



AGENDA

**Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, April 5, 2016
8:30 AM
Santa Barbara MTD Auditorium
550 Olive Street, Santa Barbara, CA 93101**

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD OF DIRECTORS

Dave Davis, Chair; Chuck McQuary, Vice Chair; Bill Shelor, Secretary; Dick Weinberg, Director; Olivia Rodriguez, Director; David Tabor, Director; Roger Aceves, Director

3. REPORT REGARDING POSTING OF AGENDA

CONSENT CALENDAR

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

The Board will be asked to waive the reading of and approve the draft minutes for the meeting of March 22, 2016.

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

The Board will be asked to review and approve the cash reports of March 15, 2016 through March 28, 2016.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

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

7. MTD / EASY LIFT TRANSPORTATION AGREEMENT-(ATTACHMENTS-ACTION MAY BE TAKEN)

Staff recommends that the Board authorize General Manager Estrada to sign an Agreement with Easy Lift Transportation for the continued provision of complementary paratransit service as required by the Americans with Disabilities Act.

8. SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION (LAFCO) SPECIAL DISTRICT APPOINTMENT RESOLUTION -(ATTACHMENTS-ACTION MAY BE TAKEN)

Staff requests that the Board adopt the attached resolution authorizing the Chairman of the SBMTD Board of Directors to appoint an alternate board member to represent MTD at the LAFCO Selection Committee meetings as needed.

9. **REVISED DRAFT CASH RESERVES POLICY -(ATTACHMENTS-ACTION MAY BE TAKEN)**
Staff will present an updated draft of the proposed Cash Reserves Policy to the Board for its review and consideration of adoption.
10. **GENERAL MANAGER’S REPORT UPDATE-(INFORMATIONAL)**
a) Workforce Development
b) Cruise Ships
c) Low Carbon Fuel Standard
d) Community Outreach Efforts
e) Construction Projects
11. **OTHER BUSINESS AND COMMITTEE REPORTS-(ACTION MAY BE TAKEN)**
The Board will report on other related public transit issues and committee meetings

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

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

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

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

13. **ADJOURNMENT**

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



MINUTES

Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, March 22, 2016
8:30 AM
Santa Barbara MTD Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

Chair Davis called the meeting to order at 8:30am.

2. ROLL CALL OF THE BOARD OF DIRECTORS

Chair Davis reported that all members were present with the exception of Director Rodriguez.

3. REPORT REGARDING POSTING OF AGENDA

Lilly Gomez, Administrative Assistant, reported that the agenda was posted on Friday, March 18th, 2016 at MTD's Administrative Office, mailed and emailed to those on the agenda list, and posted on MTD's website.

CONSENT CALENDAR

4. & 5. APPROVAL OF PRIOR MINUTES & CASH REPORT-(ATTACHMENT-ACTION MAY BE TAKEN)

Director Aceves moved to waive the reading of and approve the draft minutes for the meeting of March 8, 2016 and the cash report for the period of March 1, 2016 through March 14, 2016. Director Tabor seconded the motion. The motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

None was made.

7. PRESENTATION OF DRAFT SERVICE PLAN FOR AUGUST 2016-(ATTACHMENT-ACTION MAY BE TAKEN)

George Amoon, Manager of Planning, presented the August 2016 Draft Service Plan. The Proposed changes include the new Line 28 funded by UCSB or SBCAG/Caltrans will service between UCSB, Isla Vista and Camino Real Marketplace. The Goal is to provide Later night service between San Joaquin and campus, Late classes, library, additional transit capacity between San Joaquin and Goleta/Santa Barbara, Jobs, shopping, and leisure activities.

The First & Last Mile Service funded by SBCAG/Caltrans.

Combination of Line 7, 8, and 9 into one line for extension-intermittent service extended into Old Town Goleta providing consistent bi-directional service serving major destinations: Old Town Goleta, Fairview and Calle Real Shopping Centers, Community health clinic at Calle Real/Kellogg, Wake Center, County Health, Social Services facility/Veteran's Clinic, La Cumbre Shopping Center, Transit Center, Various neighborhoods in between.

Lines 6/11/23/25 -De-interline every other Lines 6 and 11 trip and interline those trips with Lines 25 and 23, respectively (until 7:00 PM). The change would eliminate need to transfer on the four lines depending

on destination. De-interlining Lines 23 and 25 (until 7:00 PM), eliminates confusion along Line 23 route of which side of street to wait for bus, restores frequency on Lines 23 and 25 to no more than an hour, bi-directional service to Dos Pueblos High School, less circuitous Line 23 route -- essentially serves same areas, bi-directional Line 25 service, Lines 23 and 25 no longer circles Camino Real Marketplace- essentially same Lines 6 and 11 schedule.

Line 20 -Provide consistent 40 minute service during mid day

Other minor service changes discussed were to remove San Marcos High School summer PM booster service (Line 2510) as it has very low ridership and riders can use Lines 6/11 to transfer to Lines 1 or 17, remove one Line 15x booster at 7:07 AM trip for unnecessary capacity, remove the one 7:35 AM Line 16 summer trip as Kaplan International language school is relocating from SBCC to downtown Santa Barbara and Lines 5 and 17 will continue to provide service

Chair, Dave Davis and General Manager, Jerry Estrada, acknowledged the Planning Department for all their hard work and ideas put into the draft service plan.

The Board advised staff to present the proposed changes to city of Goleta Council, hold public community meetings, and ensure community is well aware of changes.

8. UPDATE ON PROJECTS IN GOLETA-(INFORMATIONAL)

Goleta Public Works Director, Rosemarie Gaglione, provided the Board with an update of pertinent planned projects, such as, the Hollister Class I Bike Path, the Hollister Avenue Complete streets project, and the Hollister Ave Crosswalk at GVCC.

Chair Davis and General Manager, Jerry Estrada, Thanked the staff, and counsel of City of Goleta for hosting our Board of Directors meeting.

9. ADOPTION OF FISCAL YEAR 2016-17 MEASURE A PROGRAM OF PROJECTS SUBMITTAL-(ATTACHMENTS-ACTION MAY BE TAKEN)

Staff recommended that the Board approve the submittal of Santa Barbara Metropolitan Transit District (MTD) Measure A Program of Projects for fiscal year 2016-17. Chair Davis, noted that the staff report in agenda packet reflected item number 8 but should number 9. Director Tabor moved to adopt the submittal of Measure A Program projects for FY 2016-17. Director Weinberg Seconded the motion. The motion passed unanimously.

10. RESOLUTION REGARDING FISCAL YEAR 2016-17 TRANSPORTATION DEVELOPMENT ACT CLAIM -(ATTACHMENTS-ACTION MAY BE TAKEN)

Staff requests that the Board adopt the attached resolution authorizing the General Manager to claim all Transportation Development Act (TDA) funds apportioned to Santa Barbara Metropolitan Transit District (MTD) for fiscal year 2016-17. Director Aceves moved to adopt the submittal of Measure A Program projects for FY 2016-17. Director Weinberg Seconded the motion. The motion passed unanimously with 6 ayes, 0 nays and 1absent.

11. GENERAL MANAGER'S REPORT UPDATE-(INFORMATIONAL)

General Manager, Jerry Estrada, stated that the new line 28 has a few bus stops that need improvements. The MTD Staff and City of Goleta have also been working together on jurisdictions to get additional bus stops improved in Goleta. MTD Maintenance is currently in the process of swapping engines out on the Hybrid Fleet. The California Air Resources Board (CARB) requires Hybrid fleet engines to be replaced at 185,000 miles regardless of state of engines. MTD celebrated Transit Driver Appreciation Day on Friday, March 18th, 2016. Mr. Estrada acknowledged Community Outreach and Customer Service Administrator, Nancy Alexander, for providing breakfast for the drivers at 4:30am. The appreciation breakfast was very well received. Additionally he commended, all our drivers for their dedication and work well done.

Mr. Estrada also welcomed and introduced the new trip planner, Mark Clyde. Mark replaced Paul Tumbleson and has been working with the MTD for over ten years. Chair Davis welcomed Mark to the executive team. Additionally Mr. Estrada mentioned the maintenance staff is pleased with the new Fleet and Facilities Manager David Harbour. Mr. Harbour will be introduced to full board in a following meeting.

Director Tabor commended the MTD staff for the 5 new forty foot buses out on field so quickly.

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

Director McQuary reported the Development Committee met and essentially the info discussed was betrayed in draft service presentation.

Mr. Estrada stated he would like to hold a finance committee meeting in regards to the Cash Management policy next Tuesday March 29th at 9am.

13. ADJOURNMENT

Chair Davis, thanked the City of Goleta once more for hosting our Board of Directors meeting. Director Aceves moved to adjourn the meeting at 9:40 a.m. Director McQuary seconded the motion. The motion passed unanimously.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of April 5, 2016
For the Period March 15, 2016 through March 28, 2016

MONEY MARKET

Beginning Balance March 15, 2016 **\$8,641,076.38**

Passenger Fares	125,642.79
Accounts Receivable	89,875.40
Miscellaneous/Asset Sales	5,000.95
Advertising/Prepaid Deposits	2,930.00
Interest Income	95.39
Total Deposits	223,544.53

ACH Garn/Escrow	(20,355.48)
ACH Pensions Transfer	(30,666.85)
ACH Tax Deposit	(139,164.41)
Payroll Transfer	(302,765.77)
Operations Transfer	(528,374.13)
Total Disbursements	(1,021,326.64)

Ending Balance **\$7,843,294.27**

CASH INVESTMENTS

LAIF Account	\$3,346,142.28
Money Market Account	7,843,294.27

Total Cash Balance **\$11,189,436.55**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$3,992,046.41)
-------------------------	------------------

Working Capital **\$7,197,390.14**

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

Date	Company	Description	Amount
1/31/2016	Frank Zamora	Health Insurance - Retiree	12.92
1/31/2016	Frank Zamora	Health Insurance - Retiree	-12.92
1/31/2016	Frank Zamora	Health Insurance - Retiree	12.92
1/31/2016	Frank Zamora	Health Insurance - Retiree	-12.92
1/31/2016	John Winsor	Health Insurance - Retiree	-12.92
1/31/2016	John Winsor	Health Insurance - Retiree	12.92
1/31/2016	John Winsor	Health Insurance - Retiree	12.92
1/31/2016	John Winsor	Health Insurance - Retiree	-12.92
1/31/2016	Robert Gonzales	Health Premium	149.93
1/31/2016	Robert Gonzales	Health Premium	-149.93
1/31/2016	Tom Mendoza	Health Insurance - Retiree	-12.92
1/31/2016	Tom Mendoza	Health Insurance - Retiree	12.92
1/31/2016	Tom Mendoza	Health Insurance - Retiree	-12.92
1/31/2016	Tom Mendoza	Health Insurance - Retiree	12.92
3/16/2016	Fritz Creative Marketing	Advertising on Buses	2,682.00
3/16/2016	Godzilla Graphics	Advertising on Buses	9,234.00
3/16/2016	Idea Engineering, Inc.	Advertising on Buses	2,637.00
3/16/2016	MacDonald Media	Advertising on Buses	16,383.60
3/16/2016	MacDonald Media	Advertising on Buses	16,383.60
3/18/2016	Department of Rehabilitation	Passes/Passports Sales	552.00
3/18/2016	MacDonald Media	Advertising on Buses	16,383.60
3/22/2016	KCSB - FM	Advertising on Buses	396.00
3/22/2016	Santa Barbara Airport	Advertising on Buses	1,760.00
3/22/2016	Santa Barbara Airport	Advertising on Buses	1,760.00
3/22/2016	Santa Barbara Airport	Advertising on Buses	1,760.00
3/25/2016	City of SB Creeks Division	Advertising on Buses	300.00
3/25/2016	Gem Faire, Inc	Advertising on Buses	3,260.00
3/25/2016	MacDonald Media	Advertising on Buses	16,383.60
Total Accounts Receivable Paid During Period			\$89,875.40

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
111983	3/18/2016	NANCY ALEXANDER	TRAVEL REIMBURSEMENT	253.50	
111984	3/18/2016	MARY DEAILE	PAYROLL RELATED	106.15	
111985	3/18/2016	DELTA DENTAL OF CALIFORNIA	DENTAL INSURANCE	10,713.04	
111986	3/18/2016	DELTA DENTAL INSURANCE COM	DENTAL INSURANCE	2,244.60	
111987	3/18/2016	STATE OF CALIFORNIA/FTB	PAYROLL RELATED	88.23	
111988	3/18/2016	STATE OF CALIFORNIA	PAYROLL RELATED	572.22	
111989	3/18/2016	GUARDIAN-APPLETON (DENTAL I	DENTAL INSURANCE	4,419.72	
111990	3/18/2016	GUARDIAN-APPLETON (LIFE INS)	LIFE INSURANCE	661.63	
111991	3/18/2016	H.G. MAKELIM CO., INC.	BUS PARTS	4,572.99	
111992	3/18/2016	INTEGRATED SOFTWARE SYSTEM	WEB SITE CONSULTING	82.50	
111993	3/18/2016	INTERSTATE BATTERY OF SIERRA	EV ACCESSORY BATTERIES	490.21	
111994	3/18/2016	KIMBALL MIDWEST	SHOP SUPPLIES	419.55	
111995	3/18/2016	KLIPPEL TOOL REPAIR DBA	COMPRESSORS MAINT/BUS PARTS	360.00	
111996	3/18/2016	LARA'S AUTO REPAIR DBA	BUS REPAIRS	135.00	
111997	3/18/2016	LENZ PEST CONTROL DBA	FUMIGATION SERVICES	85.00	
111998	3/18/2016	MANSFIELD OIL CO.- GAINESVILL	BUS FUEL	15,791.29	
111999	3/18/2016	MC CORMIX CORP. (OIL)	LUBRICANTS	2,619.09	
112000	3/18/2016	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,386.48	
112001	3/18/2016	MCMASTER-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	63.44	
112002	3/18/2016	MEDICAL EYE SERVICES, INC.	VISION INSURANCE	270.84	
112003	3/18/2016	NATIONAL DRIVE	PAYROLL DEDUCTION	94.00	
112004	3/18/2016	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
112005	3/18/2016	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	153.20	
112006	3/18/2016	ROGERS, SHEFFIELD & CAMPBELL	LEGAL COUNSEL	10,970.40	
112007	3/18/2016	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	1,220.00	
112008	3/18/2016	SPECIAL DISTRICT RISK MGMT	MEDICAL HEALTH INSURANCE	53,458.20	
112009	3/18/2016	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	489.46	
112010	3/18/2016	SO. CAL. EDISON CO.	UTILITIES	2,112.22	
112011	3/18/2016	TEAMSTERS MISC SECURITY TRU	UNION MEDICAL INSURANCE	170,767.00	
112012	3/18/2016	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	10,003.60	
112013	3/18/2016	UNITED WAY OF SB	PAYROLL DEDUCTION	68.00	
112014	3/18/2016	U.S. DEPARTMENT OF EDUCATION	PAYROLL RELATED	218.34	
112015	3/18/2016	VERIZON CALIFORNIA	TELEPHONES	94.99	
112016	3/18/2016	VERIZON WIRELESS	WIRELESS PHONES	526.85	
112017	3/18/2016	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	116.00	
112018	3/24/2016	ABC BUS COMPANIES INC	BUS PARTS	137.12	
112019	3/24/2016	ACCONTEMPS DBA	CONTRACT EMPLOYMENT	4,595.67	
112020	3/24/2016	AGENCIES TOOL CENTER dba	SHOP SUPPLIES	145.82	

Check #	Date	Company	Description	Amount	Voids
112021	3/24/2016	HENRY ANDREWS	RETIREE HEALTH REIMBURSEMENT	258.86	
112022	3/24/2016	APPLEONE EMPLOYMENT SERVIC	CONTRACT EMPLOYMENT	236.17	
112023	3/24/2016	ASBURY ENVIRONMENTAL SERVI	WASTE OIL RECYCLER	95.00	
112024	3/24/2016	AXLE TECH INTERNATIONAL D	BUS PARTS & REPAIRS	332.64	
112025	3/24/2016	B2B PRINTING SERVICES INC.	OFFICE SUPPLIES	506.52	
112026	3/24/2016	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	520.08	
112027	3/24/2016	KARL BRETZ	RETIREE HEALTH REIMBURSEMENT	556.26	
112028	3/24/2016	BUYNAK, FAUVER, ARCHBALD&S	LEGAL COUNSEL	7,937.18	
112029	3/24/2016	CABRERA, RICARDO	REIMBURSEMENT	43.00	
112030	3/24/2016	GILBERT CALLES	RETIREE HEALTH REIMBURSEMENT	98.00	
112031	3/24/2016	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	87.54	
112032	3/24/2016	CARPINTERIA BRANCH LIBRARY	ROOM RENTAL - COMMUNITY MEETI	40.00	
112033	3/24/2016	CINTAS CORPORATION	FIRST AID SUPPLIES	293.53	
112034	3/24/2016	CIO SOLUTIONS, LP	IT SERVICES	600.00	
112035	3/24/2016	CUMMINS PACIFIC, LLC	BUS PARTS	33,191.53	
112036	3/24/2016	COUNTY OF S.B.PUBLIC WORKS D	WASTE DISPOSAL	135.00	
112037	3/24/2016	CYNTHIA BOCHE	PER DIEM & REIMBURSEMENT	240.00	
112038	3/24/2016	DOCUPRODUCTS CORPORATION	COPIER MAINTENANCE/SUPPLIES	32.54	
112039	3/24/2016	DONS INDUSTRIAL SUPPLY DBA	BUS PARTS/SHOP SUPPLIES	1,099.10	
112040	3/24/2016	EBUS, INC.	BUS PARTS	910.40	
112041	3/24/2016	ERGOMETRICS, INC.	DRIVER TEST SCORING	50.00	
112042	3/24/2016	JERRY ESTRADA	REIMBURSEMENT	318.50	
112043	3/24/2016	SHERRIE FISHER	RETIREE HEALTH REIMBURSEMENT	717.72	
112044	3/24/2016	MELVIN FOUNTAIN	RETIREE HEALTH REIMBURSEMENT	98.00	
112045	3/24/2016	GIBBS INTERNATIONAL INC	BUS PARTS	1,473.26	
112046	3/24/2016	GILLIG LLC	BUS PARTS	5,345.29	
112047	3/24/2016	GARY GLEASON	RETIREE HEALTH REIMBURSEMENT	247.95	
112048	3/24/2016	GRAINGER, INC.	SHOP/B&G SUPPLIES	396.16	
112049	3/24/2016	ALI HABIBI	RETIREE HEALTH REIMBURSEMENT	231.90	
112050	3/24/2016	HAYNES SALES DBA	B&G REPAIRS & SUPPLIES	220.98	
112051	3/24/2016	HAYWARD LUMBER	SHOP SUPPLIES	19.50	
112052	3/24/2016	H.G. MAKELIM CO., INC.	BUS PARTS	5,044.17	
112053	3/24/2016	HIGH IMPACT INC.	FORKLIFT SAFETY TRAINING	480.00	
112054	3/24/2016	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	53.87	
112055	3/24/2016	HR AUTOGLASS DBA	BUS PARTS/REPAIRS	1,435.00	
112056	3/24/2016	INTERCON TECHNOLOGIES DBA	BATTERY UPGRADE	6,277.63	
112057	3/24/2016	JAY DANIEL ROBERTSON	RETIREE HEALTH REIMBURSEMENT	232.76	
112058	3/24/2016	DONALD JACKSON	RETIREE HEALTH REIMBURSEMENT	98.00	
112059	3/24/2016	JANEK CORP	BUS PARTS	432.00	
112060	3/24/2016	LINDA LEE LACKEY	RETIREE HEALTH REIMBURSEMENT	752.28	
112061	3/24/2016	LENZ PEST CONTROL DBA	FUMIGATION SERVICES	180.00	

Check #	Date	Company	Description	Amount	Voids
112062	3/24/2016	MANSFIELD OIL CO.- GAINESVILL	BUS FUEL	31,620.37	
112063	3/24/2016	MC CORMIX CORP. (OIL)	LUBRICANTS	2,717.68	
112064	3/24/2016	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,380.97	
112065	3/24/2016	MCMASTER-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	359.44	
112066	3/24/2016	MELENDRES MEDINA	REIMBURSEMENT	43.00	
112067	3/24/2016	MISSION ROOFING DBA	SHOP ROOF REPAIRS INSPECTION & R	375.00	
112068	3/24/2016	NEW FLYER INDUSTRIES CANADA	BUS PARTS	586.51	
112069	3/24/2016	NEW PIG CORP.	B/G SUPPLIES (OF)	554.44	
112070	3/24/2016	NEWARK ELECTRONICS, CORP.	BUS PARTS	69.74	
112071	3/24/2016	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	558.90	
112072	3/24/2016	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	116.64	
112073	3/24/2016	ODU USA INC.	VENDOR BUS REPAIRS	2,650.69	
112074	3/24/2016	CAREY POINDEXTER	RETIREE HEALTH REIMBURSEMENT	564.68	
112075	3/24/2016	POWERSTRIDE BATTERY CO.	EV BATTERIES	1,185.54	
112076	3/24/2016	PRAXAIR DISTRIBUTION, INC.	SHOP SUPPLIES	529.20	
112077	3/24/2016	AL ROMERO SR.	RETIREE HEALTH REIMBURSEMENT	98.00	
112078	3/24/2016	SILVAS OIL CO., INC.	LUBRICANTS	383.41	
112079	3/24/2016	SANTA BARBARA COUNTY EHS	ANNUAL HAZMAT PERMIT FEE	3,196.00	
112080	3/24/2016	SB CENTRAL PUBLIC LIBRARY	ROOM RENTAL - COMMUNITY MEETI	175.00	
112081	3/24/2016	SANTA BARBARA TROPHY	DRIVER NAME PLATES	31.10	
112082	3/24/2016	SANTA BARBARA ELECTRONICS S	BUS PARTS, IT & SHOP SUPPLIES	112.10	
112083	3/24/2016	SHERWIN-WILLIAMS CORP.	BUS STOP MAINTENANCE	48.62	
112084	3/24/2016	SM TIRE, CORP.	BUS TIRE MOUNTING	1,081.50	
112085	3/24/2016	SMARDAN-HATCHER CO., INC	B&G REPAIRS & SUPPLIES	22.16	
112086	3/24/2016	SMART & FINAL	OFFICE/MEETING SUPPLIES	229.49	
112087	3/24/2016	SNAGWOLF, INC	VANDALISM SUPPLIES	889.50	
112088	3/24/2016	SO. CAL. EDISON CO.	UTILITIES	3,188.29	
112089	3/24/2016	THE GAS COMPANY DBA	UTILITIES	2,273.67	
112090	3/24/2016	SPECIALTY TOOL & BOLT, LTD	SHOP SUPPLIES	116.53	
112091	3/24/2016	STAPLES INC. & SUBSIDIARIES	OFFICE SUPPLIES	876.04	
112092	3/24/2016	DAVID T. TABOR	DIRECTOR FEES	180.00	
112093	3/24/2016	TEAMSTERS PENSION TRUST	UNION PENSION	87,859.22	
112094	3/24/2016	UNITED PARCEL SERVICE, INC.	FREIGHT CHARGES	384.60	
112095	3/24/2016	INTERSTATE CAPITAL CORPORAT	UNIFORMS	208.65	
112096	3/24/2016	RAYMOND VALLES	MILEAGE	10.03	
112097	3/24/2016	VALLEY POWER SYSTEMS, INC.	BUS PARTS	0.00	V
112098	3/24/2016	VALLEY POWER SYSTEMS, INC.	BUS PARTS	7,052.52	
112099	3/24/2016	VALLEY POWER SYSTEMS, INC.	BUS PARTS	194.40	
112100	3/24/2016	JOHN J. VASQUEZ	RETIREE HEALTH REIMBURSEMENT	495.06	
112101	3/24/2016	VERIZON CALIFORNIA	TELEPHONES	1,900.69	
112102	3/24/2016	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	1,042.52	

Check #	Date	Company	Description	Amount	Voids
112103	3/24/2016	YELLOW (YRC) TRANSPORTATION	FREIGHT CHARGES	423.80	
112104	3/24/2016	ALEXANDER YOUNG	RETIREE HEALTH REIMBURSEMENT	486.76	
				528,374.13	
			Current Cash Report Voided Checks:	0.00	
			Prior Cash Report Voided Checks:	0.00	
			Grand Total:	\$528,374.13	



BOARD OF DIRECTORS REPORT

MEETING DATE: APRIL 5, 2016 **AGENDA ITEM #:** 7

TYPE: ACTION ITEM

PREPARED BY: STEVE MAAS

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: **MTD / Easy Lift Transportation Agreement**

RECOMMENDATION:

Staff recommends that the Board authorize General Manager Estrada to sign an Agreement with Easy Lift Transportation for the continued provision of complementary paratransit service as required by the Americans with Disabilities Act.

DISCUSSION:

Federal law, the Americans with Disabilities Act of 1990 (ADA), requires operators of public transit service to provide "complementary paratransit service" for persons who cannot utilize fixed-route bus service. MTD must ensure that paratransit service is available for such persons whenever and wherever MTD provides fixed-route bus service. From the signing of the ADA into law to the present day, MTD has complied with this unfunded mandate by providing an operating subsidy to Easy Lift for their paratransit service. This arrangement has worked well for the community as well as for both agencies, and MTD and Easy Lift staffs have a very good working relationship.

The final option year of the current Agreement between MTD and Easy Lift ends on June 30, 2016. The draft Agreement proposes to provide Easy Lift with an MTD operating subsidy of \$851,100 for FY 2017, representing approximately a 3.1 percent increase over the subsidy provided for FY 2016 (an increase of \$25,589). This increase reflects the increase in the CPI from January 2015 to January 2016.

The draft Agreement includes two option years that, if executed, will extend the agreement through June 30, 2019, with a CPI adjustment to the operating subsidy each year. The draft Agreement also includes a clause that would allow for possible future MTD capital assistance to Easy Lift.

The draft Agreement has been revised to follow the structure of a standard MTD Agreement, to ensure that all pertinent clauses are included. However, the Easy Lift Scope of Services has not changed from the current Agreement.

ATTACHMENTS:

- Draft MTD - Easy Lift Agreement

Santa Barbara Metropolitan Transit District
ADA Paratransit Services

MASTER AGREEMENT with EASY LIFT TRANSPORTATION, INC.

THIS AGREEMENT is entered into by and between Santa Barbara Metropolitan Transit District, an incorporated transit district under Sections 95000, et seq. of the California Public Utilities Code ("MTD"), and Easy Lift Transportation, Inc., a California non-profit corporation ("Contractor"), at Santa Barbara, California, with an effective date of July 1, 2016.

WHEREAS, the Americans with Disabilities Act (ADA) requires that public fixed-route transit operators provide both an accessible fixed-route system and an accessible curb-to-curb complementary paratransit system that operates during the same days and hours and with the same geographic coverage as the fixed-route service; and

WHEREAS, Easy Lift is a California 501(c)3 nonprofit corporation that desires to provide the ADA complementary paratransit service on behalf of MTD and has been standing in the shoes of the fixed-route operator for this purpose for many years; and

WHEREAS, the parties agree to collaborate on all available funding opportunities for paratransit service; and

WHEREAS, the parties have historically agreed to collaborate to provide ADA complementary paratransit service.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Effect of Recitals. The foregoing recitals are hereby made express provisions of this Agreement.
2. Public Works Provisions. Not applicable to this agreement.
3. FTA Provisions. The Project is funded in part by the Federal Transit Administration of the U.S. Department of Transportation and, as such, this Agreement is subject to the terms and conditions contained in *Federal Transit Administration: Contract Provisions* which is attached hereto as Exhibit "A" and incorporated herein by this reference.
4. Scope of Services. MTD has heretofore issued on March 30, 2016, the Scope of Services, a true copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference.
5. Proposal. Not applicable to this agreement.
6. Order of Control. All work and services shall be performed according to and controlled by the terms and provisions of this Agreement and the exhibits attached hereto. In the event of any conflict between the contract documents, the following order of control shall prevail: MTD Master Agreement, Exhibit "A", Exhibit "B".
7. Compensation. Contractor shall carry out the Project for a fixed price of \$851,100 for the base one-year period defined in Article 10 herein. The compensation shall be adjusted by mutual consent if MTD requests an adjustment in the amount of ADA paratransit service. In addition to the fixed price compensation, MTD may elect to provide Contractor capital assistance related to the provision of the services provided under this Agreement.
8. Payment. Contractor shall submit monthly invoices to MTD equal to one-twelve of the contract price following the end of the month for which payment is requested. Payment from MTD shall be made to Contractor no later than thirty (30) days following receipt of a valid invoice, which shall be sent to: Santa Barbara MTD, Attn: Accounts Payable, 550 Olive Street, Santa Barbara, CA 93101.
9. Farebox Revenue. All ADA Dial-A-Ride farebox revenue collected by Easy Lift shall be utilized for the provision of ADA paratransit service within MTD's jurisdiction for individuals eligible for ADA paratransit service.
10. Term. This Agreement shall commence on July 1, 2016, and shall continue until June 30, 2017, with such extensions as are provided herein. Upon the approval of both the General Manager of MTD and the Executive Director of Easy Lift, the Agreement may be extended for a period of one additional year upon each, July 1, 2017, and July 1, 2018, for a total possible term of three (3) years through June 30, 2019. Upon approval of any extension year, the annual compensation shall be adjusted by a percentage equal to any positive change in the annual

Consumer Price Index reported in the January immediately preceding the start of the extension year. The Consumer Price Index to be used shall be the U.S. Department of Labor Consumer Price Index for All Urban Consumers, All Items, for Los Angeles – Riverside – Orange County, CA (1982-84 = 100).

11. Delivery & Freight. Not applicable to this agreement.
12. Title & Risk of Loss. Not applicable to this agreement.
13. Damages. All losses or damages arising from any unforeseen circumstances, either natural or artificial, which may be encountered by the Contractor during the performance of the Project under this Agreement shall be sustained solely by the Contractor. This provision shall also apply to losses or damages resulting from any act or omission not authorized by this Agreement on the part of the Contractor or any agent or person employed by the Contractor.
14. Defective, Damaged or Noncompliant Work. Not applicable to this agreement.
15. Acceptance. Not applicable to this agreement.
16. Warranty. Not applicable to this agreement.
17. Changes. Any changes or modifications to this Agreement must be in writing, and agreed to by both parties.
18. Insurance.
 - a. Contractor's Insurance Representations to MTD.
 - i. It is expressly understood and agreed that the insurance coverages required herein:
 - A. represent MTD's minimum requirements and are not to be construed to void or limit Contractor's indemnity obligations as contained in this Agreement nor represent in any manner a determination of the insurance coverages Contractor should or should not maintain for its own protection; and
 - B. are being, or have been, obtained by Contractor in support of Contractor's liability and indemnity obligations under this Agreement. Irrespective of the requirements as to insurance to be carried as provided for herein, the insolvency, bankruptcy, or failure of any insurance company carrying insurance of Contractor, or the failure of any insurance company to pay claims accruing, shall not be held to affect, negate, or waive any of the provisions of this Agreement.
 - ii. Failure to obtain and maintain the required insurance shall constitute a material breach of, and default under this Contract. If Contractor shall fail to remedy such breach within five (5) business days after written notice by MTD, Contractor will be liable for any and all costs, liabilities, damages and penalties resulting to MTD from such breach, unless a written waiver of the specific insurance requirement(s) is provided to Contractor by MTD. In the event of any failure to Contractor to comply with the provisions of this portion of the Agreement, MTD may, without in any way compromising or waiving any right or remedy at law or in equity, on notice to Contractor, purchase such insurance, at Contractor's expense, provided that MTD shall have no obligation to do so and if MTD shall do so, Contractor shall not be relieved of or excused from the obligation to obtain and maintain such insurance amounts and coverages.
 - b. Conditions Affecting All Insurance Required Herein.
 - i. Cost of Insurance. All insurance coverage shall be provided at Contractor's sole expense.
 - ii. Maintenance of Insurance. All insurance coverage shall be maintained in effect with limits not less than those set forth below at all times during the term of this Agreement.
 - iii. Status and Rating of Insurance Company. All insurance coverage shall be written through insurance companies admitted to do business in California and with a Best's Financial Strength Rating of A- or better, as shown in the on-line version of Best's Rating & Criteria Center.
 - iv. Restrictive, Limiting, or Exclusionary Endorsements. All insurance coverage shall be provided to Contractor Parties in compliance with the requirements herein and shall contain no endorsements that restrict, limit, or exclude coverage in any manner without the prior express written approval of MTD.
 - v. Limits of Liability. The limits of liability may be provided by a single policy of insurance or by a combination of primary and umbrella policies, but in no event shall the total limits of liability available for any one occurrence or accident be less than the amount required herein.

vi. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage. In the event of cancellation, nonrenewal, or material reduction in coverage affecting the certificate holder, thirty (30) days prior written notice shall be given to the certificate holder by certified mail, return receipt requested, except in the event of cancellation for nonpayment, in which event fifteen (15) days prior written notice shall be given. If insurer will not include in its coverage such written notifications, it shall be incumbent upon Contractor to comply with such written notification requirements.

vii. Additional Insured Status. Additional insured status shall be provided in favor of MTD and its officers, employees and agents, including consultants, on all liability insurance required herein except workers' compensation/employer's liability and the certificate of insurance shall reflect same. Such additional insured coverage shall be primary to and shall seek no contribution from all insurance available to MTD, with MTD's insurance being excess, secondary, and noncontributing.

viii. Waiver of Subrogation. All insurance coverage carried by Contractor required herein shall provide a waiver of subrogation in favor of MTD for all loss covered by such insurance, and Contractor waives all rights of action against MTD for such loss.

ix. Primary Liability. All insurance coverage required herein shall be primary to and shall seek no contribution from all insurance available to MTD, with MTD's insurance being excess, secondary, and noncontributing. Where necessary, coverage shall be endorsed to provide such primary liability, and the certificate of insurance shall reflect same.

x. Deductible/Retention. All insurance required for this project shall have a maximum deductible or self-insured retention of \$10,000 per policy.

xi. Claims Against Aggregate. MTD must be notified in writing by Contractor at MTD's address set forth herein immediately upon knowledge of possible claims against Contractor that might cause a reduction below seventy-five (75%) of any aggregate limit of any primary policy.

c. Commercial General Liability Insurance.

i. Coverage. Such insurance shall cover liability arising out of all locations and operations of Contractor, including but not limited to liability assumed under this Agreement (including the tort liability of another assumed in a business contract). Defense shall be provided as an additional benefit and not included within the limit of liability.

ii. Form. Commercial General Liability Occurrence form, at least as broad as an unmodified ISO CG 00 01 10 93 or its equivalent.

iii. Amount of Insurance. Coverage shall be provided with limits of not less than:

A. Each Occurrence Limit	\$1,000,000
B. General Aggregate Limit	\$2,000,000
C. Product-Completed Operations Aggregate Limit	\$2,000,000
D. Personal and Advertising Injury Limits	\$1,000,000
E. Fire Damage (any one fire)	\$50,000
F. Medical Expense (any one person)	\$5,000

iv. Required Endorsements.

- A. Additional Insured status as required in 18(b)(vii), above.
- B. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
- C. Personal Injury Liability: The personal injury contractual liability exclusion shall be deleted.
- D. Primary Liability, as required in 18(b)(ix), above.
- E. Waiver of Subrogation, as required in 18(b)(viii), above.
- F. Continuing Commercial General Liability Insurance: Contractor shall maintain such insurance in identical coverage, form, and amount, including required endorsements, for at least three (3) years following the date of acceptance by MTD of the last bus built pursuant to this Agreement.

d. Auto Liability Insurance.

- i. Coverage. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned).
- ii. Form. Business Auto Form (at least as broad as an unmodified ISO CA 0001 or its equivalent).
- iii. Amount of Insurance. Coverage shall be provided with a limit of not less than \$1,000,000, combined single limit.
- iv. Required Endorsements.
 - A. Additional Insured status as required in 18(b)(vii), above.
 - B. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
 - C. Waiver of Subrogation, as required in 18(b)(viii), above.
- e. Workers' Compensation/Employer's Liability Insurance.
 - i. Coverage. Such insurance shall cover liability arising out of Contractor's employment of workers and anyone for whom Contractor may be liable for workers' compensation claims. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted.
 - ii. Amount of Insurance. Coverage shall be provided with a limit of not less than:
 - A. Workers' Compensation: Statutory limits
 - B. Employer's Liability: \$1,000,000 each accident and disease.
 - iii. Required Endorsements.
 - A. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
 - B. Waiver of Subrogation, as required in 18(b)(viii), above.
- f. Excess Liability Insurance.
 - i. Coverage. Such insurance shall be excess over and be no less broad than all coverages described above and shall include a drop-down provision.
 - ii. Form. This policy shall have the same inception and expiration dates and the commercial general liability insurance required above.
 - iii. Amount of Insurance. Coverage shall be provided with a limit of not less than \$4,000,000.

19. Bonding. Not applicable to this agreement.

20. Termination. For applicable terms, refer to Paragraph 21 (Termination) in *Federal Transit Administration: Contract Provisions*.

21. Liquidated Damages. Not applicable to this agreement.

22. Infringement of Patents. Not applicable to this agreement.

23. Rights in Data. Not applicable to this agreement.

24. Indemnification. The Contractor shall, to the extent permitted by law protect, indemnify, defend, and hold MTD and its officers, employees and agents, including consultants, harmless from and against any and all liabilities, damages, claims, demands, liens, encumbrances, judgments, awards, losses, costs, expenses, and suits or actions or proceedings, including reasonable expenses, costs and attorneys' fees incurred by MTD and its officers, employees and agents, including consultants, in the defense, settlement or satisfaction thereof, for any injury, death, loss or damage to persons or property of any kind whatsoever, arising out of, or resulting from, the acts, errors or omissions of the Contractor, including acts, errors or omissions of its officers, employees, servants, agents, subcontractors and suppliers; and upon receipt of notice and if given authority, shall settle at its own expense or undertake at its own expense the defense of any such suit, action or proceeding, including appeals, against the MTD and its officers, employees and agents, including consultants, relating to such injury, death, loss or damage. Each party shall promptly notify the other in writing of the notice or assertion of any claim, demand, lien, encumbrance, judgment, award, suit, action or other proceeding hereunder. The Contractor shall have sole charge and direction of the defense of such suit, action or proceeding. The MTD shall not make any admission which might be materially prejudicial

to the Contractor unless the Contractor has failed to take over the conduct of any negotiations or defense within a reasonable time after receipt of the notice and authority above provided. The MTD shall at the request of the Contractor furnish to the Contractor all reasonable assistance that may be necessary for the purpose of defending such suit, action or proceeding, and shall be repaid all reasonable costs incurred in doing so. The MTD shall have the right to be represented therein by advisory counsel of its own selection at its own expense. The obligations of the Contractor under this clause shall not extend to circumstances where the injury, or death, or damages is caused solely by the negligent acts, errors or omissions of the MTD, its officers, employees, agents or consultants, including negligence in the preparation of the Contract documents, or the giving of directions or instructions with respect to the requirements of the Contract by written order.

25. Notice. Notices in connection with this Agreement shall be made in writing and may be delivered either personally, by governmental postal service (regular, certified or registered), by private delivery service, or by email. Receipt shall be deemed to have occurred when actually made to the party or its designated agent. Such notices shall be properly addressed to the intended party as follows:

<p><u>MTD:</u> General Manager Santa Barbara Metropolitan Transit District 550 Olive Street Santa Barbara, CA 93101 Email: jestrada@sbmttd.gov</p>	<p><u>CONTRACTOR:</u> Executive Director Easy Lift Transportation, Inc. 53 Cass Place, Suite D Goleta, CA 93117 Email: ernesto@easylift.org</p>
---	--

26. Attorney Fees and Costs. In the event of a controversy (including, but not limited to arbitration or any criminal or civil filing in a Federal Court or a court of any of the United States) between the parties with respect to the enforcement or interpretation of this Agreement, the prevailing party in such controversy shall be entitled to receive, in addition to such other award as the court may deem appropriate, full reimbursement for its court costs and reasonable attorney fees incurred therein.

27. Negation of Partnership. This Agreement creates a relationship between two independent contractors and does not, nor may it be interpreted to, create the relationship of joint venturers, partners, employee/employer, or any other business relationship.

28. No Assignment. This Agreement is not assignable by either party, and any attempt by either party to assign its obligations hereunder shall be void ab initio at the election of the other party, which election may be made by written notice within ten (10) days of the non-assigning party's receipt of actual knowledge of such attempted assignment. Notwithstanding the foregoing, however, at the election of the other party, the obligations and burdens of a party shall bind and apply to any permitted successor in interest or assignee of the business and/or operations of a party.

29. Partial Invalidity. In the event that any portion of this Agreement or any provision hereof shall be deemed as invalid as contrary to applicable law, the balance of this Agreement shall be enforced according to its term, and that portion found unenforceable shall be interpreted and enforced to the extent that it may be within said applicable laws.

30. Disputes. This Agreement shall be construed and all disputes arising therefrom shall be settled in accordance with the laws of the State of California. Venue for any dispute arising under this Agreement shall be in Santa Barbara, California. Any controversy or claim arising out of or relating to this Agreement shall be resolved by binding arbitration before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) then pertaining (available at www.adr.org), except where those rules conflict with this provision, in which case this provision controls. Any court with jurisdiction shall enforce this clause and enter judgment on any award. The arbitrator shall be selected within twenty business days from commencement of the arbitration from the AAA’s National Roster of Arbitrators pursuant to agreement or through selection procedures administered by the AAA. Within 45 days of initiation of arbitration, the Parties shall reach agreement upon and thereafter follow procedures, including reasonable limits on discovery, assuring that the arbitration will be concluded and the award rendered within no more than eight months from selection of the arbitrator or, failing agreement, procedures meeting such time limits will be designed by the AAA and adhered to by the Parties. The arbitration shall be held in Santa Barbara, California and the arbitrator shall apply the substantive law of California,

except that the interpretation and enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. Prior to commencement of arbitration, emergency relief is available from any court to avoid irreparable harm. THE ARBITRATOR SHALL NOT AWARD EITHER PARTY PUNITIVE, EXEMPLARY, MULTIPLIED OR CONSEQUENTIAL DAMAGES. Prior to commencement of arbitration, however, the Parties must attempt to mediate their dispute using a professional mediator from AAA, the CPR Institute for Dispute Resolution, or like organization selected by agreement or, absent agreement, through selection procedures administered by the AAA. Within a period of 45 days after the request for mediation, the Parties agree to convene with the mediator, with business representatives present, for at least one session to attempt to resolve the matter. In no event will mediation delay commencement of the arbitration for more than 45 days absent agreement of the Parties or interfere with the availability of emergency relief.

31. Prohibited Interest. The parties hereto covenant and agree that to their knowledge no board member, officer, or employee of MTD, during his/her tenure or for one year thereafter, has any interest, whether contractual, non contractual, financial or otherwise, in this transaction, or in the business of a contracting party other than MTD. If any such interest comes to the knowledge of either party at any time, a full and complete disclosure of all such information will be made in writing to the other parties, even if such interest would not be considered a conflict of interest under Article 4, Chapter 1, Divisions 4 and 4.5, Title I of the Government Code of the State of California.

32. Compliance with Laws and Regulations. Contractor shall warrant that in the performance of work under contract to MTD that they shall comply with all applicable federal, state and local laws and ordinances, and all lawful orders, rules, and regulations thereunder.

33. Audit and Inspection of Records. The Contractor shall agree that all materials supplied and services performed under the Project, facilities used in connection therewith, and records and documentation thereunto appertaining shall be subject to inspection, test, or audit by duly authorized representatives of MTD and the State of California. The Contractor agrees to maintain all required records relating to the Project for at least three years after MTD makes final payment and all other pending matters are closed.

34. Equal Employment Opportunity. For applicable terms, refer to Paragraph 24 (Civil Rights Requirements) in *Federal Transit Administration: Contract Provisions*.

35. Entire Agreement. This Agreement and its attached exhibits constitute the entire agreement between the parties and shall be deemed to supersede and cancel any and all previous representations, understandings, or agreements between MTD and Contractor as to the subject matter hereof. This Agreement may only be amended by an instrument in writing signed by the parties.

36. No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect that party's right to enforce such provisions, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.

37. Counterparts & Email. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that a scanned and emailed signature may substitute for and have the same legal effect as the original signature.

38. Qualifications. Contractor or Contractor's representative (Contractor) certifies that Contractor is qualified to do business and is in good standing in the State of California, and that Contractor has authority to enter into and perform its obligations under this Agreement, which constitutes a valid and binding obligation of Contractor.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed.

SANTA BARBARA MTD

EASY LIFT

Jerry Estrada, General Manager

Ernesto Paredes, Executive Director

Date

Date

FEDERAL TRANSIT ADMINISTRATION

CONTRACT PROVISIONS *ADA Paratransit Services – Easy Lift*

TABLE OF CONTENTS

1.	Fly America Requirements (not applicable to this Agreement).....	1
2.	Buy America Requirements (not applicable to this Agreement).....	1
3.	Charter Bus & School Bus Requirements.....	1
4.	Cargo Preference Requirements (not applicable to this Agreement).....	1
5.	Seismic Safety Requirements (not applicable to this Agreement).....	1
6.	Energy Conservation Requirements.....	1
7.	Clean Water Requirements.....	1
8.	Bus Testing (not applicable to this Agreement).....	1
9.	Pre-Award & Post-Delivery Audit Requirements (not applicable to this Agreement).....	1
10.	Lobbying.....	1
11.	Access to Records & Reports.....	2
12.	Federal Changes.....	2
13.	Bonding Requirements (not applicable to this Agreement).....	3
14.	Clean Air.....	3
15.	Recycled Products (not applicable to this Agreement).....	3
16.	Davis-Bacon & Copeland Anti-Kickback Acts (not applicable to this Agreement).....	3
17.	Contract Work Hours & Safety Standards Act (not applicable to this Agreement).....	3
18.	[Reserved].....	3
19.	No Government Obligations to Third Parties.....	3
20.	Program Fraud & False or Fraudulent Statements & Related Acts.....	3
21.	Termination.....	4
22.	Government-Wide Debarment & Suspension.....	4
23.	Privacy Act.....	4
24.	Civil Rights Requirements.....	4
25.	Breaches & Dispute Resolution.....	6
26.	Patent & Rights in Data (not applicable to this Agreement).....	6
27.	Transit Employee Protective Agreements.....	6
28.	Disadvantaged Business Enterprise (DBE).....	7
29.	[Reserved].....	7
30.	Incorporation of Federal Transit Administration (FTA) Terms.....	7
31.	Drug & Alcohol Testing.....	8
32.	Intelligent Transportation System (ITS) (not applicable to this Agreement).....	8

This Page Intentionally Left Blank

1. **FLY AMERICA REQUIREMENTS** (not applicable to this Agreement)
2. **BUY AMERICA REQUIREMENTS** (not applicable to this Agreement)
3. **CHARTER BUS & SCHOOL BUS REQUIREMENTS**

(a) Charter Service Operations: The Contractor agrees to comply with 49 U.S.C. 5323(d) and 49 CFR Part 604, which provides that recipients and subrecipients of FTA assistance are prohibited from providing charter service using federally funded equipment or facilities if there is at least one private charter operator willing and able to provide the service, except under one of the exceptions at 49 CFR 604.9. Any charter service provided under one of the exceptions must be "incidental" (it must not interfere with or detract from the provision of mass transportation).

(b) School Bus Operations: Pursuant to 49 U.S.C. 5323(f) and 49 CFR Part 605, recipients and subrecipients of FTA assistance may not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators unless qualified under specified exemptions. When operating exclusive school bus service under an allowable exemption, recipients and subrecipients may not use federally funded equipment, vehicles, or facilities.

4. **CARGO PREFERENCE REQUIREMENTS** (not applicable to this Agreement)
5. **SEISMIC SAFETY REQUIREMENTS** (not applicable to this Agreement)
6. **ENERGY CONSERVATION REQUIREMENTS**

The Contractor agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act. The Contractor agrees to include the requirements of this section in all subcontracts.

7. **CLEAN WATER REQUIREMENTS**

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000.

8. **BUS TESTING** (not applicable to this Agreement)
9. **PRE-AWARD & POST-DELIVERY AUDIT REQUIREMENTS** (not applicable to this Agreement)

10. **LOBBYING**

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

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract,

grant, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (b) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, et seq.)]

(c) The Contractor shall require that the language of this certification be included in the award documents for all sub-awards exceeding \$100,000 at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. [Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.] Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, et seq., apply to this certification and disclosure.

[Note: The Contractor shall have previously submitted to MTD a separately signed Lobbying Certification containing the above language for itself and any subcontracts exceeding \$100,000 as a condition of contract award.]

11. ACCESS TO RECORDS & REPORTS

(a) The Contractor agrees to provide MTD, the FTA Administrator, the Comptroller General of the United States or any of their authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor also agrees, pursuant to 49 CFR 633.17 to provide the FTA Administrator or his authorized representatives including any PMO Contractor access to Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311.

(b) If contract is for a capital project or improvement (defined at 49 U.S.C. 5302(a)1) through other than competitive bidding, the Contractor shall make available records related to the contract to MTD, the Secretary of Transportation and the Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.

(c) The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(d) The Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until MTD, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

12. FEDERAL CHANGES

The Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between MTD and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

13. BONDING REQUIREMENTS (not applicable to this Agreement)**14. CLEAN AIR**

The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office. The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

15. RECYCLED PRODUCTS (not applicable to this Agreement)**16. DAVIS-BACON & COPELAND ANTI-KICKBACK ACTS** (not applicable to this Agreement)**17. CONTRACT WORK HOURS & SAFETY STANDARDS ACT** (not applicable to this Agreement)**18. [RESERVED]****19. NO GOVERNMENT OBLIGATIONS TO THIRD PARTIES**

(a) MTD and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to MTD, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

(b) The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

20. PROGRAM FRAUD & FALSE OR FRAUDULENT STATEMENTS & RELATED ACTS

a) The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.

(b) The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the Contractor, to the extent the Federal Government deems appropriate.

(c) The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

21. TERMINATION

(a) Termination for Convenience: MTD, by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest. If this contract is terminated, MTD shall be liable only for payment under the payment provisions of this contract for services rendered before the effective date of termination.

(b) Termination for Default

(1) If the Contractor fails to perform the services, within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, MTD may terminate this contract for default. MTD shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of default. The Contractor will only be paid the contract price for services performed in accordance with the manner of performance set forth in this contract.

(2) If this contract is terminated while the Contractor has possession of MTD goods, the Contractor shall, upon direction of MTD, protect and preserve the goods until surrendered to MTD or its agent. The Contractor and MTD shall agree on payment for the preservation and protection of goods. Failure to agree on an amount will be resolved under the Dispute clause.

(3) If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of parties shall be the same as if the termination had been issued for the convenience of MTD.

22. GOVERNMENT-WIDE DEBARMENT & SUSPENSION

This contract is a covered transaction for purposes of 49 CFR Part 29. As such, the Contractor is required to verify that none of the Contractor, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945. The Contractor is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into. By signing and submitting its bid or proposal, the bidder or proposer certifies as follows: The certification in this clause is a material representation of fact relied upon by MTD. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to MTD, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

23. PRIVACY ACT

The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract. The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

24. CIVIL RIGHTS REQUIREMENTS

(a) Nondiscrimination: In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Contractor agrees to

comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

(b) Equal Employment Opportunity: The following equal employment opportunity requirements apply to the underlying contract:

(1) Race, Color, Creed, National Origin, Sex: In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 CFR Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(2) Age: In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § § 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(3) Disabilities: In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 CFR Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(c) Non-discrimination on the Basis of Disability: The Recipient agrees to comply with the following federal prohibitions against discrimination on the basis of disability:

(1) Federal laws, including:

(A) section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, which prohibits discrimination on the basis of disability in the administration of federally assisted Programs, Projects, or activities,

(B) The Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. § 12101 et seq., which requires that accessible facilities and services be made available to individuals with disabilities: 1 For FTA Recipients generally, Titles I, II, and III of the ADA apply, but 2 For Indian Tribes, Titles II and III of the ADA apply, but Title I of the ADA does not apply because it exempts Indian Tribes from the definition of "employer,"

(C) The Architectural Barriers Act of 1968, as amended, 42 U.S.C. § 4151 et seq., which requires that buildings and public accommodations be accessible to individuals with disabilities,

(D) Federal transit law, specifically 49 U.S.C. § 5332, which now includes disability as a prohibited basis for discrimination, and

(E) Other applicable federal laws, regulations and requirements pertaining to access for seniors or individuals with disabilities.

(2) Federal regulations, including:

(A) U.S. DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 C.F.R. part 37,

- (B) U.S. DOT regulations, "Nondiscrimination on the Basis of Disability in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 C.F.R. part 27,
- (C) Joint U.S. Architectural and Transportation Barriers Compliance Board (U.S. ATBCB) and U.S. DOT regulations, "Americans with Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 36 C.F.R. part 1192 and 49 C.F.R. part 38,
- (D) U.S. DOT regulations, "Transportation for Individuals with Disabilities: Passenger Vessels," 49 C.F.R. part 39,
- (E) U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability in State and Local Government Services," 28 C.F.R. part 35,
- (F) U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities," 28 C.F.R. part 36,
- (G) U.S. EEOC, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. part 1630,
- (H) U.S. Federal Communications Commission regulations, "Telecommunications Relay Services and Related Customer Premises Equipment for Persons with Disabilities," 47 C.F.R. part 64, Subpart F,
- (I) U.S. ATBCB regulations, "Electronic and Information Technology Accessibility Standards," 36 C.F.R. part 1194, and
- (J) FTA regulations, "Transportation for Elderly and Handicapped Persons," 49 C.F.R. part 609, and (k) Other applicable federal civil rights and nondiscrimination guidance.

The Contractor agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

25. BREACHES & DISPUTE RESOLUTION

Paragraph 30 of the *MTD Master Agreement* regarding disputes shall be deemed satisfactory to meet the federal requirements for dispute resolution. The Contractor agrees to include the requirements of said Paragraph 30 in all subcontracts.

26. PATENT & RIGHTS IN DATA (not applicable to this Agreement)

27. TRANSIT EMPLOYEE PROTECTIVE AGREEMENTS

(a) General Transit Employee Protective Requirements: To the extent that FTA determines that transit operations are involved, the Contractor agrees to carry out the transit operations work on the underlying contract in compliance with terms and conditions determined by the U.S. Secretary of Labor to be fair and equitable to protect the interests of employees employed under this contract and to meet the employee protective requirements of 49 U.S.C. A 5333(b), and U.S. DOL guidelines at 29 CFR Part 215, and any amendments thereto. These terms and conditions are identified in the letter of certification from the U.S. DOL to FTA applicable to the FTA Recipient's project from which Federal assistance is provided to support work on the underlying contract. The Contractor agrees to carry out that work in compliance with the conditions stated in that U.S. DOL letter. The requirements of this subsection (1), however, do not apply to any contract financed with Federal assistance provided by FTA either for projects for elderly individuals and individuals with disabilities authorized by 49 U.S.C. § 5310(a)(2), or for projects for non-urbanized areas authorized by 49 U.S.C. § 5311. Alternate provisions for those projects are set forth in subsections (b) and (c) of this clause.

(b) Transit Employee Protective Requirements for Projects Authorized by 49 U.S.C. § 5310(a)(2) for Elderly Individuals and Individuals with Disabilities: If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 U.S.C. § 5310(a)(2), and if the U.S. Secretary of Transportation has determined or determines in the future that the employee protective requirements of 49 U.S.C. § 5333(b) are necessary or appropriate for the state and the public body sub-recipient for which work is performed on the underlying contract, the Contractor agrees to carry out the Project in

compliance with the terms and conditions determined by the U.S. Secretary of Labor to meet the requirements of 49 U.S.C. § 5333(b), U.S. DOL guidelines at 29 CFR Part 215, and any amendments thereto. These terms and conditions are identified in the U.S. DOL's letter of certification to FTA, the date of which is set forth Grant Agreement or Cooperative Agreement with the state. The Contractor agrees to perform transit operations in connection with the underlying contract in compliance with the conditions stated in that U.S. DOL letter.

(c) Transit Employee Protective Requirements for Projects Authorized by 49 U.S.C. § 5311 in Non-urbanized Areas: If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 U.S.C. § 5311, the Contractor agrees to comply with the terms and conditions of the Special Warranty for the Non-urbanized Area Program agreed to by the U.S. Secretaries of Transportation and Labor, dated May 31, 1979, and the procedures implemented by U.S. DOL or any revision thereto.

The Contractor also agrees to include the any applicable requirements in each subcontract involving transit operations financed in whole or in part with Federal assistance provided by FTA.

28. DISADVANTAGED BUSINESS ENTERPRISE (DBE)

(a) This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs. The national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. MTD's overall goal for DBE participation is 1.2%. A separate contract goal has not been established for this procurement.

(b) The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted contract. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as MTD deems appropriate. Each subcontract the Contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).

(c) (not applicable to this Agreement)

(d) The Contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the Contractor's receipt of payment for that work from the MTD. In addition, the Contractor may not hold retainage from its subcontractors.

(e) Contractor must promptly notify MTD whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The Contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of MTD.

29. [RESERVED]

30. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1E, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any MTD requests which would cause MTD to be in violation of the FTA terms and conditions. The Contractor agrees to include the requirements of this section in all subcontracts.

31. DRUG & ALCOHOL TESTING

The Contractor agrees to participate in (grantee's or recipient's) drug and alcohol program established in compliance with 49 CFR Part 655.

32. INTELLIGENT TRANSPORTATION SYSTEM (ITS) (not applicable to this Agreement)

Santa Barbara Metropolitan Transit District
ADA Paratransit Services

Scope of Services

March 30, 2016

This Scope of Services is Exhibit B to the *Master Agreement with Easy Lift Transportation, Inc. for Paratransit Services* (hereinafter the "Agreement").

The following definitions shall apply to the Agreement:

- "Accessible" means complying with the accessibility requirements of 49 Code of Federal Regulations (CFR) Parts 37 and 38;
- "ADA" means the Americans with Disabilities Act of 1990, and any amendments thereto;
- "ADA paratransit service" means complementary curb-to-curb transportation service required by the Americans with Disabilities Act (ADA) for individuals with disabilities who are unable to use fixed-route transportation systems.

- A. In consideration of the compensation provided under the Agreement, and subject to the terms of the Agreement, Contractor agrees to operate accessible curb-to-curb complementary paratransit service to ADA paratransit eligible persons as set forth in the ADA.
- B. MTD shall coordinate with Contractor when planning route or schedule changes that may impact the number of hours of ADA complementary paratransit service required. Should MTD's hours of operation or route coverage change, MTD shall provide Contractor thirty (30) days' notice of any such change so that Contractor may comply with any such change. Contractor shall provide sufficient hours of ADA paratransit service to meet MTD's ADA requirements.
- C. Contractor shall notify MTD in writing one hundred twenty (120) days prior to implementing any change in Contractor's use of funds not provided under the Agreement if said change will affect the fulfillment of MTD's ADA paratransit service requirements.
- D. No portion of compensation provided to Contractor by MTD under the Agreement shall be utilized directly or indirectly to cover any costs other than costs for the provision of ADA paratransit service within MTD's jurisdiction for ADA paratransit eligible individuals.
- E. Contractor shall, at Contractor's cost:
1. Provide during the term of the Agreement not less than the level of ADA paratransit service hours, dispatch service, and enrollment/ mobility training/verification services that Contractor provided in June 2016.
 2. Provide information to the public about the ADA eligibility process and about ADA paratransit services. Such information shall be made available in accessible formats upon request.
 3. Provide ADA paratransit service to ADA paratransit eligible riders for any trip purpose. ADA paratransit service shall comply with 49 CFR Part 37 Sections 37.123 through 37.133.

4. Provide ADA paratransit service within the portions of MTD's statutory boundaries as required by the ADA and approved by MTD.
5. Employ a sufficient number of qualified, regularly-employed personnel to perform functions necessary to carry out the Agreement, including overall management and administration, operations management, accounting and bookkeeping services, and service delivery.
6. Provide driver training for Contractor vehicle operators as appropriate to ensure that the operators are proficient in all skills involved in transporting ADA paratransit eligible persons.
7. Maintain all vehicles utilized in the performance of the Agreement in a safe and usable operating condition. Maintenance schedules shall be established and maintained on said vehicles.
8. Establish ADA paratransit eligibility standards, subject to MTD approval, in conformance with 49 CFR Part 37 Section 37.123. Collect a per-trip fare from ADA paratransit eligible riders that shall comply with 49 CFR Part 37 Section 37.131(c) and shall not exceed twice MTD's full fare.
9. Identify ADA paratransit eligible persons who require a personal care attendant and allow required personal care attendants to accompany ADA paratransit eligible riders at no fare pursuant to 49 CFR Part 37 Section 37.131(c)(3).
10. Allow individuals to accompany ADA paratransit eligible persons pursuant to 49 CFR Part 37 Section 37.123(f). Collect a per-trip fare from such individuals that shall comply with 49 CFR Part 37 Section 37.131(c) and shall not exceed twice MTD's full fare.
11. Allow ADA paratransit eligible visitors from outside MTD's statutory boundaries to ride for up to a twenty-one (21) day period at the regular fare and in compliance with 49 CFR Part 37 Section 37.127.
12. Distinguish between those persons who are ADA paratransit eligible and those who are provided service on other grounds. Contractor shall keep records indicating the number of trips made by ADA paratransit eligible persons and other persons.
13. Maintain the minimum and maximum ride reservation time for all paratransit service pursuant to 49 CFR Part 37 Section 37.131.
14. Maintain a Drug and Alcohol Program for all safety-sensitive employees of Contractor and any subcontractors, pursuant to Article 39 herein, that fully satisfies FTA drug and alcohol policy and testing requirements and submit documentation of the Program to MTD as requested.
15. Pursuant to the California Transportation Development Act (TDA), annually undergo a fiscal audit of financial transactions and records performed by an independent certified public accountant. Said fiscal audit is to include the collection and expenditure of fares. Submit to MTD a copy of the aforementioned fiscal audit.
16. Pursuant to the California Transportation Development Act (TDA), annually submit to the State Controller a Financial Transactions Report. Submit to MTD a copy of the aforementioned report.
17. Submit to MTD a copy of Contractor's annual budget and any significant changes to the budget.

18. Submit to MTD annually complete National Transit Database information as required by the FTA.
 19. Submit to MTD complete quarterly financial reports that include, but are not limited to: the rate per hour for ADA paratransit service, which includes the cost of support services such as dispatch and enrollment/mobility training/verification; total ADA paratransit service operating expense; total ADA paratransit service capital expense, and ADA paratransit service revenue by source (excluding the names of individual donors).
 20. Submit to MTD complete monthly operating reports that include, but are not limited to: hours of ADA paratransit service, miles of ADA paratransit service, number of ADA paratransit one-way trips provided, number of ADA paratransit trips not provided in a one-hour window, number of ADA paratransit trips denied, hours of ADA paratransit dispatch service, and hours of ADA paratransit service enrollment/mobility training/verification. Submit to MTD complete monthly safety and security reports. Such monthly reports shall be submitted not later than the tenth day of the following month.
 21. As required in documents prepared pursuant to Articles E(15-20) herein, and in any other such documents prepared by or for Contractor, funds received by Contractor from MTD shall be separately listed as a subsidy from MTD, and shall not be included as farebox revenue. The exception to this shall be for farebox ratio reporting under provision of the California Transportation Development Act (TDA).
 22. Submit to MTD monthly summaries of complaints regarding Contractor's provision of ADA complementary paratransit service.
 23. Submit to MTD monthly updates of the number of registered Contractor ADA paratransit service riders.
 24. Permit, and require its subcontractors to permit, MTD or its contractor to inspect all work materials, payrolls, and other data and records with respect to the duties and obligations under the Agreement and to audit the books, records, and accounts of Contractor and its subcontractors regarding financial, operational, and maintenance functions.
- F. If Contractor ceases business during the term of the Agreement, MTD shall have first opportunity to acquire all assets of Contractor.
- G. Monitoring Program. MTD shall implement the following mechanism to ensure adequate monitoring of the ADA complementary paratransit service provided by Contractor. Contractor shall facilitate the ability of MTD to conduct all elements of the monitoring mechanism.
1. Monthly. MTD shall review Contractor monthly operating reports submitted to MTD pursuant to Article E(20) herein. Contractor shall submit further information as requested by MTD following such review.
 2. Quarterly. MTD shall review Contractor quarterly financial reports submitted to MTD pursuant to Article E(19) herein. At MTD staff meeting following September 30, December 31, March 31, and June 30, Contractor Executive Director or designee shall appear in person, if requested, to present to MTD staff a summary of the ADA paratransit service provided during the previous three months, including a summary of the quarterly financial reports and monthly operating reports submitted to MTD pursuant to Articles E(19-20) herein.
 3. Semiannually. Every six months. MTD Operations and Maintenance Departments may conduct site visits of Contractor. The site visits may include inspections of Contractor

vehicles, Drug and Alcohol Program policies and testing results, operating records, and financial records. MTD staff shall interview Contractor staff and management as desired.

4. Annually. Contractor shall submit annual information to MTD pursuant to Articles E(15-18) herein. Contractor shall submit backup information as needed by MTD to ensure that all FTA requirements are met.
5. As needed. MTD staff may conduct surprise visits as needed to monitor the ADA paratransit service provided by Contractor, without notice to Contractor. MTD may utilize MTD personnel to ride Contractor buses to monitor the ADA paratransit service without alerting to Contractor that MTD personnel are riding Contractor buses.

H. Health and Safety. Contractor shall assure that its employees and subcontractors comply with standards of safety contained in all applicable laws and regulations, including but not limited to:

1. California Code of Regulations Title 8 (CAL/OSHA).
2. Code of Federal Regulations Title 29, Part 1901 and 1926, as appropriate (FED/OSHA).
3. Appropriate trade association safety standards.
4. Appropriate equipment manufacturer instructions.
5. In cases where published standards conflict, the standard providing the highest degree of protection shall prevail.

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

(To be submitted with each bid or offer exceeding \$100,000)

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

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, *et seq.*)]

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

[Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.]

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

Signature of Contractor's Authorized Official

Name and Title of Contractor's Authorized Official

Date



BOARD OF DIRECTORS REPORT

MEETING DATE: APRIL 5, 2016 **AGENDA ITEM # 8**

TYPE: ACTION

PREPARED BY: LILLY GOMEZ

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

**SUBJECT: SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
(LAFCO) SPECIAL DISTRICT APPOINTMENT RESOLUTION**

RECOMMENDATION:

Staff requests that the Board adopt the attached resolution authorizing the Chairman of the SBMTD Board of Directors to appoint an alternate board member to represent MTD at the LAFCO Selection Committee meetings as needed.

ATTACHMENT:

- LAFCO Correspondence
- Resolution #2016-04

RECEIVED
LAFCO

JAN 19 2016

S.B.M.T.D.

Santa Barbara Local Agency Formation Commission

105 East Anapamu Street ♦ Santa Barbara CA 93101

805/568-3391 ♦ FAX 805/568-2249

www.sblafco.org ♦ lafco@sblafco.org

January 15, 2016

TO: Presiding Officers of Independent Special Districts

Subject: Designation of Presiding Officer or Alternate Appointed by the Board of Directors

Please provide me with the name of the Presiding Officer (Chair) of your district, or an Alternate designated by the Board of Directors, who will vote at the Monday, January 25, 2016, election of a Regular and Alternate special district member to SBLAFCO (E-Mail Preferred).

Government Code Section 56332 (a) reads as follows: The independent special district selection committee shall consist of the presiding officer of the legislative body of each independent special district. However, if the presiding officer of an independent special district is unable to participate in a meeting or election of the independent special district selection committee, the legislative body of the district may appoint one of its members as an alternate to participate in the selection committee in the presiding officer's place.

It is important to note that only the presiding officer, or if the presiding officer is unable to attend, an alternate member appointed by the district's board of directors, may vote at the election. To reiterate, the alternate must be a member of the board of directors. Staff members are not allowed to vote in place of the presiding officer or an alternate.

Please contact the LAFCO office if you have any questions.

Sincerely,



PAUL HOOD

Executive Officer

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

IN THE MATTER OF AUTHORIZING THE BOARD
THE POWER TO APPOINT ALTERNATIVES
TO LAFCO SELECTION COMMITTEE MEETINGS
AT ITS SOLE DISCRETION

RESOLUTION NO. 2016-04

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT THAT:

The participation of the Board in occasionally selecting an alternate member to attend the Selection Committee of the Santa Barbara Local Agency Formation Commission is an essential duty of the Board, and requires a flexible engagement.

The Public Utilities Code § 95400, et seq., grants the Board the power to appoint alternatives to Selection Committee meetings at its sole discretion. The Board hereby delegates that authority to the Chairperson of the Board to fulfill that responsibility as conditions and schedules may warrant.

AYES: _____
NAYS: _____
ABSENT: _____

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors



BOARD OF DIRECTORS REPORT

MEETING DATE: APRIL 5, 2016 **AGENDA ITEM #:** 9

TYPE: ACTION

PREPARED BY: BRAD DAVIS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: Revised Draft Cash Reserves Policy

RECOMMENDATION:

Staff will present an updated draft of the proposed Cash Reserves Policy to the Board for its review and consideration of adoption.

DISCUSSION:

Background

Staff presented a draft of the Cash Reserves Policy to the Board last February 9. The Board directed staff to bring the Policy back after:

- Revising the projected reserve target levels to take into account both the draft FY16-17 budget and the changes to the method of determining the appropriations reserve level;
- Developing the capital reserve target level projection; and
- Having the Policy reviewed for legal and accounting compliance.

Following completion of these actions, the revised draft was taken to the Finance Committee for review. The Committee instructed staff to make additional changes to the draft Policy and bring it back to the full Board for its consideration.

Draft Revisions

The attached draft Policy includes modifications that take into account Finance Committee, legal and accounting counsel, and staff recommended revisions. The majority of the changes were minor in nature concerning clarity or grammatical corrections. Noteworthy revisions include:

- Addition of language indicating that a goal of the Policy is to maintain overall non-capital reserve balances at a level equal to three months of operating expenses.
- Revision of the target level for the appropriations reserve from 2% of the operating budget to a methodology that takes into account the typical fluctuation of key budget line items with a maximum target level of 5% of the operating budget.

- Addition of language that cash reserves shall be included in District financial statements and compliance reports in accordance with generally accepted accounting principles.

Professional Review

Review by District legal counsel found that there were no legal or regulatory impediments to adoption of the Policy. The District's financial auditor, McGowan Guntermann, ascertained that establishment of the reserves would have no direct impact on the District's financial statements; rather, a description of the policy and a schedule of the reserve types and levels would be included in the notes to the audited financial statements. If the Policy is adopted, staff will revise the bi-weekly cash report to indicate the allocation of cash to the reserve accounts.

Reserve Levels & Funding

Using the draft 2016-17 budget, the projected reserve levels have been updated. Staff is still developing the appropriations reserve estimate (which would be incorporated in the cash reserves status report provided to the Board along with the second draft of the FY16-17 budget this June). For now, the 2% figure is still being used.

The trend seen in the previous estimate has not changed: the Unrestricted Net Position will be sufficient to fully fund reserves the first two years. However, with the projected growth in operating expenses exceeding that of operating revenue in the five-year budget projection, the ability to fully fund reserves decreases over time.

Change in Unrestricted Net Position
(in thousand of dollars)

	FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21
BOY Unrestricted Net Position	\$ 10,084	\$ 9,453	\$ 8,174	\$ 6,545	\$ 4,940
Budget Surplus/(Deficit)	(482)	(1,126)	(1,471)	(1,442)	(1,409)
Post-Retirement Health (OPEB)	(149)	(153)	(158)	(163)	(168)
EOY Unrestricted Net Position	<u>\$ 9,453</u>	<u>\$ 8,174</u>	<u>\$ 6,545</u>	<u>\$ 4,940</u>	<u>\$ 3,363</u>

Targeted Reserve Balances
(in thousand of dollars)

RESERVE FUNDS	FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21
Working Capital	\$ 4,982	\$ 5,082	\$ 5,189	\$ 5,698	\$ 6,228
Emergency	2,567	2,648	2,728	2,811	2,897
Appropriated	513	530	546	562	579
Capital	0	0	0	0	0
Reserves Target Balance	<u>\$ 8,062</u>	<u>\$ 8,260</u>	<u>\$ 8,463</u>	<u>\$ 9,071</u>	<u>\$ 9,704</u>

Projected Reserve Balances
(in thousand of dollars)

RESERVE FUNDS	FY16/17	FY17/18	FY18/19	FY19/20	FY 20/21
Working Capital	\$ 4,982	\$ 5,082	\$ 5,189	\$ 4,940	\$ 3,363
Emergency	2,567	2,648	1,356	0	0
Appropriated	513	444	0	0	0
Capital	0	0	0	0	0
Reserves Projected Balance	<u>\$ 8,062</u>	<u>\$ 8,174</u>	<u>\$ 6,545</u>	<u>\$ 4,940</u>	<u>\$ 3,363</u>
Targeted Reserves Shortfall	<u>\$0</u>	<u>\$86</u>	<u>\$1,918</u>	<u>\$4,131</u>	<u>\$6,341</u>

Note that the targeted capital reserve levels are listed as zero. The reason is that the District anticipates the receipt of sufficient capital funds to cover the cost of capital projects over the next five years.¹ The target level calculation includes the usage of currently unspent Measure A and STA capital funds being held in the District's name by SBCAG.

The *Cash Reserves Policy Board Report* from the February 9 board meeting is also attached as a reference as it contains important information and assumptions concerning the Policy.

Attachments: *Draft Cash Reserves Policy dated April 5, 2016*
Cash Reserves Policy Board Report dated February 9, 2016
Bus Replacement Schedule

¹ Per District practice, anticipated bus replacements that do not currently have a known funding source have not been included in the five-year capital plan. Such acquisitions typically necessitate the use of discretionary capital grants from the FTA or the State. The Bus Replacement Schedule through FY 2029-30 is attached.

Santa Barbara Metropolitan Transit District Cash Reserves Policy

April 5, 2016

I. Purpose

Cash reserves are advisable for prudent financial management of the District. A primary goal of the Policy is to maintain a reserve amount equal to three months of the annual operating budget. A reserve policy will increase the District's ability to maintain continued fiscal health and minimize interruptions in transit service in the event of economic disruptions, natural disasters, major funding losses, and/or significant risk-related outlays. Additionally, the establishment of capital reserves provides for the replacement or addition of District facilities, rolling stock, and equipment.

This Policy describes the type and purpose of the cash reserves to be established, the process for determining the target reserve amounts, the authority for using accumulated reserves, and the means for funding the reserves.

II. Reserve Types

The following cash reserves shall be established by the District, which shall be prioritized and funded to the target dollar sum in the order in which they are presented below.

A. Working Capital Reserve

Basis – A working capital reserve shall be established to meet the normal cash flow requirements of the District to avoid disruption of operations. Working capital is required for, among other things:

- Regular short-term cash flow requirements to accommodate operating costs.
- Delayed receipt of federal or other operating assistance.
- Upfront outlays for capital acquisitions that are funded on a reimbursement basis.

Target – The amount of the Working Capital Reserve shall be equal to the FTA formula operating funds budgeted for the fiscal year which is considered a sufficient amount to meet all of the District's working capital needs.

Usage – Use of the Working Capital Reserve shall be at the discretion of the General Manager or his or her designee to meet cash flow needs of the District as they arise.

B. Appropriated Reserve

Basis – An appropriated reserve shall be established as a contingency for unanticipated events, or high-priority operating or capital needs, including minor emergencies, that may arise during the fiscal year. Examples include economic downturns affecting revenue, volatile energy costs, storm-related damage, and substantial self-insurance outlays.

Target – The amount of the Appropriated Reserve shall be determined using a methodology that takes into account the historical and reasonably potential fluctuation of key operating budget elements (e.g., sales tax revenue, revenue hours, vehicle campaigns costs, ADA subsidies, insurance premiums and payouts). The Appropriated Reserve shall be calculated as part of the annual budget process and shall not exceed 5% of the approved operating budget.

Usage – Use of the Appropriated Reserve shall require approval of the Board of Directors unless the General Manager determines circumstances require the immediate commitment of resources to preserve life or property, or to protect public health, welfare, or safety.

C. Emergency Reserve

Basis – An emergency reserve shall be established to be used in the event of extraordinary losses resulting from natural or man-made disasters, major funding losses or suspensions, and other similar extreme circumstances.

Target – The amount of the Emergency Reserve shall be 10% of the approved operating budget.

Usage – Use of the Emergency Reserve shall require approval of the Board of Directors unless the General Manager determines circumstances require the immediate commitment of resources to preserve life or property, or to protect public health, welfare, or safety.

D. Capital Reserve

Basis – A capital reserve shall be established for the purpose of future capital expenditures for the replacement, improvement, or expansion of District capital assets including, but not limited to, the revenue vehicle fleet, passenger facilities, and operating facilities.

Target – The amount of the Capital Reserve shall be based upon the unfunded portion¹ of the five-year capital plan in the following manner:

- 100% of the capital budget for the current fiscal year (year one); plus,
- 80% of the capital budget for the subsequent fiscal year (year two); plus,
- 60% of the capital budget for year three; plus,
- 40% of the capital budget for year four; plus,
- 20% of the capital budget for year five.

¹ The unfunded portion of the capital budget is defined as the difference between the capital budget and the capital funding that is or is reasonably expected to be secured for that year.

Additional capital sinking funds may be established by the Board of Directors as needed for specific projects that require a substantial capital outlay (e.g., a large bus purchase or new facility).

Usage – Use of the capital reserve shall require approval of the Board of Directors. Such authority is also granted to the General Manager when circumstances require the immediate commitment of resources provided that such use is consistent with the priorities established by the Board of Directors as part of the annual budget process.

III. Funding

The funding of reserves shall be from the District's Unrestricted Net Position. In the event that a reserve balance falls below the target level, to the extent feasible, it shall be replenished to the target level by shifting funds from the lowest priority reserve type with a reserve balance. Increasingly higher priority reserve types shall be used for such replenishment, as necessary.

IV. Reporting

Staff shall report to the Board of Directors on the status of cash reserves as part of the annual budget process. If reserve balances are not meeting the targets established in this Policy, staff shall develop a plan for moving towards the authorized cash reserve levels.

The reserves established under this Policy shall be reported in the District's financial statements in accordance with generally accepted accounting principles including, but not limited to, those established by the Government Accounting Standards Board.

V. Modifications

This Cash Reserves Policy may be amended at any time by approval of the Board of Directors.



BOARD OF DIRECTORS REPORT

MEETING DATE: February 9, 2016

AGENDA ITEM #: 11

TYPE: Informational

PREPARED BY: Brad Davis

Signature

REVIEWED BY: General Manager

GM Signature

Discussion:

Staff will present the draft Cash Reserves Policy to the Board of Directors to provide an opportunity for direction and feedback.

Background & Status

Last summer, the Finance Committee directed staff to develop a reserve fund policy. While the District currently considers a portion of its cash and cash equivalents as reserves, there is currently no formal policy that establishes specific reserve types and funding levels. Staff provided the Committee with a suggested approach for the policy last August which was followed by a presentation of the draft Cash Reserves Policy to the committee last November. Based on feedback from the Committee at that time, a revised Policy was prepared by staff and reviewed by the Committee in January. The attached draft takes into account additional direction from the January Committee meeting.

Prior to bringing the Policy back to the Board for consideration of approval, staff will provide an estimate of the District's ability to fund the recommended reserves. Preparation of the projections will take into account the upcoming budget revision and draft budget for next year, including any effect from more recent District financial trends. Also, while staff research indicates that the Policy is in compliance with State laws and regulations, it still requires review by legal counsel. Staff is seeking input from the District's auditor as well concerning the proper accounting treatment for the setup, funding, and usage of the reserve funds.

Purpose

The establishment and funding of cash reserves is based upon prudent financial management. A reserve policy will greatly increase the District's ability to maintain continued fiscal health and minimize interruptions in transit service in the event of economic disruptions, natural disasters, major funding losses, and other significant unexpected occurrences. Additionally, reserves provide for the normal cash flow needs of the District and as well as the replacement and addition of its capital assets. As described by the California Special Districts Association:

“Reserves are the foundation of the sustainable delivery of core services. Through prudent reserves, special districts offer taxpayers and ratepayers significant benefits

including savings to balance budgets, emergency preparedness, stable rates, well maintained infrastructure, and investment in the future.”¹

Reserve Classifications

Staff is recommending the formation of four separate cash reserve funds. The attached Cash Reserves Policy describes the type and purpose of the cash reserves funds to be established, the process for determining the target reserve amount, the authority for using accumulated reserves, and the means for funding the reserves. Following is a description of the fund types.

RESERVE TYPE	PURPOSE OF RESERVE	TARGET RESERVE LEVEL
Working Capital ²	Cash flow requirements of the District to avoid disruption of ongoing operating activities	FTA Operating Assistance
Appropriated	Unbudgeted significant operating or capital needs arising during the course of the fiscal year	2% of Operating Budget ³
Emergency	Extraordinary losses from natural disasters and major funding eliminations or suspensions	10% of Operating Budget
Capital	Future capital expenditures for replacement, improvement, or expansion of capital assets	Based on formula taking into account Five-Year Capital Plan

Funding of Reserves

The funding of cash reserves would be provided from the District’s cash balances that are not specifically dedicated to other purposes by statute, grant, contract, or direction of the Board. Because of the nature of fund accounting, the source of reserve funds is represented by the District’s unrestricted net assets—which are reported on the Statement of Net Position (the equivalent of the for-profit balance sheet). At the end of FY14/15, the District carried an unrestricted net position balance of \$10.2 million. Changes in the balance are for the most part determined by the operating surplus or deficit for the year. A previously indicated, staff will use the most recent financial figures and budget projections when calculating the ability and to what extent the District would be in a position to fund the four reserve funds.

Attachment: Draft Cash Reserves Policy

¹ California Special Districts Association, *Special District Reserve Guidelines-Second Edition* (2013), 6.

² “Working capital” is the common term for assets (i.e., cash) used for regular near-term operating needs. The word “capital” in this context does not refer to fixed assets or the funding thereof.

³ At the direction of the Finance Committee, staff is developing a target reserve methodology that is less general and takes into account the potential needs for specific budget elements. For example, General Administration includes general liability costs which may vary as high as the self-insurance retention which alone represents about 9% of the GA budget.

Santa Barbara Metropolitan Transit District

Bus Replacement Schedule

Fleet Type	Qty	Budget Year	Years to Purchase	FY 15-16 Cost	Future Cost	Total Cost
1992 Shuttle (3,4,5,6,8,11)	4	FY 16-17	1	\$500,000	n/a	\$2,000,000
1997 40' Nova	3	FY 16-17	1	450,000	n/a	1,425,000
1997 40' Nova	14	FY 17-18	2	450,000	477,405	6,683,670
Remaining Shuttles	10	FY 17-18	2	550,000	583,495	5,834,950
2004 40' Diesel (600-614)	15	FY 20-21	5	450,000	521,673	7,825,100
2004 29' Diesel (700-710)	11	FY 20-21	5	400,000	463,710	5,100,806
2006 29' Diesel (711-713)	3	FY 22-23	7	400,000	491,950	1,475,849
2007 40' Hybrids (900-907)	8	FY 23-24	8	650,000	823,401	6,587,204
2009 29' Hybrids (715-717)	3	FY 25-26	10	600,000	806,350	2,419,049
(cycle 2) 2015 Electric Shuttles	9	FY 26-27	11	375,000	519,088	4,671,789
(cycle 2) 2015 40' Diesel	5	FY 26-27	11	455,000	629,826	3,149,132
2011 40' Hybrids (908-915)	7	FY 27-28	12	655,000	933,873	6,537,114
2011 40' Diesel (615 - 621)	7	FY 27-28	12	450,000	641,592	4,491,147
2013 40' Diesel (622 - 634)	13	FY 29-30	14	450,000	680,665	8,848,650
(cycle 2) 2018 Electric Shuttles	10	FY 29-30	14	375,000	567,221	5,672,211
2015 Articulated Buses	3	FY 29-30	14	750,000	1,134,442	3,403,327

CPI applied to vehicle cost: 3.0%

Total Projected Cost: \$76,124,999

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: April 5, 2016
Subject: General Manager's Report

Maintenance & Operations

Operations staff (Manny Castanon) attended a TIN (Transit Instructor Network) meeting recently, that was held in El Monte. Transit trainers throughout Southern California, meet regularly via this organization, to exchange ideas and share different concerns from the respective agencies. There are always great "take aways" when these are held. Topics such as DMV issues, hover boards, mobility devices and many others are discussed and information shared between peer agencies.

The annual inventory IFB has been issued and the mandatory vendor meeting was held March 29, 2016 with three potential vendors attending.

Susan Schorr retired as the Maintenance Analyst on March 18, 2016. The recruitment of her successor is now in progress. Rob Ramirez, our newest Operator in Training, has successfully completed his training schedule, and has now assumed his bid shift.

Bus 631 was at Cummins for cylinder, piston and head replacement under the 2013 Cummins campaign for clogged EGR coolers leading to an active 3382 code. This is the second bus from this fleet of thirteen to have this failure. The replacement work is covered under warranty. Bus 709 is down for stripped aluminum gear housing. The part has a 40-day lead time and requires an engine removal for installation. Bus 902 is in the shop with failed valve seats on cylinder #2 which damaged the piston. The engine is out of the bus and cylinder #2 will be rebored. All necessary parts are on hand. A similar repair was done on bus 904 in 2013. An Intercon Technologies representative will be on site this week to install a new set of CALB LiFePo4 400ah modules in EV18. EV18 as well as EV's 14 and 19 all have the obsolete 6-year-old Thundersky /Winston 350ah batteries installed.

Administration

Staff has contacted Trapeze, who provides our transit planning software, to set up a two-week training session for Planning staff. Also, planning staff is completing the draft June bid with the roundtable scheduled in mid-April.

Staff is coordinating with Goleta Public Works staff regarding northbound and southbound bus stop locations on Storke Road at Hollister Avenue. County Public Works has contacted Planning staff regarding re-locating LNI shelters at bus stops no longer serviced on Los Carneros Road at El Colegio Road to bus stops on Honor Farm Road at the Veteran's Clinic. The County funded and installed the shelters on Los Carneros several years ago when a line existed along that extent. The County will fund the majority of the costs associated with the re-location with MTD funding steam-cleaning and minor refurbishment.

On March 29, staff listened in on a CALSTART webinar titled "Low Carbon Fuel Standard: How Electrified Fleets Can Generate Credits." The webinar was very informational about the

possibility of generating credits from the California Air Resources Board through the use of electric public transit vehicles.

Staff intends to listen in on a webinar on March 30 sponsored by the California Transportation Commission regarding grant applications for the Active Transportation Program (ATP). The webinar will provide information on how to complete competitive applications for the ATP. MTD may complete an application to the ATP for three-bike bicycle racks for our buses.

Mary Gregg, Manager of Human Resources and Risk, attended the Federal Transit Administration (FTA) Drug and Alcohol Program National Conference last week in Sacramento, CA. This is a free conference that is held annually to provide information and training sessions on 49 CFR Part 40 (Procedures for Transportation Workplace Drug and Alcohol Testing Programs) and 49 CFR Part 655 (Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operators). The conference was an excellent opportunity for HR & Risk to attend the full day session Drug and Alcohol Program Manager (DAPM) Training, and other sessions such as Drug and Alcohol Policy and Compliance, Essentials of FTA Safety-Sensitive Employee On boarding, and Techniques for Training: 60 Minute Employee Drug Awareness and Reasonable Suspicion Determination. Speakers included industry experts from the FTA, Department of Transportation (DOT), Federal Motor Carrier Safety Administration (FMCSA), Transportation Safety Institute (TSI), and Medical Review Officers (MRO).

MTD prepared and presented a presentation on using the MTD bus system to clients at La Casa de La Raza. Spanish translation was handled by one of MTD's customer service representatives (Brian Ronces). The presentation was well received, Mr. Ronces will be also be providing translation at some of the upcoming Community Meetings. Nancy Alexander, is preparing a multi-month calendar of postings for social media to keep MTD engaged with the Community.

At the request of staff of the City of Santa Barbara, staff attended a Santa Barbara Transportation and Circulation Committee meeting on March 24 to discuss recent Downtown-Waterfront Shuttle monthly reports and answer questions about the reports from Committee members.

The IT department is currently testing Microsoft Windows 10 and Office 2016 on a limited number of staff workstations. MTD currently uses Windows 7 and Office 2003. The upgrade is scheduled for later this spring. In addition to bringing the latest business software to MTD staff, the newer products contain significant enhancements to network and PC security.

The kickoff meeting for the Olive Terminal Canopy Modifications Project was held this week. The main goal of the meeting was to work out the logistics of phasing the project work to allow MTD to continue necessary maintenance and operating activities. Frank Schipper Construction will initiate project work on Monday, April 18, and is scheduled to complete the job within four months.

The construction drawings for the Transit Center Renovation Project were submitted to the City of Santa Barbara Historic Landmarks Committee for a second review. The HLC had previously evaluated the conceptual design drawings. If there are no significant issues, which are not expected based upon the initial review, the plans will be forwarded to the City's Building & Safety Division for their plan check. Staff is currently reviewing fixtures and

finishes including interior and exterior benches and trash receptacles; lighting type; floor tile; paint and stain colors, etc.

MTD will be installing a bus stop shelter at the existing bus stop in the 400 East block of De La Guerra Street. The location is adjacent to the Housing Authority of the City of Santa Barbara's Presidio Gardens property. City of Santa Barbara Public Works staff was very helpful in working through the public right-of-way permitting process. As the bus stop also resides on Housing Authority property, an easement granting the right for the bus stop has been prepared and is currently under review by them. The concrete bus stop pad will need to be enlarged to accommodate sidewalk traffic and ADA requirements prior to installing MTD's standard LNI bus stop shelter.

A contract has been awarded to the Izurieta Fence Company for replacement of the Olive Terminal perimeter fence along Olive and Cota Streets. The existing chain link fence will be replaced with an ornamental steel fence system (approved by the City's Architectural Board of Review). The impetus for the replacement is to provide a higher, more secure barrier. In the past, MTD has experienced vandalism of buses parked close to the fence which has necessitated no longer parking buses in that area. The ability to again use the space will help alleviate the extremely tight yard parking conditions.