides that can further lead to the destruction of homes. There can be no assurances that additional wildfires won’t occur within the County, even in areas not previously thought to be prone to wildfires. Further property damage due to wildfire could result in a significant decrease in the market value of property in the County and in the ability or willingness of property owners to pay property taxes when due.

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The County is served by Pacific Gas & Electric (“**PG&E**”). PG&E and other electric providers throughout the State have implemented a program called Public Safety Power Shutoff (“**PSPS**”), under which they may determine that for public safety it is necessary to turn off electricity. This happens when gusty winds and dry conditions, combined with a heightened fire risk, are forecasted. To date, the County has experienced one PSPS event and has been notified of one potential PSPS event during the last 12 months. The County expects additional PSPS events to occur with more frequency in the coming years. The County cannot forecast the impacts of frequent or prolonged PSPS events on the County’s economy. Experts expect that California will continue to be subject to wildfire conditions year over year as a result in changing weather patterns due to climate change.

**Landslides and Flooding.** There are areas of the County that are mountainous and prone to flooding and localized landslides during periods of heavy or prolonged rain. Several such landslides occurred during winter 2017 as a result of above-average rainfall. For a time, these slides impacted travel on State Highways 9, 152, and 126 and various local roads, but most notably impacted travel on State Highway 17, the primary transportation corridor between the County and the San Francisco Bay Area.

**Climate Change.** The western boundary of the County is located along and inland from the Pacific Ocean coast of California. In recent years, concern has arisen regarding the impact of climate change on coastal communities, including as a result of sea level rise. The County’s 2013 Climate Action Strategy identifies risks of potential damage to property in the County in the event of various climate change scenarios resulting from sea level rise as well as the actions current and future decision makers will need to take to protect the natural and built environments, residents, visitors, and the economic base and quality of life.

Sea level rise is expected to gradually inundate low-lying areas, which includes the shoreline and beach areas along the coastline that are presently closest to sea level, and therefore some property in the County will be susceptible to direct impacts from rising sea levels, as will certain public facilities, operated by the City of Santa Cruz and shared by the County. The greatest uncertainty is the rate at which sea level rise will occur. Because sea level rise is a gradual process, affected public agencies can implement long-term policies designed to mitigate the impacts, but there is no guarantee that there will be funding to invest in adaptation strategies or what the net effect of those strategies will be.

The impacts of sea level rise can include physical damage to property and therefore reduced habitability, which could result in a significant decrease in the receipt of sales taxes in the area. Other properties within the County are located along rivers that may be subject to more frequent or increased levels of flooding, again with a potential for impact on property value over time. Other potential impacts of climate change, in addition to sea level rise, may include extreme temperatures becoming more common and extreme weather events becoming more frequent. Projections of the impacts of global climate change on the County are complex and depend on many factors that are outside the control of the County. The scientific understanding of climate change and its effects continues to evolve. Accordingly, the County is unable to forecast with certainty when adverse impacts of climate change will occur or the extent of such impacts on the operations, finances and market value of property in the County or on the County’s economy.

## **Articles XIIC and XIID of the California Constitution**

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See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Articles XIIC and XIID of the State Constitution,” for information about certain risks to General Fund revenues under Articles XIIC and Article XIID of the California Constitution.

## **State Law Limitations on Appropriations**

Article XIIB of the California Constitution limits the amount that local governments can appropriate annually. The ability of the District to make debt service payments on the Bonds may be affected if the District should exceed its appropriations limit. The State may increase the appropriation limit of its counties by decreasing its own appropriation limit. The District does not anticipate exceeding its appropriations limit. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Security for the Bonds – *Covenant to Appropriate*” and “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIB of the State Constitution.”

## **Cybersecurity**

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the District is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the District’s efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the District. The District is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County tax collector for the levy and collection of property taxes, and the Trustee. No assurance can be given that the District and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

## **Changes in Law**

The State Legislature may in the future enact legislation that will amend or create laws resulting in a reduction of moneys securing or available to pay the Bonds. Similarly, the State electorate could adopt initiatives or the State Legislature could adopt legislation with the approval of the electorate amending the State Constitution which could have the effect of reducing moneys securing or available to pay the Bonds.

## **Limitation on Trustee’s Obligations**

The Trustee has no obligation to advance its own funds to pursue any remedies. As a consequence, the Trustee’s willingness and ability to pursue any of the remedies provided in the Indenture may be dependent upon the availability of funds from an interested party. There can be no assurance that the Trustee will be willing and able to perform its duties under the Indenture.

## **Secondary Market for Bonds**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular

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issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

## CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

### Article XIII A of the State Constitution

On June 6, 1978, California voters approved Proposition 13, which added Article XIII A to the State Constitution. Article XIII A, as amended, limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service (i) on indebtedness approved by the voters prior to July 1, 1978, (ii) on bonded indebtedness approved by a two-thirds vote on or after July 1, 1978, for the acquisition or improvement of real property or (iii) bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters voting on the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster, and in other minor or technical ways.

### Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100 percent of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

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## Article XIII B of the State Constitution

In addition to the limits Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and most local governments are subject to an annual “appropriations limit” imposed by Article XIII B which effectively limits the amount of such revenues those entities are permitted to spend. Article XIII B, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to “proceeds of taxes,” which consist of tax revenues, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed “the cost reasonably borne by such entity in providing the regulation, product or service.” “Proceeds of taxes” excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not “proceeds of taxes,” such as reasonable user charges or fees, and certain other non-tax funds. Article XIII B also does not limit appropriation of local revenues to pay debt service on Bonds existing or authorized by June 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above June 1, 1990, levels. The appropriations limit may also be exceeded in case of emergency; however, the appropriations limit for the next three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Proposition 111 requires that each agency’s actual appropriations be tested against its limit every two years.

If the aggregate “proceeds of taxes” for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency’s taxpayers through tax rate or fee reductions over the following two years.

The District has never exceeded its appropriations limit.

## Articles XIII C and XIII D of the State Constitution

**General.** On November 5, 1996, the voters of the State approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 adds Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of the District to levy and collect both existing and future taxes, assessments, fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article

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XIIIC define “taxes” that are subject to voter approval as “any levy, charge, or exaction of any kind imposed by a local government,” with certain exceptions.

**Taxes.** Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the District (“general taxes”) require a majority vote; taxes for specific purposes (“special taxes”), even if deposited in the District’s General Fund, require a two-thirds vote.

**Property-Related Fees and Charges.** Article XIIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a “special benefit,” as defined in Article XIIID, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

**Reduction or Repeal of Taxes, Assessments, Fees and Charges.** Article XIIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the District will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the District’s General Fund. If such repeal or reduction occurs, the District’s ability to pay debt service on the Bonds could be adversely affected.

**Burden of Proof.** Article XIIIC provides that local government “bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” Similarly, Article XIIID provides that in “any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance” with Article XIIID.

**Judicial Interpretation of Proposition 218.** The interpretation and application of Articles XIIIC and XIIID will ultimately be determined by the courts, and it is not possible at this time to predict with certainty the outcome of such determination.

**Impact on District’s General Fund.** The District does not believe that any material source of General Fund revenue is subject to challenge under Proposition 218 or Proposition 26.

The approval requirements of Articles XIIIC and XIIID reduce the flexibility of the District to raise revenues for the General Fund, and no assurance can be given that the District will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that it may need to meet increased expenditure needs.

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## **Proposition 1A; Proposition 22**

**Proposition 1A.** Proposition 1A, proposed by the Legislature in connection with the State's Fiscal Year 2004-05 Budget, approved by the voters in November 2004 and generally effective in Fiscal Year 2006-07, provided that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibited the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any Fiscal Year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county had to be approved by two-thirds of both houses of the Legislature.

**Proposition 22.** Proposition 22, entitled "The Local Taxpayer, Public Safety and Transportation Protection Act," was approved by the voters of the State in November 2010. Proposition 22 eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

## **Proposition 19**

Proposition 19, entitled "Property Tax Transfers, Exemptions, and Revenue for Wildfire Agencies and Counties Amendment," was approved by the voters of the State in November 2020. Proposition 19 amends Article XIII A to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection.

The District cannot predict the impact that Proposition 19 might have on assessed values or property tax revenues in the District, or any other impacts on the local economy or the District's financial condition.

## **Possible Future Initiatives**

Articles XIII A, XIII B, XIII C and XIII D and Propositions 62, 111, 218 and 1A were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the District or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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## **TAX MATTERS**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences caused by the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

The proposed form of opinion of Bond Counsel with respect to the Bonds to be delivered on the date of issuance of the Bonds is set forth in Appendix E.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

## **CERTAIN LEGAL MATTERS**

Legal matters incident to the authorization, issuance, sale and delivery by the District of the Bonds are subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, as Bond Counsel. A copy of the proposed form of Bond Counsel opinion is contained in Appendix E hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Hanson Bridget LLP, as General Counsel, and by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. All of the fees of Bond Counsel, Disclosure Counsel and Underwriter's Counsel with respect to the issuance of the Bonds are contingent upon the issuance and delivery of the Bonds.

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## CONTINUING DISCLOSURE

The District will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District by not later than nine months after the end of each Fiscal Year of the District (currently March 31 based on the District's Fiscal Year end of June 30) (the "**Annual Report**"), commencing March 31, 2023, with the report for Fiscal Year 2021-22, and to provide notices of the occurrence of certain enumerated events.

These covenants have been made in order to assist the Underwriter in complying with the Rule. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX F – FORM OF CONTINUING DISCLOSURE CERTIFICATE."

The District has not previously entered into any continuing disclosure undertakings.

## MUNICIPAL ADVISOR

The District has retained the services of Urban Futures, Inc., Tustin, California, as Municipal Advisor (the "**Municipal Advisor**") in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

## FINANCIAL STATEMENTS OF THE DISTRICT

The general purpose financial statements of the District, which are included in Appendix B to this Official Statement, have been audited by Brown Armstrong Accountancy Corporation, independent certified public accountants (the "**Auditor**"), as stated in their report appearing in Appendix B. The Auditor has not consented to the inclusion of its report as Appendix B and has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement.

## ABSENCE OF LITIGATION

To the best knowledge of the District, there is no action, suit or proceeding pending or threatened either restraining or enjoining the execution or delivery of the Bonds or the Indenture, or in any way contesting or affecting the validity of the foregoing, or the Measure G, or any proceedings of the District taken with respect to any of the foregoing.

Although the District may, from time to time, be involved in legal or administrative proceedings arising in the ordinary course of its affairs, it is the opinion of the District that any currently-pending or known threatened proceedings will not materially affect the District's finances or impair its ability to meet its obligations.

## RATINGS

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S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**") has assigned the Bonds the rating of "\_\_\_". A rating is not a recommendation to buy, sell or hold securities. Future events could have an adverse impact on the rating of the Bonds, and there is no assurance that any credit rating that is given to the Bonds will be maintained for any period of time or that a rating may not be qualified, downgraded, lowered or withdrawn entirely by S&P if, in the judgment of S&P circumstances so warrant, nor can there be any assurance that the criteria required to achieve the rating on the Bonds will not change during the period that the Bonds remain outstanding.

Any qualification, downward revision, lowering or withdrawal of the ratings on the Bonds may have an adverse effect on the market price of the Bonds. Such rating reflects only the current view of S&P (which could change at any time), and an explanation of the significance of such ratings may be obtained from S&P. Generally, S&P bases its ratings on information and materials furnished to them (which may include information and material from the District that is not included in this Official Statement) and on investigations, studies and assumptions by S&P.

The District has covenanted in the Continuing Disclosure Certificate to file notices of any rating changes on the Bonds with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System. See the caption "CONTINUING DISCLOSURE" and Appendix F. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from S&P prior to such information being provided to the District and prior to the date by which the District is obligated to file a notice of rating change. Purchasers of the Bonds are directed to S&P and its website and official media outlets for the most current ratings with respect to the Bonds after the initial issuance of the Bonds.

## UNDERWRITING

The Bonds are being purchased by Samuel A. Ramirez & Co., Inc. (the "**Underwriter**"). The Underwriter will purchase the Bonds from the District at an aggregate purchase price of \$\_\_\_\_\_ (representing the principal amount of the Bonds, less \$\_\_\_\_\_ of Underwriter's discount).

The Bonds are offered for sale at the initial prices stated on the inside cover page of this Official Statement, which may be changed from time to time by the Underwriter. The Bonds may be offered and sold to certain dealers at prices lower than the public offering prices.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, such services for the District for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

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The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

## MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

## EXECUTION

The execution and delivery of this Official Statement have been duly authorized by the District.

**SANTA CRUZ METROPOLITAN  
TRANSIT DISTRICT**

By: \_\_\_\_\_  
Chief Financial Officer

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## APPENDIX A

### INFORMATION REGARDING THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

#### General Description

The Santa Cruz Metropolitan Transit District (the "**District**") is a public transit district formed pursuant to the provisions of the Santa Cruz Metropolitan Transit District Act of 1967 and approved as a special district with taxing authority by the voters of the County of Santa Cruz (the "County") in November 1968. The District serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola and unincorporated areas of Santa Cruz County.

The District began as a fixed-route bus service, and now offers fixed-route and paratransit services ("**ParaCruz**") throughout the County, as well as operating a commuter service via the Highway 17 Express to the City of San José's Diridon Station in cooperating with the Santa Clara Valley Transportation Authority, Amtrak, the San Joaquin Joint Powers Authority and the Capitol Corridor Joint Powers Authority. In addition, the District offers a micro-transit service, Cruz On-Demand, operated by trained ParaCruz operators, extending the service area three quarters of a mile from any of the District's fixed bus routes, excluding Highway 17 and the University of California Santa Cruz ("**UCSC**") campus. A map showing the District's transit system is set forth in the front portion of this Official Statement.

All capitalized terms used and not otherwise defined in this Appendix A have the meanings assigned to such terms in the front portion of the Official Statement or, if not defined therein, have the meanings assigned to such terms in APPENDIX D - "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Ridership information concerning the District's bus system for fiscal years 2018-19 through 2020-21, is set forth below:

**TABLE A-1  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
Ridership**

**Bus Service\***

	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21
Total Riders	5,045,972	3,544,457	907,140
Total Fare Collections	\$9,426,691	\$6,981,126	\$4,251,755
No. of Bus Routes	24	24	24
No. of Bus Drivers	148	153	142
No. of Vehicles	101	94	94

\* Does not include ParaCruz Service.

Source: Santa Cruz Metropolitan Transit District.

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## COVID-19 Pandemic Impact

The spread of the novel strain of coronavirus called SARS-CoV-2 that causes the disease known as COVID-19 (“**COVID-19**”), and local, state and federal actions in response to COVID-19, are having a significant impact on the State and local economy and on the District’s operations and finances. The COVID-19 pandemic has had an adverse effect on, among other things, the world economy, global supply chain, international travel and a number of travel-related industries. The COVID-19 pandemic has also negatively affected travel, commerce, asset values and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within the State and the District. Unemployment in the United States initially dramatically increased as a result of the COVID-19 pandemic. Federal and state governments (including California) have enacted legislation and have taken executive actions designed to mitigate the negative public health and economic impacts of the COVID-19 pandemic.

In response to the pandemic, the U.S. Department of Transportation’s Federal Transit Administration (the “**FTA**”) allocated \$25 billion in Federal funding to help the nation’s public transportation systems respond to COVID-19. Funding was provided through the Coronavirus Aid, Relief, and Economic Security (“**CARES**”) Act signed by President Trump on March 27, 2020. Additionally, on March 11, 2021, President Biden signed the American Rescue Plan Act (“**ARP**”) into law, which provided \$30.5 billion in Federal funding to assist transit systems. The funding provided through the CARES Act; the Coronavirus Response and Relief Supplemental Appropriations Act (“**CRRSAA**”); and ARP allowed for changes in how recipients use FTA funds. The most significant of these changes has been allowing all recipients, regardless of size or urbanized area population, to charge operating expenses to FTA grants at 100% Federal share, with no local match required.

As a result of the pandemic, all District services were reduced, including bus capacity and weekend service. The collection of fares was suspended for three months beginning March 2020, and was reduced by 50% for six months beginning in March 2021. Approximately 50% of the District’s ridership originated from UCSC, which canceled in-person classes through August 2021. Ridership remains significantly lower than pre-pandemic levels, and passenger fare revenues decreased by \$2.8 million, or 37%, in Fiscal Year 2020-21.

CARES Act and CRRSAA funds are available to support eligible operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency. In Fiscal Years 2019-20 and 2020-21, the District received \$18.5 million and \$8.9 million of FTA Operating Assistance through CARES and CRRSAA, respectively, as reimbursements for FTA eligible operating expenses. The available FTA funding allowed Santa Cruz METRO to reinvest other fungible revenue sources to sustain operations and services to the greatest extent possible during the economic recovery or until these funds are exhausted. The District is also seeking reimbursement from the Federal Emergency Management Agency. Additionally, as of the date of this Official Statement, the District received a total of approximately \$7.3 million of CRRSAA funding in Fiscal Year 2021-22 and anticipates to receive the remainder from the ARP later in subsequent years. The District also expects to receive additional ARP funding in the next few years.

The COVID-19 pandemic resulted in the temporary closing of businesses, universities, and schools throughout California. Beginning on June 15, 2021, the State permitted indoor and outdoor activities and businesses to return to usual operations with limited exceptions for events characterized by large crowds greater than 5,000 (indoors) and 10,000 (outdoors) attendees. In addition to the general public health recommendations including those relating to face coverings, verification of fully vaccinated status or pre-entry negative test results are strongly recommended for all attendees.

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Due to the spread of the omicron variant, the State has again mandated the wearing of masks in indoor public spaces and workplaces. The order is in effect from December 15, 2021, through January 15, 2022. The County reports that, as of December 15, 2021, approximately 70% of the County's residents are fully vaccinated, and approximately 77% of the County's residents have received at least one dose. The State reports that, as of December 19, 2021, 62.7 million vaccine doses had been administered statewide, approximately 193,364 doses were being administered per day in the State. [TO BE UPDATED PRIOR TO POSTING]

The alarming spread of the pandemic in 2020 and 2021 and the tight restrictions on travel severely impacted METRO's Passenger and Special Transit Fares. Ridership in the second quarter of 2020 plummeted. In an effort to respond to the severe decline in ridership all services were reduced across the board including weekend service. Half of METRO's ridership originates from the University of California Santa Cruz, which shut down all in person learning through August 2021 contributing to the decline. Additionally, METRO suspended the collection of fares on buses and paratransit vehicles for three months. The collections were resumed in June 2020, but in March 2021, a temporary 6-month half price fare reduction was implemented. Going beyond health guidelines, METRO self-limited bus capacity to a maximum of 15 riders per bus. The direct result of the pandemic and measures taken to halt the spread of the virus caused nearly 25% and 37% decline in passenger and special transit fares in Fiscal Years 2019-20 and 2020-21, respectively. It should be noted that Fiscal Year 2019-20 operations weathered only four months of significantly depressed ridership, whereas a full year of COVID-19 financial and service impact were experienced during Fiscal Year 2020-21.

The COVID-19 pandemic is ongoing, and its dynamic nature leads to uncertainties. There are many variables that will continue to contribute to the economic impact of the COVID-19 pandemic and the recovery therefrom, including the length of time social distancing measures are in place, the effectiveness of State and Federal governments' relief programs and the timing for the containment and treatment of COVID-19. Certain of the information in this Appendix A is dated prior to the onset of the COVID-19 pandemic, which has had a significant adverse impact on the nation, State and local economy. Accordingly, such information is not necessarily indicative of the current financial condition or future prospects of the District and the region. The ultimate impact of COVID-19 on the District's operations and finances is not fully known, and it may be some time before the full impact of the COVID-19 pandemic is known.

## **Governance and Administration**

The District is governed by an eleven-member Board of Directors (the "Board") comprised of representatives of the cities of Santa Cruz, Watsonville, Capitola and Scotts Valley, the unincorporated areas of the County, and two ex-officio members from the University of California Santa Cruz and Cabrillo College.

Principal administrative employees of the District include Dawn Crummié, who serves as Interim CEO/General Manager, Chuck Farmer, who serves as Chief Financial Officer, and Kristina Mihaylova, who serves as Finance Deputy Director.

Dawn Crummié, Interim CEO/General Manager. Ms. Crummié has worked in transit and with the District since 2018. Ms. Crummié received her undergraduate in Business Administration and Human Resources at University of Phoenix.

Chuck Farmer, Chief Financial Officer. Mr. Farmer has worked in financial management for 28 years, and in transportation for 8, with Amtrak for 7 years and at the District since 2020. Mr. Farmer received his undergraduate degree in finance and Economics at University of North

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Carolina and a masters degree in business administration (finance) from George Mason University.

Kristina Mihaylova, Finance Deputy Director. Ms. Mihaylova has worked for 15 years at the District. She has two masters degrees from Golden Gate University, one in marketing and public relations and one in business administration (finance).

## District Transit Services

Bus Service. The District provides fixed route transit service to riders in the County, operating over 97 buses on over 24 fixed routes. At the end of fiscal year 2021, the District's fixed-route bus system consisted of 24 routes, and provided 907,140 rides with a fleet of 96 compressed natural gas and diesel buses.

Ridership in Fiscal Year 2021 decreased by 1,092,970 fixed-route rides, down 54.6% from the previous year. As with many transit agencies across the nation, ridership declined significantly due to shelter-in-place orders, social distancing measures and widespread telecommuting. Public concern with crowding and disease transmission persisted throughout fiscal year 2021, contributing to a sustained loss of transit ridership, even during periods in which restrictions were eased and many activities resumed. There may be long-term negative impacts on transit ridership if transit users with access to cars are more likely to avoid public transit in the future.

Current fares for the District's fixed-route bus system are shown below:

	<u>Local Service in the County*</u>						<u>Amtrak/Highway 17 Express*</u>			
	Cash	Day	3-Day	7-Day	31-Day	15-Ride	Day		31-Day	15-Ride
		Pass	Pass	Pass	Pass	Pass	Cash	Pass	Pass	Pass
Adults	\$2.00	\$6.00	\$15.00	\$32.00	\$65.00	\$27.00	\$7.00	\$14.00	\$145.00	\$94.50
Youth	2.00	6.00	15.00	32.00	48.00	27.00	7.00	14.00	145.00	94.50
Discount Fare	1.00	3.00	7.50	16.00	32.00	13.50	3.50	14.00	145.00	94.50

\* A limit of three children can ride free with a fare-paying passenger.

Source: Santa Cruz Metropolitan Transit District.

Paratransit. ParaCruz is the District's ADA complementary paratransit service offering accessible door-to-door shared rides for people who are not able to use the bus due to a physical, cognitive, or psychiatric disability. ParaCruz provides people with disabilities a level of access to mass public transportation that is comparable to the rest of the community. The District operates a fleet of accessible large buses, small buses, and minivans, connecting people to educational, business, medical, shopping, social, and other destinations. All District fixed route buses and ParaCruz vehicles are accessible to any customers needing the use of a ramp or lift to board a District vehicle.

ParaCruz is a shared-ride service, providing door-to-door public transportation for people who have a temporary or permanent physical, cognitive, or psychiatric disability that prevents them from making some or all of their trips on District's fixed route bus system. Customers may arrange for an assistant to travel with them. Rides are scheduled in advance, and frequently include picking up and dropping off other customers along the way

Paracruz provided 38,726 paratransit rides to mobility-impaired patrons on 32 specially equipped minibuses and minivans during fiscal year 2021. This represents a 37.16% decrease in

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Paracruz ridership from the prior year (22,905 fewer paratransit rides), resulting primarily from the COVID-19 pandemic.

Microtransit. In April 2021, the District started a pilot transit service, Cruz On-Demand, throughout Santa Cruz County that lets riders book trips on-demand to any address within METRO's service area up to a maximum distance of three miles. Cruz On-Demand is a shared ride experience on smaller vans operated by the District's trained ParaCruz operators. During this estimated year-long pilot project, the District will gather customer feedback and make adjustments to this service as needed to increase efficiency and streamline its service model. Cruz On-Demand is a rideshare service that uses dynamic scheduling and ride-matching to pick up riders along a flexible route. There is no fixed-route or schedule. There is also no advanced booking requirement, though wait times will vary based on demand.

Long-Term Service Contracts. The District has a contract with the University of California, Santa Cruz to provide bus services to its students for a fixed fee. The agreement was originally entered into in 2010, and has been extended until 2025. The District receives \$4,686,345 annually, increasing 2% each year, to provide free bus services to all students that display a valid student identification, regardless of the rate of ridership. In Fiscal Year 2020-21, 133,754 UCSC students rode District buses.

The District has also entered into a contract with Cabrillo College to provide bus services to its students for a fixed fee. The agreement was originally entered into in 2016, and has been extended until 2024. The District receives \$583,388 annually to provide free bus services to all students that display a valid student identification, regardless of the rate of ridership. In Fiscal Year 2020-21, 5,773 Cabrillo students rode District buses.

## **Employees, Personnel Costs and Labor Relations**

For the Fiscal Year ended June 30, 2021, the District had 291 full-time equivalent employees, of which 136 are represented by the International Association of Sheet Metal, Air, Rail, and Transportation Workers Local 23 Fixed Route, 36 by SMART Local 23 Para Cruz and 100 by the Service Employees International Union (SEIU) Local 521. The current contracts with each of the bargaining units are scheduled to expire on June 30, 2022.

## **District Financial Information**

**Financial Statements.** The audited financial statements of the District for the Fiscal Years ended June 30, 2021 and 2020, attached as Appendix B to this Official Statement, have been audited by Brown Armstrong, Certified Public Accountants. See "APPENDIX B - FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020." Brown Armstrong were not requested to consent to the inclusion of their report in Appendix B, nor has Brown Armstrong undertaken to update their report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Brown Armstrong with respect to any event subsequent to the date of their report.

**Significant Accounting Policies.** The District is a single enterprise fund and maintains its records on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the related liability is incurred. See Note 1 to the audited financial statements of the District attached as Appendix B to this Official Statement.

**Reporting Entity.** The District and the Santa Cruz Civic Improvement Corporation (the "Corporation") have a financial and operational relationship that meets the reporting entity

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definition criteria of the Governmental Accounting Standards Board (“**GASB**”) Statement No. 14, as amended by Statement No. 39 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 fiscal years June 30, 2021 and 2020, the activities were minimal. The District appoints the board of directors of the Corporation, consents to all major financial arrangements, contract and other transactions, and is the sole lessee of all facilities owned by the Corporation.

## **Financial Statements**

The accounting policies of the District conform to generally accepted accounting principles. GASB published its Statement No. 34 “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments” on June 30, 1999 (“**GASB No. 34**”). GASB No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management’s Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting; (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting; and (iv) required supplementary information.

Accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. There are three groups of funds: governmental funds (which include the General Fund), proprietary funds (which include enterprise funds) and other funds (which include internal service and fiduciary funds and are used to account for resources held for the benefit of parties outside the District).

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Proprietary funds are reported the full accrual basis of accounting, wherein revenues are recorded when earned and expenses are recorded at the time the liability is incurred. The fiduciary funds use the modified accrual basis of accounting. The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in a separate fund.

The financial statements should be read in their entirety. *The District has neither requested nor obtained permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of the District or General Fund. In addition, the Auditor has not reviewed this Official Statement.*

Set forth on the following pages are (i) the statements of net position for fiscal years 2016-17 through 2020-21, and (ii) a statement of revenues, expenditures and changes in fund balance for the District’s general fund for fiscal years 2016-17 through 2020-21.

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**TABLE A-2**  
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**Statements of Net Position**

	<u>Audited</u> <u>FY 2020-21</u>	<u>Audited</u> <u>FY 2019-20</u>	<u>Audited</u> <u>FY 2018-19</u>	<u>Audited</u> <u>FY 2017-18</u>	<u>Audited</u> <u>FY 2016-17</u>
<b>Assets:</b>					
Current Assets	\$62,759,155	\$53,220,748	\$33,112,067	\$28,260,602	\$22,587,204
Restricted Assets	12,716,365	12,283,925	11,059,070	8,513,085	8,354,300
Capital Assets	86,248,588	85,455,125	83,472,558	85,856,420	86,071,566
<b>Total Assets</b>	<b>\$161,724,108</b>	<b>\$150,959,798</b>	<b>\$127,643,695</b>	<b>\$122,630,107</b>	<b>\$117,013,070</b>
 <u>Deferred Outflows of Resources:</u>					
Deferred Amounts from OPEB	\$11,163,162	\$9,599,183	\$3,906,373	\$3,784,611	--
Deferred Amounts from Pension Activities	8,671,881	8,281,477	9,636,967	12,932,607	\$13,585,398
<b>Total Deferred Outflows of Resources</b>	<b>\$19,835,043</b>	<b>\$17,880,600</b>	<b>\$13,543,340</b>	<b>\$16,717,218</b>	<b>\$13,585,398</b>
 <b>Liabilities:</b>					
Current Liabilities	\$8,576,339	\$9,531,089	\$7,220,527	\$6,735,562	\$6,909,520
Non-Current Liabilities	14,083,904	12,297,999	11,633,273	9,339,794	6,947,590
Other Long-Term Liabilities	198,799,403	187,419,193	174,972,058	170,972,880	91,066,828
<b>Total Liabilities</b>	<b>\$221,459,646</b>	<b>\$209,248,281</b>	<b>193,825,858</b>	<b>\$187,048,236</b>	<b>\$104,923,938</b>
 <u>Deferred Inflows of Resources:</u>					
Deferred Amounts from OPEB	\$3,018,237	\$3,810,361	\$3,003,868	\$6,520,486	--
Deferred Amounts from Pension Activities	475,164	2,276,707	2,814,903	2,397,547	\$5,306,999
<b>Total Deferred Inflows of Resources</b>	<b>\$3,493,401</b>	<b>\$6,087,068</b>	<b>\$5,818,771</b>	<b>\$8,918,033</b>	<b>\$6,306,999</b>
 <u>Net Position:</u>					
Net Investment in Capital Assets	\$85,588,763	\$84,536,118	\$82,302,120	\$84,442,069	\$86,071,566
Unrestricted Net Position	(128,982,659)	(131,031,009)	(140,759,714)	(141,061,013)	(65,704,035)
<b>Total Net Position</b>	<b>\$(43,393,896)</b>	<b>\$(46,494,891)</b>	<b>\$(58,457,594)</b>	<b>\$(56,618,944)</b>	<b>\$20,367,531</b>

Source: Santa Cruz Metropolitan Transit District Financial Statements.

# Attachment D

**TABLE A-3  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
Statement of General Fund Revenues,  
Expenditures and Changes in Fund Balance**

	<u>Audited FY 2020-21</u>	<u>Audited FY 2019-20</u>	<u>Audited FY 2018-19</u>	<u>Audited FY 2017-18</u>	<u>Audited FY 2016-17</u>
<b>Operating Revenues:</b>					
Passenger Fares	\$1,175,708	\$3,139,475	\$4,382,160	\$4,483,352	\$4,791,959
Special Transit Fees	3,723,193	4,594,226	5,856,803	5,797,207	4,928,912
Total Operating Revenues	<u>\$4,898,901</u>	<u>\$7,733,701</u>	<u>\$10,238,963</u>	<u>\$10,280,559</u>	<u>\$9,720,871</u>
<b>Operating Expenses:</b>					
Wages, Salaries and Employee Benefits	\$47,187,323	\$50,993,087	\$43,409,624	\$45,022,896	\$44,578,599
Purchased Transportation Services	--	--	--	--	100,760
Materials and Supplies	2,988,759	3,136,730	3,255,180	3,135,709	3,171,221
Other Expenses	5,949,204	5,969,465	6,495,732	5,368,916	3,993,351
Depreciation	5,307,687	5,514,288	5,286,802	4,527,151	4,297,447
Total Operating Expenses	<u>\$61,432,972</u>	<u>\$65,613,570</u>	<u>\$58,447,338</u>	<u>\$58,054,672</u>	<u>\$56,141,378</u>
<b>Net Operating Loss</b>	<b>\$(56,534,071)</b>	<b>\$(57,879,869)</b>	<b>\$(48,208,375)</b>	<b>\$(47,774,113)</b>	<b>\$46,420,507)</b>
<b>Non-Operating Revenues (Expenses)</b>					
Sales and Use Taxes	\$26,246,454	\$22,899,749	\$23,842,398	\$22,796,094	\$20,869,028
Transportation Development Act Assistance	7,096,904	7,930,060	7,288,209	6,767,933	6,804,838
State Transit Assistance	3,425,215	4,346,687	4,253,929	3,196,463	1,671,333
Section 5307 FTA Operating Assistance	15,828,667	25,371,205	6,794,772	6,568,455	6,286,136
Section 5311 Rural Operating Assistance	575,480	381,393	174,321	170,428	168,738
Alternative Fuel Tax Credit	253,765	826,532	--	354,826	284,419
Planning Grants	--	--	--	--	9,749
Interest Income	260,974	456,082	319,195	141,653	133,298
Rental Income	63,024	120,566	147,301	141,385	130,210
Other Revenue	383,670	424,224	492,562	433,750	342,926
Gain on Sale and Disposal of Property, Equipment and Inventory	15,586	41,357	28,566	9,494	677
Total Non-Operating Revenues (Expenses)	<u>\$54,149,739</u>	<u>\$62,797,855</u>	<u>\$43,341,253</u>	<u>\$40,580,481</u>	<u>\$36,701,352</u>
Net Loss Before Capital Contributions	<b>\$(2,384,332)</b>	<b>\$4,917,986</b>	<b>\$(4,867,122)</b>	<b>\$(7,193,632)</b>	<b>\$(9,719,155)</b>
<b>Capital Contributions</b>					
Grants Restricted Before Capital Contributions	5,485,327	7,044,717	3,028,472	2,594,506	3,632,663
<b>Net Position</b>					
Change in Net Position	3,100,995	11,962,703	(1,838,650)	(4,599,126)	(6,086,492)
Prior Period Adjustment	--	--	--	(72,387,349)	--
Net Position (Deficit), Beginning of Year	<u>(46,494,891)</u>	<u>(58,457,594)</u>	<u>(56,618,944)</u>	<u>(52,019,818)</u>	<u>26,454,023</u>
Total Net Position (Deficit), End of Year	<u><b>\$(43,393,896)</b></u>	<u><b>\$(46,494,891)</b></u>	<u><b>\$(58,457,594)</b></u>	<u><b>\$(56,618,944)</b></u>	<u><b>\$20,367,531</b></u>

Source: Santa Cruz Metropolitan Transit District Financial Statements.

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## Management's Discussion of Financial Results

The District utilizes five primary sources of revenue to operate its public transit services: passenger fares, sales and use taxes, local transportation funds (TDA), federal funds, and other non-transportation related revenues (including advertising income, investment income, and rental income). For additional information concerning the Fiscal Years ended June 30, 2021 and 2020, see "APPENDIX B - FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020."

Measure G Sales Tax Revenues increased approximately \$3.2 million from approximately \$21.6 million in the Fiscal Year ended June 30, 2020 to approximately \$24.8 million in the Fiscal Year ended June 30, 2021. See "Measure G Sales Tax - Historical Sales Tax Revenues " in the front portion of this Official Statement.

At June 30, 2021, total assets were \$161.7 million, an increase of \$10.5 million compared to June 30, 2020. The increases for Fiscal Year 2020-21 were mainly due to the significant increase in current assets and the receipt of \$18 million reimbursement for FY20 Federal CARES Act Operating Assistance. At June 30, 2021, total deferred outflows of resources were \$19.8 million, an increase of \$1.9 million from June 30, 2020. The Fiscal Year 2020-21 increase was due to increases in OPEB retiree medical, dental, and vision insurance premiums and pension contributions that were recorded in the current fiscal year, as required by GASB Statements No. 75 and No. 68, respectively. At June 30, 2021, total liabilities were \$221.5 million, an increase of \$11.3 million compared to June 30, 2020. The increase for Fiscal Year 2020-21 was due to other long-term liabilities and increases in retirement-related obligations.

For Fiscal Year 2020-21, passenger fares and special transit fares were \$4.9 million, a decrease of \$2.9 million compared to Fiscal Year 2019-20. For Fiscal Year 2020, passenger fares were \$7.7 million, a decrease of \$2.5 million compared to Fiscal Year 2019-19. The decreases for both Fiscal Year 2019-20 and Fiscal Year 2020-21 were the result of the pandemic.

In Fiscal Year 2021, total operating expenses were \$61.4 million, a decrease of \$4.2 million compared to Fiscal Year 2020. The decrease in Fiscal Year 2020 was mainly due to an increase in the number of vacant positions, extended unpaid leaves of absence, and a significant reduction in overtime costs. For Fiscal Year 2021, non-operating revenues net of non-operating expenses were \$54.1 million, a decrease of \$7.5 million compared to Fiscal Year 2020. The decrease was due to the timing and availability of the Federal Operating Assistance from CARES and CRRSAA.

At June 30, 2021, the District's net position was a deficit of \$43,393,896, a reduction of \$3.1 million from June 30, 2020. The deficit is due to other long-term liabilities of \$198.8 million. [District to give information regarding nature of long-term liabilities]]

## Adopted Budget for Fiscal Years 2022 and 2023

The Board adopted the District's operating budget for fiscal years 2021-22 and 2022-23 on June 15, 2021 (the "Adopted Budget").

The Adopted Budget projects revenues of \$54.8 million in Fiscal Year 2021-22 and \$55.3 million in Fiscal year 2022-23, down 4.4% from the Fiscal Year 2020-21 budget, which was driven by an assumption of full recovery from the COVI D-19 pandemic. The resulting declines in passenger fares, lower advertising revenues, and reduced transportation grants are partially offset by increased sales tax and a new Low Carbon Transit Operations Program operating grant.

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The Adopted Budget projects expenditures of \$56.6 million for Fiscal Year 2021-22 and \$58.5 million for Fiscal Year 2022-23, 2.9% higher than the Fiscal Year 2020-21 budget, driven by labor and benefit increases and general inflation within most expense items. The Adopted Budget includes a transfer of \$2.2 million and \$2.3 million in Fiscal Years 2021-22 and 2022-23, respectively, to the bus replacement fund; transfers of \$2.0 million in Fiscal Years 2021-22 and 2022-23 to the operating and capital reserve fund for liability reduction measures associated with the CalPERS unfunded actuarial liability and OPEB liability; and, transfers of \$6.3 million \$7.6 million in Fiscal Years 2021-22 and 2022-23, respectively, from the District's COVID-19 recovery fund to cover operating deficits. In addition to the District's operating budget, the District's capital spending budget for Fiscal Years 2021-22 and 2022-23 is \$13.7 million and \$13.5 million, respectively.

Approximately \$16.7 million, or 61%, of the District's capital portfolio spending is budgeted for ParaCruz replacements and related infrastructure. As a result of the Board's commitment to bus replacement, the District plans to immediately replace 19 buses and seven ParaCruz vehicles at the end of Fiscal Year 2021-22, the cost of which is estimated at \$15.5 million. This cost includes the purchasing of 13 compressed natural gas buses and 6 zero emissions electric buses, including the electric infrastructure. The sources of funding such purchases include Federal and State grants and the District's bus replacement fund and may include net Measure G revenues.

The following table shows an Adopted Budget summary for Fiscal Years 2021-22 and 2022-23.

**TABLE A-4**  
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**Budget Summary**  
**(in millions)**

	<b>Budgeted <u>2021-22</u></b>	<b>Budgeted <u>2022-23</u></b>
<b>Revenue:</b>		
Fares	\$8.3	\$8.7
Grants	19.5	19.0
Sales Tax	26.3	26.8
All Other	0.7	0.7
Total Revenues	\$54.8	\$55.3
<b>Expenses:</b>		
Personnel	\$46.2	\$47.8
Non-Personnel	10.4	10.8
Total Expenses	\$56.6	\$58.6
<b>Operating Surplus (Deficit)</b>	<b>\$(1.8)</b>	<b>\$(3.3)</b>
<b>Transfers</b>		
Capital/Operating Reserves	\$(2.3)	\$(2.3)
UAL and OPEN	(2.0)	(2.0)
COVID-19 Recovery Fund	6.3	7.6
Operating Balance	\$0.0	\$0.0

*Source: Santa Cruz Metropolitan Transit District Final Budget for Fiscal Years 2022 and 2023.*

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**Reserve Policy.** The District maintains a Reserve Fund Policy (the “Reserve Policy”), which was most recently revised in 2019, to ensure the long-term economic stability of the District. The Reserve Policy provides for an operations sustainability reserve fund equal to three months of the average operating expenses for the most current fiscal year’s budget, a cash flow reserve fund that may not be used for recurring operating expenses, an operating and capital reserve fund, the use of which is limited to one-time expenditures, a workers compensation reserve fund to be maintained at a level adequate to indemnify the District against loss, and a liability insurance reserve fund.

## Capital Improvement Program

The District’s Capital Improvement Program (“CIP”) consists of a five-year internal estimates with the first two years being appropriated with the recommended biennial budget. The District’s capital procurements are primarily funded by Federal and State grants and other sales tax revenues of the District. The table below shows estimated capital improvement expenditures for the current fiscal year and next four fiscal years.

**TABLE A-5**  
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**5-Year Capital Improvement Plan**  
**(in millions)**

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
<b>Construction Projects</b>					
Pac Station Redev	\$163	\$3,975	\$1,000	\$500	--
Watsonville Purchase	--	--	1,000	3,000	\$3,000
ParaCruz Facility	141	2,727	2,000	1,100	--
Other	375	295	1,230	305	840
<b>Vehicles</b>					
CNG Buses	7,092	5,600	5,600	5,145	7,710
Diesel Buses (Lease)	367	393	--	--	--
Electric Buses	203	4,506	3,600	3,600	3,600
Para Transit Buses	605	360	255	267	280
Non-Revenue Vehicles/Other	1,244	648	218	200	1,470
<b>Repairs &amp; Maintenance</b>	1,558	973	830	550	1,025
<b>Information Technology</b>	1,558				
ERP	--	2,000	3,000	1,000	--
Other	112	1,851	1,925	1,620	1,055
<b>Total</b>	<b>\$11,860</b>	<b>\$23,328</b>	<b>\$20,658</b>	<b>\$17,287</b>	<b>\$18,980</b>

## Employee Retirement Benefits

This section contains certain information relating to the California Public Employee’s Retirement System (“CalPERS”). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The District has not independently verified the information provided by CalPERS and makes no representations and expresses no opinion as to the accuracy of the information provided by CalPERS.

The Comprehensive Annual Financial Reports of CalPERS are available on its Internet website at [www.calpers.ca.gov](http://www.calpers.ca.gov). The CalPERS website also contains CalPERS’ most recent

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actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference in this Official Statement. Neither the District nor the Underwriter can guarantee the accuracy of such information. Actuarial assessments are “forward-looking” statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future. Actuarial assessments will change with the future experience of the pension plan.

As previously described in this Official Statement, the District will use a portion of the proceeds of the Bonds to prepay a portion of the District’s UAL with respect to the Plan (as such terms are hereinafter defined). See “REFINANCING PLAN” in the forepart of this Official Statement. The following information does not reflect such refunding. In addition, it is possible that CalPERS will determine at a future date that an additional unfunded liability exists that is attributable to the District if actual plan experience differs from the current actuarial estimates. See “– Funded Status” below for additional information regarding the refunding of the UAL with proceeds of the Bonds.

**Description of Plan.** The District maintains the Miscellaneous Plan for Santa Cruz Metropolitan Transit District (the “Plan”), a defined benefit plan which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the Plan members and beneficiaries. The Plan is a part of CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers with the State. A menu of benefit provisions, as well as other requirements, is established by State statutes within the California Public Employees’ Retirement Law (the “Retirement Law”). The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board actions.

**Employees Covered.** At June 30, 2021 and 2020, the following District employees were covered by the benefit terms of the Plan:

	2021	2020
Inactive Employees or Beneficiaries Currently Receiving Benefits	392	383
Inactive Employees Entitled to but not yet Receiving Benefits	173	201
Active Employees	308	301
Total	873	885

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**Benefits Provided.** CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The provisions and benefits of the Plan that were in effect at June 30, 2021, are summarized as follows:

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Monthly Benefits, as % of Annual Salary	2.5% @ 55	2.0% @ 60
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50	52
Required Employee Contribution Rates	8.000%	7.000%
Required Employer Contributions Rates	9.960%	9.960%
Required Unfunded Liability Payment	\$427,165/month	\$427,165/month

Source: Santa Cruz Metropolitan Transit District Financial Statements for Fiscal Year Ended June 30, 2021 and 2020.

**California Public Employees' Pension Reform Act of 2013.** Employees hired prior to January 1, 2013 and have remained under continuous employment with a CalPERS agency are considered "Classic" employees. California Public Employees' Pension Reform Act of 2013 ("PEPRA"), which was signed by the State Governor on September 12, 2012, established a new pension benefit tier for employees who were hired on and after January 1, 2013, who were not previously CalPERS members or have left employment with a CalPERS agency for more than 6 months.

PEPRA adjusted the benefit formulas, required employee contribution, calculation of benefits and maximum pay, as well as other benefits. PEPRA employees receive the following benefit formulas: (i) 2.0% at age 62 formula for Miscellaneous employees; and (ii) 2.7% at age 57 for Safety employees. Employees are required to pay at least 50% of the total (annual) normal cost rate, and are required to make the full amount of required employee contributions themselves under PEPRA. Retirement benefits for such employees are calculated on the highest average annual compensation over a consecutive 36-month period. Accordingly, retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for Classic miscellaneous employees are calculated as 2% of the average final 12 months of compensation. Retroactive benefits increases are also prohibited, as are contribution holidays, and purchases of additional non-qualified service credit. PEPRA also capped pensionable income as noted below. Maximum amounts are set annually, subject to adjustment in accord with the Consumer Price Index.

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## CalPERS Pension Compensation Limits for Calendar Year 2021 (Classic and PEPRA members)

	<i>Classic</i>	<i>PEPRA</i>
Maximum Pensionable Income	\$305,000	\$161,969 <sup>(1)</sup>

(1) The Maximum Pensionable income for PEPRA members employed at agencies that participate in Social Security is \$134,974.

Source: CalPERS Payroll Circular Letter dated January 6, 2021.

Additional employee contributions, limits on pensionable compensation and higher retirement ages for new members as a result of the passage of PEPRA are expected to reduce the District's unfunded pension liability and potentially reduce District contribution levels in the long term.

**Required Contributions.** Section 20814(c) of the Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined as of June 30 through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. The District contribution rates may change if plan contracts are amended. Beginning in Fiscal Year 2017-18, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion and as a dollar amount for contributions toward the unfunded accrued liability (“UAL”).

In Fiscal Year 2020-21, the District's contributions to the Plan totaled approximately \$5.9 million. The actuarially determined normal cost rate (on a blended rate basis for classic and PEPRA members) and UAL contribution amounts for Fiscal Years 2020-21, 2021-22 and 2022-23 for the Plan are as follows:

Fiscal Year 2020-21		Fiscal Year 2021-22		Fiscal Year 2022-23	
Employer Normal Cost Rate	Employer Payment of UAL	Employer Normal Cost Rate	Employer Payment of UAL	Employer Normal Cost Rate	Employer Payment of UAL
17.970%	\$4,586,794	17.63%	\$5,125,975	17.31%	\$5,627,758

Source: CalPERS Actuarial Reports dated July 2019, July 2020 and July 2021.

The District's estimated total contribution amounts (including the required normal cost (on a blended rate basis for classic and PEPRA members) and UAL contributions) and as a percentage of estimated covered payroll for the Plan for Fiscal Years 2020-21, 2021-22, and 2022-23 (excluding employee cost sharing) are as follows:

Fiscal Year 2020-21		Fiscal Year 2021-22		Fiscal Year 2022-23	
Total Employer Contribution	% of Covered Payroll	Total Employer Contribution	% of Covered Payroll	Total Employer Contribution	% of Covered Payroll
\$6,658,432	33.581%	\$7,119,356	35.57%	\$7,644,961	36.80%

Source: CalPERS Actuarial Reports dated, July 2019, July 2020 and July 2021.

**Projected Employer Contributions.** The following table shows the District's actuarially-determined required employer contribution for Fiscal Year 2022-23 and projected employer

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contributions (before cost sharing) for Fiscal Years 2023-24 through 2027-28 by normal cost (expressed as a percentage of total active payroll) and amortization of the unfunded accrued liability (expressed as a dollar amount). The projections assume a 7.00% annual rate of return for Fiscal Year 2020-21, but do not include any reductions in the normal cost that will occur over time as new employees are hired into PEPRA or other lower cost benefit tiers, nor the reduction in the discount rate approved by the CalPERS Board of Directors on November 15, 2021 to 6.8%.

	Required Contribution	Projected Future Employer Contributions (Assumes 7.00% Return for Fiscal Year 2020-21)				
		2023-24	2024-25	2025-26	2026-27	2027-28
Fiscal Year	2022-23					
Normal Cost %	9.71%	9.5%	9.3%	9.1%	8.9%	8.8%
UAL Payment	\$5,627,758	\$5,958,000	\$6,334,000	\$6,310,000	\$6,593,000	\$6,759,000

**Funded Status.** The following table sets forth the schedule of funding for the Plan for the actuarial valuations as of June 30 of the years 2016 through 2020.

### CalPERS Miscellaneous Plan

Valuation Date Ended June 30	Accrued Liability	Market Value of Assets	Unfunded Accrued Liability	Funded Ratio	Annual Covered Payroll
2016	\$166,415,470	\$108,365,247	\$58,050,223	65.1%	\$18,780,148
2017	173,211,950	116,689,579	56,522,371	67.4	18,564,636
2018	185,503,758	123,199,451	62,304,307	66.4	18,278,275
2019	192,306,857	127,847,867	64,458,990	66.5	18,449,537
2020	198,571,792	130,487,224	68,084,568	65.7	19,150,707

(1) Based on the market value of assets.  
Source: CalPERS Actuarial Reports Dated July 2021.

There is a two-year lag between the valuation date and the start of the contribution Fiscal Year. The UAL was determined in the June 30, 2020 actuarial valuation, but the corresponding UAL payments commence two years after the valuation date in Fiscal Year 2022-23. This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the Fiscal Year.

The District will apply a portion of the proceeds of the Bonds in the amount of \$ \_\_\_\_\_\* to refund the UAL of the Plan as follows: **[Ramirez/UFI to provide]**

Refunded UAL	
Classic tier	
PEPRA tier	
Total	

Source: Santa Cruz Metropolitan Transit District.

It is possible that CalPERS will determine at a future date that an additional UAL exists with respect to plans if actual plan experience differs from the current actuarial estimates.

**Net Pension Liability.** The District's net pension liability for the Plan is measured as the total pension liability less the pension plan's fiduciary net position. The net pension liability of Plan

\* Preliminary; subject to change.

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was measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. As of June 30, 2020, the District reported net pension liability for the Plan of \$195,087,165 and net pension liability of \$64,210,150.

**Pension Expense.** For Fiscal Year 2020-21, the District recognized pension expense of approximately \$7.8 million.

**Sensitivity to Changes in Discount Rate.** The discount rate used to measure the total pension liability at June 30, 2021 with respect to the Plan was 7.15% The following table presents the net pension liability of the District for the Plan, calculated using the discount rate as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1- percentage point higher than the current rate:

	<u>1% Decrease (6.15%)</u>	<u>Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
Net Pension Liability	\$87,938,257	\$64,210,150	\$44,398,222

Source: Santa Cruz Metropolitan Transit District Financial Statements.

**Potential Impacts on Future Required Contributions.** The CalPERS Board of Administration has adjusted and may in the future further adjust certain assumptions used in the CalPERS actuarial valuations, which adjustments may increase the District's required contributions to CalPERS in future years. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS in future years will not significantly increase (or otherwise vary) from any past or current projected levels of contributions.

**Change in Assumptions/Discount Rate.** On December 21, 2016, the CalPERS Board of Administration voted to lower its discount rate from the then current rate of 7.50% to 7.00% over a three-year period. The change was reflected in the June 30, 2016 actuarial report, which lowered the discount rate from 7.50% to 7.375%; in the June 30, 2017 actuarial report, which lowered the discount rate from 7.375% to 7.25%; and in the June 30, 2018 actuarial report, which lowered the discount rate from 7.25% to 7.00%. On November 15, 2021, the CalPERS Board of Administration voted to lower its discount rate from 7.00% to 6.80% for the June 30, 2021 actuarial report, and will be reflected in contribution levels for special districts in fiscal year 2023-24. On November 15, 2021, the CalPERS Board of Administration selected an asset allocation mix that retained the 6.8% discount rate for the next four years.

**Investment Performance.** CalPERS earnings reports for Fiscal Years 2010 through 2020 report investment gains of approximately 13.3%, 21.7%, 0.1%, 13.2%, 18.4%, 2.4%, 0.6%, 11.2%, 8.6%, 6.7% and 4.7%, respectively. The CalPERS Fiscal Year 2019-20 investment gain of 4.7% is not included as an amortization base in the most recent CalPERS valuation report and is not reflected in the numbers included herein. Future earnings performance may increase or decrease future contribution rates for plan participants, including the District. CalPERS has reported a 21.3% investment return for Fiscal Year 2020-21. See Note 9 in "APPENDIX B - FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020" for additional information regarding the Plan.

# Attachment D

## Other Post-Employment Benefits

**Plan Description.** The District provides post-retirement healthcare benefits (“OPEB”) to qualified retired employees age 50 and older (including eligible dependents) who have completed at least five years of CalPERS eligible service (the “OPEB Plan”).

**Benefits Provided.** The District pays medical premiums depending on bargaining union and Public Employees’ Medical and Hospital Care Act (“PEMHCA”) contract requirements. If the retiree has ten years of District eligible service, the District provides post-retirement dental and vision benefits for qualified retirees (including eligible dependents), and life insurance for the retiree only, until the retiree reaches age 65.

**Employees Covered.** At June 30, 2021 and 2020, the following District employees were covered by the benefit terms of the OPEB Plan:

	2020	2019
Inactive Employees or Beneficiaries Currently Receiving Benefits	298	298
Inactive Employees Entitled to but not yet Receiving Benefits	20	20
Active Employees	303	303
Total	<u>621</u>	<u>621</u>

**Contributions.** The contribution requirements of the OPEB Plan members and the District are established and may be amended by the District’s Board of Directors. These contributions are neither mandated nor guaranteed. The District has retained the right to unilaterally modify its payment for retiree health care benefits. For the fiscal years ended June 30, 2021 and June 30, 2020, the District contributed \$4,127,255 and \$4,125,446, respectively, to the OPEB Plan. District employees are not required to contribute to the OPEB Plan.

**Net OPEB Liability.** The District’s net OPEB liability for the measurement period ended June 30, 2021 was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability for such Fiscal Year was determined by an actuarial valuation dated June 30, 2019, that was rolled forward to determine the June 30, 2020 total OPEB liability, based on certain actuarial methods and assumptions. At June 30, 2021, the District’s net OPEB liability and total OPEB liability was \$132,363,695. The following table presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	Discount Rate – 1% 1.66%	Current Discount Rate 2.66%	Discount Rate + 1% 3.66%
<b>Net OPEB Liability</b>	\$156,415,622	\$132,363,695	\$113,389,587

Source: Santa Cruz Metropolitan Transit District Financial Statements for Fiscal Year Ended June 30, 2021 and 2020.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. See Note 14 in “APPENDIX B - FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020” for a description of the actuarial methods and assumptions used to measure the District’s net OPEB liability as of June 30, 2021.

# Attachment D

**OPEB Funded Status.** The status of the OPEB plan as of the June 30, 2019 and June 30, 2020 measurement dates is as follows:

	Fiscal Year 2019-20	Fiscal Year 2020-21
Total OPEB Liability – Beginning	\$124,340,668	\$114,516,198
Total OPEB Liability – Ending (a)	132,363,695	124,340,668
Plan Fiduciary Net Position – Beginning	--	--
Plan Fiduciary Net Position – Ending (b)	--	--
Net OPEB Liability (a) – (b)	132,363,695	124,340,668
Plan Fiduciary Net Position as a percentage of the total OPEB liability	0.00%	0.00%
Covered employee payroll	\$23,485,892	\$22,768,353
Net OPEB Liability as a percentage of covered-employee payroll	563.59%	546.11%

Source: Santa Cruz Metropolitan Transit District Financial Statements for Fiscal Year Ended June 30, 2021 and 2020.

See “APPENDIX Note 14” of and “Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability, Related Ratios” therein for additional information regarding the District’s OPEB costs.

## Outstanding Indebtedness

Upon issuance of the Bonds, the Bonds will be the only obligations of the District secured by the receipts of the Measure G Revenues. For additional information concerning the District's Long-Term Debt, see Note 15 to the audited financial statements of the District attached as Appendix B to this Official Statement and "Management's Discussion of Financial Results" herein.

The District may issue or incur additional long-term obligations payable from the Measure G Revenues on a parity basis, subject to the conditions set forth in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Issuance of Parity Debt.”

# Attachment D

## APPENDIX B

### FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

# Attachment D

## APPENDIX C

### BOOK-ENTRY ONLY SYSTEM

*The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the beneficial owners (a) payments of interest, principal, or premium, if any, with respect to the Bonds; (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds; or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Bonds Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Bonds Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating from S&P Global Ratings of: "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from

# Attachment D

DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the

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event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

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## APPENDIX D

### SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

*The following is a brief summary of the provisions of the Indenture of Trust relating to the 2021 Bonds, which is not intended to be definitive. Reference is made to the Indenture of Trust (a copy of which may be obtained from the District) for the complete terms thereof.*

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## APPENDIX E

### PROPOSED FORM OF OPINION OF BOND COUNSEL

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## APPENDIX F

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ \_\_\_\_\_  
**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SALES TAX REVENUE BONDS (MEASURE G), SERIES 2022  
(Federally Taxable)**

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Santa Cruz Metropolitan Transit District (the "District"), in connection with its issuance of the bonds captioned above (the "Bonds") pursuant to an Indenture of Trust, dated as of March 1, 2022, (the "Indenture"), by and between the District and U.S. Bank National Association (the "Trustee").

The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is no later than 9 months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means \_\_\_\_\_, or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Trustee a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Participating Underwriter*" means Samuel A. Ramirez & Co., Inc., the original purchaser of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

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## Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2023, with the report for the 2021-22 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder. The Dissemination Agent may conclusively rely upon such certification of the Issuer and shall have no duty or obligation to review such Annual Report.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) in a timely manner to the MSRB, in an electronic format as prescribed by the MSRB, a notice thereof.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the

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preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

- (i) Principal amount of Bonds outstanding.
- (ii) Statements of net positions of the District in substantially the form of Table A-2.
- (iii) Statement of general fund revenues, expenditures and changes in fund balance in substantially the form of Table A-3.
- (iv) Measure G Revenue collections for the most recently completed fiscal year.
- (v) Updated descriptions of outstanding general fund debt and lease obligations, if any.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

## Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.

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- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or

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governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be \_\_\_\_\_. Any Dissemination Agent may resign by providing 30 days’ written notice to the District.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form,

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the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the District hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Indenture. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and

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shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of California.

Date: \_\_\_\_\_, 2022

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

By: \_\_\_\_\_  
Chief Financial Officer

AGREED AND ACCEPTED:

\_\_\_\_\_,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Representative

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THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

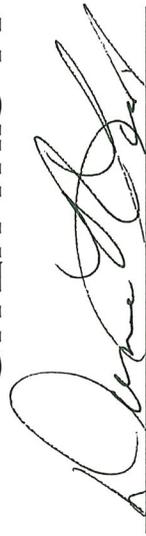
# **CERTIFICATE OF APPRECIATION**

TO

## **RON BUSHNELL TRANIST SUPERVISOR**

**FOR THE COMPLETION OF 10 YEARS OF SERVICE  
BETWEEN 2011 AND 2021**

**GIVEN THIS 17TH DAY OF DECEMBER 2021**

  
CHAIR, BOARD OF DIRECTORS

  
CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

To

# **BLANCA EUSSE-VALDEZ BUS OPERATOR**

FOR THE COMPLETION OF 10 YEARS OF SERVICE  
BETWEEN 2011 AND 2021

GIVEN THIS 17TH DAY OF DECEMBER 2021

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

To

## **HOWARD JAMES BUS OPERATOR**

**FOR THE COMPLETION OF 10 YEARS OF SERVICE  
BETWEEN 2011 AND 2021**

**GIVEN THIS 17TH DAY OF DECEMBER 2021**

  
\_\_\_\_\_  
CHAIR, BOARD OF DIRECTORS  
\_\_\_\_\_  
CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

TO

## ELIZABETH THOMPSON TRANIST SUPERVISOR

FOR THE COMPLETION OF 10 YEARS OF SERVICE  
BETWEEN 2011 AND 2021

GIVEN THIS 17TH DAY OF DECEMBER 2021

A handwritten signature in blue ink, appearing to read "Dennis H. ...", written over a horizontal line.

CHAIR, BOARD OF DIRECTORS

A handwritten signature in blue ink, appearing to read "Dennis H. ...", written over a horizontal line.

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

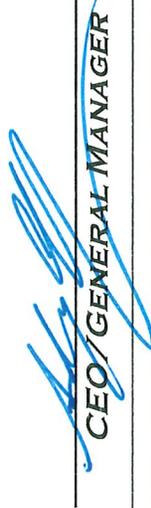
TO

## LYLE TOLINE BUS OPERATOR

FOR THE COMPLETION OF 10 YEARS OF SERVICE  
BETWEEN 2011 AND 2021

GIVEN THIS 17TH DAY OF DECEMBER 2021

  
\_\_\_\_\_  
CHAIR, BOARD OF DIRECTORS

  
\_\_\_\_\_  
CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

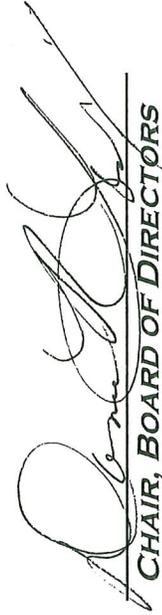
# **CERTIFICATE OF APPRECIATION**

TO

## **EDGARDO VILLALOBOS BUS OPERATOR**

**FOR THE COMPLETION OF 10 YEARS OF SERVICE  
BETWEEN 2011 AND 2021**

**GIVEN THIS 17TH DAY OF DECEMBER 2021**



\_\_\_\_\_  
CHAIR, BOARD OF DIRECTORS



\_\_\_\_\_  
CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

TO

**STEFAN WOLICZKO**  
**FACILITIES MAINTENANCE WORKER II**

**FOR THE COMPLETION OF 10 YEARS OF SERVICE**  
**BETWEEN 2011 AND 2021**

**GIVEN THIS 17TH DAY OF DECEMBER 2021**

CHAIR, BOARD OF DIRECTORS

CEO, GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

To

**H.D. BROWN  
BUS OPERATOR**

**FOR THE COMPLETION OF 15 YEARS OF SERVICE  
BETWEEN 2006 AND 2021**

**GIVEN THIS 17TH DAY OF DECEMBER 2021**

**CHAIR, BOARD OF DIRECTORS**

**CEO/GENERAL MANAGER**



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

To

**ANTONIO CASTILLO**  
**FLEET MAINTENANCE SUPERVISOR**  
**FOR THE COMPLETION OF 15 YEARS OF SERVICE**  
**BETWEEN 2006 AND 2021**

**GIVEN THIS 17TH DAY OF DECEMBER 2021**

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

To

# **EFREN ESCAMILLA PARATRANSIT OPERATOR**

**FOR THE COMPLETION OF 15 YEARS OF SERVICE  
BETWEEN 2006 AND 2021**

**GIVEN THIS 17TH DAY OF DECEMBER 2021**

**CHAIR, BOARD OF DIRECTORS**

**CEO/GENERAL MANAGER**



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

To

## **PEGGY FLECHTNER BUS OPERATOR**

FOR THE COMPLETION OF 15 YEARS OF SERVICE  
BETWEEN 2006 AND 2021

GIVEN THIS 17TH DAY OF DECEMBER 2021

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

TO

# **LEONEL HERRERA PARATRANSIT OPERATOR**

FOR THE COMPLETION OF 15 YEARS OF SERVICE  
BETWEEN 2006 AND 2021

GIVEN THIS 17TH DAY OF DECEMBER 2021

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

TO

**HUNG C. LEE  
BUS OPERATOR**

**FOR THE COMPLETION OF 15 YEARS OF SERVICE  
BETWEEN 2006 AND 2021**

**GIVEN THIS 17TH DAY OF DECEMBER 2021**

**CHAIR, BOARD OF DIRECTORS**

**CEO/GENERAL MANAGER**



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

TO

## **TODD PINSKY BUS OPERATOR**

**FOR THE COMPLETION OF 15 YEARS OF SERVICE  
BETWEEN 2006 AND 2021**

**GIVEN THIS 17TH DAY OF DECEMBER 2021**

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

To

## MARIO ARELLANO BUS OPERATOR

FOR THE COMPLETION OF 20 YEARS OF SERVICE  
BETWEEN 2002 AND 2022

GIVEN THIS 28TH DAY OF JANUARY 2022

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

To

## JON BARTHOLOMEW BUS OPERATOR

FOR THE COMPLETION OF 20 YEARS OF SERVICE  
BETWEEN 2002 AND 2022

GIVEN THIS 28TH DAY OF JANUARY 2022



\_\_\_\_\_  
CHAIR, BOARD OF DIRECTORS



\_\_\_\_\_  
CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

TO

## RHONDA CARTER BUS OPERATOR

FOR THE COMPLETION OF 20 YEARS OF SERVICE  
BETWEEN 2002 AND 2022

GIVEN THIS 28TH DAY OF JANUARY 2022

  
\_\_\_\_\_  
CHAIR, BOARD OF DIRECTORS

  
\_\_\_\_\_  
CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

TO

**HARLAN GLATT**  
**SR. DATABASE ADMINISTRATOR**

FOR THE COMPLETION OF 20 YEARS OF SERVICE  
BETWEEN 2002 AND 2022

GIVEN THIS 28TH DAY OF JANUARY 2022

  
CHAIR, BOARD OF DIRECTORS

  
CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

To

## DELVIS SEDA BUS OPERATOR

FOR THE COMPLETION OF 20 YEARS OF SERVICE  
BETWEEN 2002 AND 2022

GIVEN THIS 28TH DAY OF JANUARY 2022



\_\_\_\_\_  
CHAIR, BOARD OF DIRECTORS



\_\_\_\_\_  
CEO/GENERAL MANAGER

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## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### RESOLUTION OF APPRECIATION FOR THE SERVICES OF DENNIS BALDWIN AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

**WHEREAS**, the provision of public transportation service requires a competent, dedicated workforce, and

**WHEREAS**, METRO, requiring an employee with expertise and dedication, appointed Dennis Baldwin to serve in the position of Bus Operator, and

**WHEREAS**, served as a member of the Operations Department of METRO for the time period of April 1, 1986 to November 30, 2021, and

**WHEREAS**, Dennis Baldwin provided METRO with dedicated service and commitment during the time of his employment, and

**WHEREAS**, Dennis Baldwin served METRO with distinction, and

**WHEREAS**, the service provided to the residents of Santa Cruz County by Dennis Baldwin resulted in reliable, quality public transportation being available in the most difficult of times, and

**WHEREAS**, during the time of Mr. Baldwin's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

**WHEREAS**, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Dennis Baldwin.

**NOW, THEREFORE, BE IT RESOLVED**, that upon his retirement as Bus Operator, the Board of Directors of METRO does hereby commend his efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 28<sup>th</sup> Day of January 2022 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Donna Lind, Board Chair

---

Attest:

Dawn Crummié  
Interim CEO/General Manager

---

Approved as to form:

Julie Sherman, General Counsel

---



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### RESOLUTION OF APPRECIATION FOR THE SERVICES OF ALEX CLIFFORD AS CHIEF EXECUTIVE OFFICER / GENERAL MANAGER FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

**WHEREAS**, the provision of public transportation service requires a competent, dedicated workforce, and

**WHEREAS**, METRO, requiring an employee with expertise and dedication, appointed Alex Clifford to serve in the position of Chief Executive Officer / General Manager, and

**WHEREAS**, served as a member of the Administration Department of METRO for the time period of May 7, 2014 to January 21, 2022, and

**WHEREAS**, Alex Clifford provided METRO with dedicated service and commitment during the time of employment, and

**WHEREAS**, Alex Clifford served METRO with distinction, and

**WHEREAS**, the service provided to the residents of Santa Cruz County by Alex Clifford resulted in reliable, quality public transportation being available in the most difficult of times, and

**WHEREAS**, during the time of Mr. Clifford's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

**WHEREAS**, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Alex Clifford.

**NOW, THEREFORE, BE IT RESOLVED**, that upon his retirement as Chief Executive Officer / General Manager, the Board of Directors of METRO does hereby commend his efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 28<sup>th</sup> Day of January 2022 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Donna Lind, Chair

\_\_\_\_\_

Attest:

Dawn Crummié  
Interim CEO/General Manager

\_\_\_\_\_

Approved as to form:

Julie Sherman, General Counsel

\_\_\_\_\_



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### RESOLUTION OF APPRECIATION FOR THE SERVICES OF GEORGE FELDER AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

**WHEREAS**, the provision of public transportation service requires a competent, dedicated workforce, and

**WHEREAS**, METRO, requiring an employee with expertise and dedication, appointed George Felder to serve in the position of Bus Operator, and

**WHEREAS**, served as a member of the Operations Department of METRO for the time period of May 14, 1984 to December 22, 2021, and

**WHEREAS**, George Felder provided METRO with dedicated service and commitment during the time of his employment, and

**WHEREAS**, George Felder served METRO with distinction, and

**WHEREAS**, the service provided to the residents of Santa Cruz County by George Felder resulted in reliable, quality public transportation being available in the most difficult of times, and

**WHEREAS**, during the time of Mr. Felder's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

**WHEREAS**, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by George Felder.

**NOW, THEREFORE, BE IT RESOLVED**, that upon his retirement as Bus Operator, the Board of Directors of METRO does hereby commend his efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 28<sup>th</sup> Day of January 2022 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Donna Lind, Board Chair

\_\_\_\_\_

Attest:

Dawn Crummié  
Interim CEO/General Manager

\_\_\_\_\_

Approved as to form:

Julie Sherman, General Counsel

\_\_\_\_\_



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### RESOLUTION OF APPRECIATION FOR THE SERVICES OF MELDOY MARTIN AS CUSTOMER SERVICE REPRESENTATIVE FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

**WHEREAS**, the provision of public transportation service requires a competent, dedicated workforce, and

**WHEREAS**, METRO, requiring an employee with expertise and dedication, appointed Melody Martin to serve in the position of Customer Service Representative, and

**WHEREAS**, served as a member of the Customer Service Department of METRO for the time period of September 30, 2004 to December 30, 2021, and

**WHEREAS**, Melody Martin provided METRO with dedicated service and commitment during the time of employment, and

**WHEREAS**, Melody Martin served METRO with distinction, and

**WHEREAS**, the service provided to the residents of Santa Cruz County by Melody Martin resulted in reliable, quality public transportation being available in the most difficult of times, and

**WHEREAS**, during the time of Ms. Martin's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

**WHEREAS**, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Melody Martin.

**NOW, THEREFORE, BE IT RESOLVED**, that upon her retirement as Customer Service Representative, the Board of Directors of METRO does hereby commend her efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 28<sup>th</sup> Day of January 2022 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Donna Lind, Chair

\_\_\_\_\_

Attest:

Dawn Crummié  
Interim CEO/General Manager

\_\_\_\_\_

Approved as to form:

Julie Sherman, General Counsel

\_\_\_\_\_



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### RESOLUTION OF APPRECIATION FOR THE SERVICES OF GINA PYE AS EXECUTIVE ASSISTANT FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

**WHEREAS**, the provision of public transportation service requires a competent, dedicated workforce, and

**WHEREAS**, METRO, requiring an employee with expertise and dedication, appointed Gina Pye to serve in the position of Executive Assistant, and

**WHEREAS**, served as a member of the Administration Department of METRO for the time period of November 10, 2014 to December 3, 2021, and

**WHEREAS**, Gina Pye provided METRO with dedicated service and commitment during the time of employment, and

**WHEREAS**, Gina Pye served METRO with distinction, and

**WHEREAS**, the service provided to the residents of Santa Cruz County by Gina Pye resulted in reliable, quality public transportation being available in the most difficult of times, and

**WHEREAS**, during the time of Ms. Pye's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

**WHEREAS**, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Gina Pye.

**NOW, THEREFORE, BE IT RESOLVED**, that upon her retirement as Executive Assistant, the Board of Directors of METRO does hereby commend her efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 28<sup>th</sup> Day of January 2022 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Donna Lind, Chair

\_\_\_\_\_

Attest:

Dawn Crummié  
Interim CEO/General Manager

\_\_\_\_\_

Approved as to form:

Julie Sherman, General Counsel

\_\_\_\_\_

# City of Scotts Valley

## Mayor's Proclamation

- WHEREAS,** Alex Clifford has served with distinction for over seven years as the Santa Cruz Metropolitan Transit District's (METRO) CEO/General Manager, and during his tenure, he helped guide METRO through unprecedented challenges posed first by an existing \$6.3 million structural fiscal deficit and then by the COVID-19 pandemic; and
- WHEREAS,** as a result of Mr. Clifford's leadership, the transit services that METRO's communities depend on are well-prepared to survive the COVID-19 pandemic, and will emerge equipped with the resources needed to improve service and address the congestion and connectivity issues that will return; and
- WHEREAS,** Mr. Clifford's accomplishments include tackling the structural deficit and guiding METRO throughout the COVID-19 pandemic, with no employee layoffs during either period, and with the utmost concern given to employee and customer safety; and
- WHEREAS,** throughout his years of service, Mr. Clifford led METRO to make major improvements in the quality of its public transit services, to include: establishing a robust bus replacement plan; overseeing the completion of several important public works projects; procurement of several key technology projects; creating a zero-emission bus plan; and initiating the process to replace METRO's aging Enterprise Resource Planning system; and
- WHEREAS,** as a thirty-year leader in the public transit realm, Mr. Clifford was able to address METRO's challenges, whether big or small, and in partnership with his leadership team created a fully funded a complex Reserves Plan, a number of new fiscally-responsible policies and plans, initiated the process of paying off METRO's unfunded PERS liability, and created and filled key departments and roles within METRO; and
- WHEREAS,** as Mr. Clifford retires, he leaves METRO in a solid position, with its bus and paratransit services poised to regain ridership and ready to take on the next generation of growth and mobility options, and with a competent and dedicated senior leadership team in place.

**NOW, THEREFORE, I,** Donna Lind, Mayor of the City of Scotts Valley, on behalf of the entire City Council, do hereby express appreciation to Alex Clifford for his leadership and dedicated service to METRO and the Santa Cruz and Scotts Valley communities, and wish him all the best in his future endeavors.



Donna Lind, Mayor

Signed and sealed this 21st day of January 2022

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# VERBAL PRESENTATION

## METRO ADVISORY COMMITTEE (MAC) SEMI-ANNUAL UPDATE

James Von Hendy

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**DATE:** January 28, 2022  
**TO:** Board of Directors  
**FROM:** Julie Sherman, General Counsel

**SUBJECT: RATIFICATION OF ENGAGEMENT LETTER WITH INTERIM CEO**

**I. RECOMMENDED ACTION**

**That the Board of Directors ratify the Interim CEO/GM Engagement Letter**

**II. SUMMARY**

- Alex Clifford, CEO/GM of the Santa Cruz Metropolitan (METRO), retired from METRO effective January 21, 2022.
- On December 17, 2021, the METRO Board of Directors (Board) appointed Dawn Crummié to the position of Interim CEO/GM and provided direction to staff to negotiate an Engagement Letter with Ms. Crummié.
- General Counsel recommends Board ratification of said Engagement Letter.

**III. DISCUSSION/BACKGROUND**

Alex Clifford, CEO/GM of METRO, retired from METRO effective January 21, 2022. On December 17, 2021, the Board appointed Dawn Crummié to the position of Interim CEO/GM and provided direction to staff to negotiate an Engagement Letter with Ms. Crummié. General Counsel, Julie Sherman, recommends Board ratification of said Engagement Letter, which is effective January 22, 2022. The Engagement Letter stipulates that Ms. Crummié's position is an "at will" position, is payable at \$107.95 per hour (the first step of the CEO/GM salary range), and the position is anticipated to end upon METRO's hiring of a new CEO/GM, following a transition period as needed.

**IV. CHANGES FROM COMMITTEE (Board Report ONLY)**

None

**V. ALTERNATIVES CONSIDERED**

None, ratification of the Engagement Letter is in line with previous Board action and direction.

**VI. ATTACHMENT A: Engagement Letter**

Prepared by: Julie Sherman, General Counsel

**VII. APPROVALS**

Approved as to fiscal impact:  
Chuck Farmer, CFO

A handwritten signature in black ink, appearing to read "Chuck Farmer", is written over a horizontal line. The signature is fluid and cursive.

# Attachment A

*Santa Cruz Metropolitan  
Transit District*



January 4, 2022

Dawn Crummié  
Employee No.: 1150

Dear Dawn:

This letter follows up on our discussions regarding your assumption of the position of Interim CEO/General Manager for the Santa Cruz Metropolitan Transit District (METRO) during the period in which METRO is recruiting and hiring a new CEO/General Manager.

In carrying out these responsibilities as the Interim CEO/General Manager for METRO, you will have the authority described in the attached Exhibit A, which is incorporated herein. You will report directly to the Board of Directors.

This letter confirms the terms of your employment in your Interim CEO/General Manager role.

- 1. Effective Date and "At-Will Employment"** – Your position of Interim CEO/General Manager will commence as of January 22, 2022 and will be "at-will" and may be terminated by the Board of Directors at any time, at which time, you will return to your Director of Human Resources (DHR) position. Nonetheless, your interim position is anticipated to end after METRO hires a new CEO/General Manager, following a transition period as needed; after which, you will return to your DHR position.
- 2. Paid Time Off** - You will continue to accrue PTO in the same manner as you did in your DHR position, in accordance with METRO policies.
- 3. Benefits** - You will continue to be entitled to health care and other benefits in the same manner as you did in your DHR position, in accordance with METRO policies.
- 4. Salary** - You will receive compensation in the amount of \$107.95/hr. This additional payment amount (over your current salary) will not be reportable to CalPERS.

# Attachment A

*Santa Cruz Metropolitan  
Transit District*

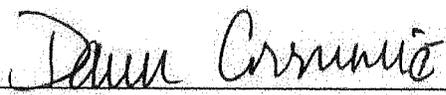


Please sign and return this confirming offer letter to Alex Clifford.

Sincerely,

  
Alex Clifford  
CEO/General Manager  
Santa Cruz Metropolitan Transit District

I accept the terms of this promotion to the Interim CEO/General Manager position for the Santa Cruz Metropolitan Transit District.

  
Dawn Crummié

1/10/22  
Date

# VERBAL PRESENTATION

## INTERIM CEO ORAL REPORT / COVID-19 UPDATE

Dawn Crummié

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