



AGENDA

Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, November 1, 2016
8:30 AM
Santa Barbara MTD Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD OF DIRECTORS

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

3. REPORT REGARDING POSTING OF AGENDA

CONSENT CALENDAR

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

The Board will be asked to waive the reading of and approve the draft minutes for the meeting of October 18, 2016.

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

The Board will be asked to review and approve the cash report for the period of October 11, 2016 through October 24, 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. DIRECTORS AND OFFICERS (D&O) INSURANCE / EMPLOYMENT PRACTICES LIABILITY / FIDUCIARY LIABILITY - (ACTION MAY BE TAKEN)

Staff recommends that the MTD Board of Directors approve binding coverage for Directors and Officers (D&O) insurance with Allied World through Professional Governmental Underwriters, Inc., Employment Practices Liability insurance (EPL) with Atlantic Specialty Insurance Co. through OneBeacon Professional Insurance, and Fiduciary Liability insurance with Travelers Casualty for policy period January 3, 2017 – January 3, 2018.

8. AUTHORIZATION TO PURCHASE GENFARE FAST FARE FAREBOXES - (ATTACHMENTS-ACTION MAY BE TAKEN)

Staff recommends that the Board authorize the General Manager to enter into a sole source contract with Genfare in the amount of \$1,589,063 to acquire Genfare Fast Fare fareboxes as replacements for the existing Genfare Odyssey fareboxes onboard MTD's revenue vehicle fleet.

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

- a) Lithium Ion Battery Incident
- b) BYD Infrastructure & Demo
- c) Local Jurisdictions – Coordination

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

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

11. RECESS TO CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION - (ACTION MAY BE TAKEN)

The Board will meet in closed session pursuant to Government Code § 54956.9(a) six matters:

1. Irene Andrade
2. Virginia Saucedo
3. Jose Mendoza v SBMTD
4. Swostik Lamichhane, Reeti K.C. Lamichhane, Sapana Lamichhane, Rachayita Pant v. SBMTD
5. Julian Ray Rodriguez v. SBMTD
6. Michael Lazaro v. SBMTD

12. ADJOURNMENT

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



MINUTES

Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, October 18, 2016
8:30 AM
Santa Barbara MTD Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

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

2. ROLL CALL OF THE BOARD OF DIRECTORS

Chair Davis reported that all members were present with the exception of Director Shelor and Director Weinberg.

3. REPORT REGARDING POSTING OF AGENDA

Lilly Gomez, Interim Executive Assistant, reported that the agenda was posted on Friday, October 14, 2016 at MTD's Administrative office, mailed and emailed to those on the agenda list, and posted on MTD's website.

CONSENT CALENDAR

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

Director Aceves moved to approve the draft minutes for the meeting of September 20, 2016. Director Rodriguez seconded the motion. The motion passed unanimously

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

Director Aceves moved to approve the cash reports for the periods of September 13, 2016 through September 26, 2016 and September 27, 2016 through October 10, 2016. Director Rodriguez seconded the motion. The motion passed unanimously

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

There was no public comment.

7. RENEWAL OF STAFF MEDICAL AND DENTAL INSURANCE, EFFECTIVE JANUARY 1, 2017- (ACTION MAY BE TAKEN)

Manager of Human Resources & Risk Mary Gregg recommended that the Board of Directors authorize the General Manager to renew the staff health insurance for the 2017 calendar year. Ms. Gregg explained the Medical insurance with Blue Shield will have a savings of 9% over the expiring premium and the dental insurance with Guardian will continue at the same premium. Director Rodriguez moved to approve the renewal. Director Tabor seconded the motion. The motion passed unanimously.

8. MTD TITLE VI PROGRAM: 2017 - 2019 (ATTACHMENTS-ACTION MAY BE TAKEN)

Manager of Government Relations & Compliance Steve Maas presented a report on the Draft "Santa Barbara Metropolitan Transit District Title VI Program: 2017 - 2019" and recommended that the Board

consider Resolution 2016-06 approving the Title VI Program. Director Aceves moved to approve the resolution. Director McQuary seconded the motion. The motion passed unanimously on a roll call vote.

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

General Manager, Jerry Estrada provided the board with an update on capital projects, and stated that Fleet and Facilities Manager David Harbour has been working closely with BYD regarding the new 30-ft. electric buses. The canopy in the maintenance yard has been raised and is functioning well. The re-roofing is still due to take place. The automatic vehicle location AIM system installation is nearing completion, as well as the AIM training. Mr. Estrada acknowledged Manny Castanon for his dedicated work and efforts put into the new system.

A driver bid including some revised schedules will take place in November due to late trips on certain routes. Lines 6 and 10 are struggling to adhere with the new August service changes and are consistently late. The new bid will also have fewer runs, which will help reduce the number of new drivers needed.

Manager of Human Resources & Risk Mary Gregg provided the board with a recruitment update, and stated that the Marketing Manager panel interviews are due to take place soon.

Customer Service Representative and driver positions are being advertised. MTD's driver orientations are taking place roughly every two weeks and we have now offered Saturdays for those who may have a current position and seeking additional work.

Mr. Estrada shared that he presented an update on the Downtown-Waterfront Shuttle to the Santa Barbara City Council on September 27th. The presentation was well received. The City Council appointed the Downtown Parking Committee as the advisory committee to City staff for the contract renewal, and the Council plans to form an Ad-Hoc Committees to determine long term goals and objectives of the service.

Mr. Estrada also recommended the appointment of MTD Board members to the Downtown Waterfront Shuttle Ad-Hoc Committee. Chair Davis agreed and requested that one of the City of Santa Barbara representatives join him on the Ad-Hoc Committee. Director Tabor volunteered and was appointed.

Mr. Estrada stated that he and Fleet and Facilities Manager David Harbour are reviewing the necessary charging stations and infrastructure both on MTD's Olive Street terminal and in the City of Carpinteria.

Director McQuary thanked Mr. Estrada and Mr. Harbour for the great tour of the Olive Street facility given to the Gold Coast Transit representatives. Additionally, Mr. McQuary and the Gold Coast Transit representatives were very grateful for the extensive information provided by Mr. Harbour in regards to CNG buses.

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

Chair Davis reported that the Calle Real Ad-Hoc Committee met and received updates concerning information received to date from County planning and the Goleta Water District related to potential development of the District's property. The Calle Real Ad-Hoc committee anticipates returning to the full Board soon with a status report and possible options and recommendations.

11. ADJOURNMENT

Director McQuary moved to adjourn the meeting at 8:50am. Director Tabor seconded the motion. The motion passed unanimously.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of November 1, 2016
For the Period 10/11/2016 through 10/24/2016

MONEY MARKET

Beginning Balance 10/11/2016 **\$10,640,374.20**

Accounts Receivable	1,430,507.23
Measure "A"	374,003.92
Advertising/Prepaid Deposi	205,018.50
Passenger Fares	139,941.96
SBCC Fares	102,509.25
LCTOP Transfers	31,666.66
Miscellaneous/Asset Sales	<u>6,655.05</u>
Total Deposits	2,290,302.57

ACH Garn/Escrow	(1,220.28)
ACH Pensions Transfer	(32,444.61)
ACH Tax Deposit	(160,873.36)
Payroll Transfer	(331,144.06)
Operations Transfer	<u>(707,470.48)</u>
Total Disbursements	(1,233,152.79)

Ending Balance **\$11,697,523.98**

CASH INVESTMENTS

LAIF Account	\$3,354,562.39
Money Market Account	<u>11,697,523.98</u>

Total Cash Balance **\$15,052,086.37**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$3,987,142.00)
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Working Capital **\$11,064,944.37**

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
113660	10/14/2016	JOSE BAUTISTA	AD MOUNTING/DISMOUNTING	608.00	
113661	10/14/2016	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	345.14	
113662	10/14/2016	MARY DEAILÉ	PAYROLL RELATED	106.15	
113663	10/14/2016	STATE OF CALIFORNIA/FTB	PAYROLL RELATED	359.55	
113664	10/14/2016	STATE OF CALIFORNIA	PAYROLL RELATED	465.06	
113665	10/14/2016	FRONTIER CALIFORNIA INC.	TELEPHONES	94.99	
113666	10/14/2016	ANN HARBOUR	PAYROLL RELATED	275.00	
113667	10/14/2016	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
113668	10/14/2016	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	760.00	
113669	10/14/2016	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	75.00	
113670	10/14/2016	SO. CAL. EDISON CO.	UTILITIES	1,989.25	
113671	10/14/2016	THE GAS COMPANY DBA	UTILITIES	83.91	
113672	10/14/2016	TEAMSTERS PENSION TRUST	UNION PENSION	89,209.63	
113673	10/14/2016	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	10,254.86	
113674	10/14/2016	VAQUERO SYSTEMS	AVL/SMART CARD SERVICES	23,626.25	
113675	10/14/2016	VERIZON WIRELESS	WIRELESS PHONES	3,116.52	
113676	10/20/2016	ABC BUS COMPANIES INC	BUS PARTS	177.62	
113677	10/20/2016	AMERICAN MOVING PARTS, LLC	BUS PARTS	286.33	
113678	10/20/2016	HENRY ANDREWS	RETIREE HEALTH REIMBURSEMENT	258.86	
113679	10/20/2016	AXLE TECH INTERNATIONAL D	BUS PARTS & REPAIRS	502.85	
113680	10/20/2016	BAY ALARM COMPANY, INC	ALARM CONTRACT	326.55	
113681	10/20/2016	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	1,181.95	
113682	10/20/2016	BLACK GOLD INDUSTRIES, CORP	HAZMAT DISPOSAL	971.75	
113683	10/20/2016	KARL BRETZ	RETIREE HEALTH REIMBURSEMENT	556.26	
113684	10/20/2016	ROBERT BURNHAM	RETIREE HEALTH REIMBURSEMENT	570.00	
113685	10/20/2016	BUYNAK, FAUVER, ARCHBALD&S	LEGAL COUNSEL	8,798.27	
113686	10/20/2016	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	175.54	
113687	10/20/2016	GILBERT CALLES	RETIREE HEALTH REIMBURSEMENT	98.00	
113688	10/20/2016	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	477.75	
113689	10/20/2016	STAN CISOWSKI	RETIREE HEALTH REIMBURSEMENT	443.80	
113690	10/20/2016	CINTAS CORPORATION	FIRST AID SUPPLIES	431.33	
113691	10/20/2016	CIO SOLUTIONS, LP	IT SERVICES	600.00	
113692	10/20/2016	LARRY CORRAL	TOOL ALLOWANCE	1,100.00	
113693	10/20/2016	COTTAGE HEALTH SYSTEM	EMPLOYEE ASSISTANCE PROGRAM	1,345.00	
113694	10/20/2016	COAST TRUCK PARTS	BUS PARTS	117.30	
113695	10/20/2016	CUMMINS PACIFIC, LLC	BUS PARTS	15,521.18	
113696	10/20/2016	CA STATE BOE, MOTOR CARRIER	QTRLY USER FUEL TAX	1,500.31	
113697	10/20/2016	CA. STATE BOARD OF EQUALIZAT	UNDERGROUND STORAGE TANK FEE	3,093.30	

Check #	Date	Company	Description	Amount	Voids
113698	10/20/2016	COUNTY OF S.B.PUBLIC WORKS D	WASTE DISPOSAL	10.00	
113699	10/20/2016	DOCUPRODUCTS CORPORATION	COPIER MAINTENANCE/SUPPLIES	138.11	
113700	10/20/2016	DONS INDUSTRIAL SUPPLY LLC	BUS PARTS/SHOP SUPPLIES	182.81	
113701	10/20/2016	EASY LIFT TRANSPORTATION, INC	ADA SUBSIDY	70,925.00	
113702	10/20/2016	EHLEN SPIESS & HAIGHT, INC.	STRUCTURAL ENGINEERING	2,478.75	
113703	10/20/2016	FLORES AUTO BODY & PAINT DB	BUS REPAIRS	583.20	
113704	10/20/2016	MELVIN FOUNTAIN	RETIREE HEALTH REIMBURSEMENT	196.00	
113705	10/20/2016	FRONTIER CALIFORNIA INC.	TELEPHONES	1,963.59	
113706	10/20/2016	FTI SERVICES, INC.	IT SUPPORT SERVICES	342.00	
113707	10/20/2016	GEM EQUIPMENT CO. DBA	BUS PARTS & SUPPLIES	411.75	
113708	10/20/2016	GIBBS INTERNATIONAL INC	BUS PARTS	7,136.76	
113709	10/20/2016	GILLIG LLC	BUS PARTS	2,653.62	
113710	10/20/2016	GARY GLEASON	RETIREE HEALTH REIMBURSEMENT	495.90	
113711	10/20/2016	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	12,229.01	
113712	10/20/2016	GUARDIAN-APPLETON (DENTAL I	DENTAL INSURANCE	4,498.62	
113713	10/20/2016	GUARDIAN-APPLETON (LIFE INS)	LIFE INSURANCE	622.13	
113714	10/20/2016	JIM HAGGERTY	RETIREE HEALTH REIMBURSEMENT	219.26	
113715	10/20/2016	ALI HABIBI	RETIREE HEALTH REIMBURSEMENT	317.68	
113716	10/20/2016	HAYNES SALES DBA	B&G REPAIRS & SUPPLIES	453.72	
113717	10/20/2016	H.G. MAKELIM CO., INC.	BUS PARTS	4,885.45	
113718	10/20/2016	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	75.42	
113719	10/20/2016	HR AUTOGLASS DBA	BUS PARTS/REPAIRS	210.00	
113720	10/20/2016	INTELLICORP RECORD INC.	PRE-EMPLOYMENT CHECK	104.74	
113721	10/20/2016	JAY DANIEL ROBERTSON	RETIREE HEALTH REIMBURSEMENT	465.52	
113722	10/20/2016	DONALD JACKSON	RETIREE HEALTH REIMBURSEMENT	98.00	
113723	10/20/2016	LOUIS JONES	DEDUCTIONS WITHHELD IN ERROR 8/	235.20	
113724	10/20/2016	KIMBALL MIDWEST	SHOP SUPPLIES	177.94	
113725	10/20/2016	KLIPPEL TOOL REPAIR DBA	COMPRESSORS MAINT/BUS PARTS	437.83	
113726	10/20/2016	LABOR ALLIANCE MANAGED TRU	DENTAL INSURANCE	9,364.00	
113727	10/20/2016	LAWSON PRODUCTS INC	SHOP SUPPLIES	240.47	
113728	10/20/2016	LMA ARCHITECTS, CORP.	ARCHITECTURAL SERVICES	39,982.72	
113729	10/20/2016	LOUIS MANDEVILLE	RETIREE HEALTH REIMBURSEMENT	232.76	
113730	10/20/2016	MANSFIELD OIL CO.- GAINESVILL	BUS FUEL	47,167.07	
113731	10/20/2016	MC CORMIX CORP. (OIL)	LUBRICANTS	2,719.78	
113732	10/20/2016	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,840.09	
113733	10/20/2016	MEDICAL EYE SERVICES, INC.	VISION INSURANCE	356.24	
113734	10/20/2016	MIKE CUEVAS GARDENING SERVI	LANDSCAPE MAINTENANCE SERVICE	695.00	
113735	10/20/2016	MISSION ROOFING DBA	SHOP ROOF REPAIRS INSPECTION & R	450.00	
113736	10/20/2016	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	43.03	
113737	10/20/2016	MCI SERVICE PARTS, INC.	BUS PARTS	101.13	
113738	10/20/2016	NATIONAL INTERSTATE INS INC.	LIABILITY INSURANCE	36,238.81	

Check #	Date	Company	Description	Amount	Voids
113739	10/20/2016	NEWEGG, INC	IT EQUIPMENT & SUPPLIES	671.59	
113740	10/20/2016	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	683.10	
113741	10/20/2016	NORTHWEST PUMP & EQUIPMENT	FUEL ISLAND SUPPLIES	140.48	
113742	10/20/2016	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	1,616.13	
113743	10/20/2016	N/S CORPORATION	BUS WASHER PARTS	35.40	
113744	10/20/2016	O'CONNOR PEST CONTROL DBA	FUMIGATION	72.00	
113745	10/20/2016	OFFICETEAM	TEMPORARY STAFF	996.40	
113746	10/20/2016	PERRY LINCOLN MERCURY MAZD	SERVICE VEHICLE PARTS / REPAIRS	48.18	
113747	10/20/2016	PITNEY BOWES INC	POSTAGE METER QTRLY CHARGES	145.80	
113748	10/20/2016	POWERSTRIDE BATTERY CO.	EV BATTERIES	296.38	
113749	10/20/2016	RECARO NORTH AMERICA, INC	BUS PARTS	8,900.90	
113750	10/20/2016	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	158.58	
113751	10/20/2016	AL ROMERO SR.	RETIREE HEALTH REIMBURSEMENT	196.00	
113752	10/20/2016	RON WILLIAMS MACHINE SHOP, I	BUS REPAIRS	853.00	
113753	10/20/2016	SANSUM CLINIC	MEDICAL EXAMS	340.00	
113754	10/20/2016	SB LOCKSMITHS, INC.	B&G REPAIR & SUPPLIES	28.08	
113755	10/20/2016	SANTA BARBARA NEWS PRESS	PUBLIC NOTICES/EMPLOYMENT ADS	478.75	
113756	10/20/2016	SILVAS OIL CO., INC.	LUBRICANTS	313.14	
113757	10/20/2016	SPECIAL DISTRICT RISK MGMT	MEDICAL HEALTH INSURANCE	51,399.84	
113758	10/20/2016	SANTA BARBARA COUNTY EHS	ANNUAL HAZMAT PERMIT FEE	31.40	
113759	10/20/2016	SANTA BARBARA TROPHY	DRIVER NAME PLATES	62.21	
113760	10/20/2016	SM TIRE, CORP.	BUS TIRE MOUNTING	305.00	
113761	10/20/2016	SMART & FINAL	OFFICE/MEETING SUPPLIES	187.44	
113762	10/20/2016	SNAGWOLF, INC	VANDALISM SUPPLIES	889.50	
113763	10/20/2016	SO. CAL. EDISON CO.	UTILITIES	4,572.21	
113764	10/20/2016	SPECIALTY TOOL & BOLT, LTD	SHOP SUPPLIES	14.79	
113765	10/20/2016	SOUTHWEST LIFT & EQUIPMENT, I	LIFT REPAIRS & SUPPLIES	370.78	
113766	10/20/2016	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	357.80	
113767	10/20/2016	TANK TEAM INC.	TANK TESTS	112.60	
113768	10/20/2016	TEAMSTERS MISC SECURITY TRU	UNION MEDICAL INSURANCE	187,878.00	
113769	10/20/2016	TREAS.TAX COLLECTOR,Harry E. H	PROPERTY TAXES - OVERPASS SITE	390.22	
113770	10/20/2016	J.C. M. AND ASSOCIATES INC.	UNIFORMS	2,530.86	
113771	10/20/2016	VALLEY POWER SYSTEMS, INC.	BUS PARTS	1,300.06	
113772	10/20/2016	VENTURA COUNTY OVERHEAD D	B&G REPAIRS & SUPPLIES	1,050.00	
113773	10/20/2016	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	903.08	
113774	10/20/2016	WOODY'S, CATERING BY WOODY'	EMPLOYEE RELATIONS	1,000.00	
113775	10/20/2016	WORKER'S COMPENSATION ADMI	PROFESSIONAL SERVICES	13,766.75	
113776	10/20/2016	YELLOW (YRC) TRANSPORTATION	FREIGHT CHARGES	2,064.40	
113777	10/20/2016	ALEXANDER YOUNG	RETIREE HEALTH REIMBURSEMENT	150.26	

Check #	Date	Company	Description	Amount	Voids
				707,470.48	
			Current Cash Report Voided Checks:	0.00	
			Prior Cash Report Voided Checks:	0.00	
			Grand Total:	\$707,470.48	

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

Date	Company	Description	Amount
10/11/2016	ASTI Holding Company, LLC	Overpass Property Lease - Oct '16	15,650.26
10/11/2016	Jim Haggerty	Retiree - Vision	12.20
10/14/2016	Godzilla Graphics	Advertising on Buses	9,234.00
10/14/2016	KCSB - FM	Advertising on Buses	498.00
10/14/2016	KCSB - FM	Advertising on Buses	498.00
10/14/2016	SBCC - Contract Fares	Contract Fares - Jul '16	34,146.00
10/14/2016	SBCC - Contract Fares	Contract Fares - Aug '16	49,168.00
10/14/2016	SBCC - Contract Fares	Contract Fares - Sep '16	102,509.25
10/14/2016	Stevens and Associates	Advertising on Buses	1,660.00
10/14/2016	Stevens and Associates	Advertising on Buses	1,660.00
10/17/2016	City of SB Creeks Division	Advertising on Buses	300.00
10/17/2016	Montecito Bank & Trust	Advertising on Buses	4,544.00
10/18/2016	Point Broadcasting LLC	Advertising on Buses	2,930.00
10/18/2016	SB County Public Health	Passes/Token Sales	7,875.00
10/20/2016	UCSB Administration Services Div.	Line 12x/24x Enhancement - Aug '16	29,543.00
10/20/2016	UCSB Administration Services Div.	Line 12x/24x Enhancement - Aug '16	0.50
10/20/2016	UCSB Administration Services Div.	Line 28 Enhancement - 8/22/16-6/30/17	829,746.00
10/20/2016	UCSB Administration Services Div.	Line 12x/24x Enhancement - Sep '16-Jun '17	295,435.00
10/20/2016	UCSB Administration Services Div.	Line 12x/24x Enhancement - Jul '16	29,543.50
10/21/2016	City of SB Creeks Division	Advertising on Buses	300.00
10/21/2016	MacDonald Media	Advertising on Buses	15,254.52
Total Accounts Receivable Paid During Period			\$1,430,507.23

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BOARD OF DIRECTORS REPORT

MEETING DATE: NOVEMBER 1, 2016 **AGENDA ITEM #:** 7

TYPE: ACTION

PREPARED BY: MARY GREGG

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: **Directors and Officers (D&O) Insurance / Employment Practices Liability / Fiduciary Liability**

RECOMMENDATION:

Staff recommends that the MTD Board of Directors approve binding coverage for Directors and Officers (D&O) insurance with Allied World through Professional Governmental Underwriters, Inc., Employment Practices Liability insurance (EPL) with Atlantic Specialty Insurance Co. through OneBeacon Professional Insurance, and Fiduciary Liability insurance with Travelers Casualty for policy period January 3, 2017 – January 3, 2018.

DIRECTORS and OFFICERS

DISCUSSION

The current carrier is Allied World Indemnity Company. Brown and Brown reports that Allied's quote for the 2017 renewal offers the best terms available in the market at this time. The options in the insurance market in California for D&O are shrinking as carriers are leaving the state due to the high cost and increasingly large number of these types of claims. Additionally, there are a limited number of carriers that write these policies for the public sector.

Policy	Renewal	Expiring
Premium:	\$20,350	\$17,025
Limits:	\$3,000,000	\$3,000,000
Deductible:	\$100,000	\$100,000

HISTORICAL:

Last year Staff conducted a comprehensive review of the shared coverage policy that was in place at the time for three lines of coverage: D&O, Fiduciary, and Employment Practices Liability (EPL). Staff's assessment was that stand alone policies provided better coverage for the District and presented a proposal to establish individual policies for the different insurances, first to the Finance Committee which approved the recommendation, and then to the full Board. Bob Fatch of Brown and Brown, MTD's insurance broker, completed a market search and Allied World offered the best terms.

EMPLOYMENT PRACTICES LIABILITY

DISCUSSION:

The current carrier is Atlantic Specialty Insurance Company. Brown and Brown reports that Atlantic's quote for the 2017 renewal offers the best terms available in the market. EPL covers wrongful acts arising from the employment process. It is designed to address an entity's exposure to most employment practice-related claims, on a first- and third-party basis. Third-party coverage protects an organization and its employees from accusations of wrongful acts committed by third parties against its employees.

Policy	Renewal	Expiring
Premium:	\$40,340	\$39,530
Limits:	\$3,000,000	\$3,000,000
Deductible:	\$150,000	\$150,000

HISTORICAL

As a result of last year's comprehensive review of the shared coverage policy with RSUI, Staff concluded there was sufficient need to add third-party coverage to the EPL insurance: MTD is especially vulnerable to harassment and discrimination claims by the large extent to which operations involve contact with the public, making third-party a critical coverage option. RSUI had previously discontinued offering third-party coverage, having made the decision to discontinue offering third-party coverage to organizations with meaningful third party exposure. MTD's General Manager acted to mitigate potential exposure in this area by executing an insurance policy, offering first-party and third-party coverage, with carrier OneBeacon. It is this policy that is now up for renewal.

FIDUCIARY

DISCUSSION:

The current carrier is Travelers Casualty. Prior to the 2016 renewal, the Fiduciary Liability policy was placed with Travelers as a rider to a shared coverage policy with RSUI Indemnity Company through a Public Officials Liability policy form that included D&O/EPL and Fiduciary Liability. With the establishment of individual policies for these insurances last year, the renewal premium for 2017 is the first year of year comparison available. Additionally, Brown and Brown was able to successfully negotiate a reduction in the retention from \$50,000 to zero when the stand alone policy was quoted last year and Travelers has extended those same terms for the renewal.

Policy	Renewal	Expiring
Premium:	\$3,818	\$3,706
Limits:	\$2,000,000	\$2,000,000
Retention:	\$0	\$0



BOARD OF DIRECTORS REPORT

MEETING DATE: NOVEMBER 1, 2016 **AGENDA ITEM #:** 8

TYPE: ACTION

PREPARED BY: BRAD DAVIS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: AUTHORIZATION TO PURCHASE GENFARE FAST FARE FAREBOXES

RECOMMENDATION:

Staff recommends that the Board authorize the General Manager to enter into a sole source contract with Genfare in the amount of \$1,589,063 to acquire Genfare Fast Fare fareboxes as replacements for the existing Genfare Odyssey fareboxes onboard MTD's revenue vehicle fleet. If authorized, the contract will be prepared and reviewed by legal counsel prior to execution of the agreement.

DISCUSSION:

Project Description

The project includes the acquisition of Genfare Fast Fare fareboxes as replacements for MTD's Genfare Odyssey electronic fareboxes purchased in 2000. In addition to the fareboxes, deliverables include upgrades to the cash fare vault and receiving equipment for compatibility with the new fareboxes; application and database software to support the use of smart cards; upgrades to the Ticket Vending Machines (TVM) for the issuance and recharging of smart cards; and a yard Wi-Fi system to collect nightly farebox data and carry out software updates.

The need for the system-wide farebox upgrade at this time includes the following:

- Useful Life – After having served MTD well over the last 16 years, the Odyssey fareboxes are at the end of their useful life. They are becoming increasingly hard to maintain and expensive to keep operational. Maintenance is needed more often as are replacement parts, leading to a noticeable increase in farebox-related roadcalls over the past two years. Cost effective refurbishing is not an option as it is the main farebox exterior container that is wearing out and needs replacement (most of the internal components have been repaired or replaced many times over the years). While Genfare does still manufacture Odysseys, the company has stated that the model will be discontinued within the next couple of years. The Fast Fares, which include the technology required for current and emerging fare payment methods, are the de facto replacements.

- Smart Cards – MTD expects to soon implement the use of smart card technology for boarding validation of SBCC and UCSB students. The Odyssey fareboxes cannot read smart cards. Although they can be upgraded to accept smart cards, there are technological and financial reasons why this is not considered a viable path). MTD has been working with the schools which are supportive of the project. The smart cards currently used by SBCC have been tested and found compatible with Genfare equipment. The test of UCSB cards is underway (if found to be incompatible, there cost effective solutions).
- Mobile Ticketing – The capability for passengers to use a smart phone or other personal electronic devices to pay their fares is an emerging technology being adopted by a number of transit agencies. This is Phase 2 of the smart card project anticipated for implementation in 2018 or 2019. The Fast Fare fareboxes are equipped with the necessary hardware for the future introduction of mobile ticketing in Santa Barbara. The Odysseys are not capable of being upgraded to provide mobile ticketing.

Sole Source Solicitation

A non-competitive negotiation procurement, more typically referred to as a sole source solicitation, is characterized by a process wherein a proposal is solicited or accepted from only one source. One of several criteria must be met for using the sole source solicitation method. In this case, the basis for its use is that the items to be procured are available only from a single source due to system integration and compatibility factors. While not strictly a sole source criteria, maintaining a fully integrated Genfare fare collection system would substantially reduce the overall cost of farebox replacements as well as the implementation of smart card and mobile ticketing options for our passengers. Specific reasons for the use of non-competitive negotiations as well as the cost benefits include the following:

- Single Fare Collection Device – The Fast Fare farebox model is the only farebox that integrates technology for all available fare media in a single device. The accepted media include cash, magnetic stripe cards, smart cards, and smart phones. The two other feasible farebox manufacturers are Scheidt & Bachmann and Trapeze (through its recent purchase of Fare Logistics). These systems necessitate an additional device separately mounted in the boarding area for passengers (fully integrated fareboxes are in the works). The additional hardware is not desirable as it increases the complexity of the payment process for passengers slowing the boarding process. Additionally, the boarding and driver areas are already overcrowded with equipment creating tighter conditions. Also, “add-on” components necessitate additional maintenance and parts to stock and repair.
- Fare Collection Infrastructure – The Fast Fare fareboxes are compatible with MTD’s existing fare collection infrastructure at the fuel island with minor modifications. Such equipment includes two fixed cashbox receiver vaults in which the farebox cashboxes are emptied each night; the mobile money carts in each receiver used to securely transport cash fares into the fare counting room; and the probe devices used by MTD’s service workers to provide access to the cashbox for transferring cash fares into the vault receiver. The equipment has been well maintained and is not in need of replacement for several years. However, the infrastructure hardware and data systems are incompatible with equipment from other manufacturers. Prices obtained from recent Genfare proposals indicate that the replacement cost of the hardware infrastructure and

associated data systems is about \$180,000. It is assumed that a similar investment would be required for replacement of the infrastructure systems from another supplier.

- Ticket Vending Machines – MTD has six Genfare Ticket Vending Machines (TVM) used for the sale of 10-ride and 30-day passes (the contract under consideration includes upgrades to the TVMs to accommodate smart cards as well). The TVMs are proprietary to Genfare media and would also need to be replaced if MTD were to switch farebox vendors. The current capital cost of the equipment and spare parts is approximately \$350,000. Again, it is assumed that a similar investment would be required for replacement of the TVMs from another supplier.
- Magnetic Media – MTD will continue to use magnetic media for its passes and transfers for years to come even with its transition to smart card and mobile ticketing options. The Odyssey and Fast Fare fareboxes include the TRiM (Ticket Reading & Issuing Machine) unit which allows each farebox to issue and write to magnetic media. These units encrypt the magnetic stripe using a proprietary encoding format designed and engineered by Genfare to maximize security and minimize fraud. Genfare is the only authorized manufacturer that can provide this encoding to ensure system compatibility and security. MTD has tens of thousands of “mag stripe” cards in circulation. It would be a significant administrative and logistical challenge to manage two proprietary systems during the lengthy transition period.
- Reporting – The encryption formatting described above also contains data that is used in ridership and fare media reporting which is also integral to the existing Genfare system. By using the same manufacturer, it insures all encrypted data will be gathered, read and reported in the Genfare Reporting System correctly. MTD has also developed its own passenger reporting system (PassDat) that includes integration with the Genfare reporting database. Such integration would require reengineering for compatibility with a new farebox reporting system.
- Regional Fare Media – The goal for Phase 3 of the smart card project is a regional fare collection system which allows seamless use of fare media throughout Santa Barbara and Ventura Counties. Most of the regional public transit providers either currently have Genfare products or are in the process of procuring or upgrading them. These agencies include the Ventura County Transportation Commission (VISTA), Gold Coast Transit, the City of Lompoc (COLT), and the City of Santa Maria (SMAT).
- Other Project Costs – The full replacement of a fare revenue collection system with a different vendor necessitates significant costs that would not be incurred with what is essentially a swap out of fareboxes. The additional costs associated with the infrastructure and TVM replacements have previously been discussed. With a complete new system, additional fees would be charged for software licenses and maintenance, network server and database systems, system design and engineering, project management, travel and accommodations, documentation, and training. While difficult to estimate, industry practice and MTD experience indicates that such fees make up a significant part of the project cost.

Price Analysis

A price analysis for sole source procurements is particularly necessary given the lack of a competitive solicitation process. To this end, MTD sought pricing information from other transit agencies that have

obtained Fast Fare systems through competitive means. As more than 80% of the project cost is for the fareboxes units, the below analysis is focused on this component.

Genfare Fast Fare Price Analysis

Transit Authority	Date	Qty	Price
CAT (Charlottesville, VA)	Dec-13	37	\$ 13,665
Connect (Bloomington, MN)	Oct-15	53	\$ 14,220
Metro Transit (Madison, WI)	Jun-14	220	\$ 14,358
Porterville Transit (CA)	May-16	18	\$ 13,370
RTA (Sacramento, CA)	Jul-14	30	\$ 13,075
Average Price			\$ 13,738
Weighted Average Price			\$ 14,109

MTD Price Quote	\$ 13,535
Odyssey Trade-In Credit	(1,000)
MTD Net Farebox Cost (before tax)	<u>\$ 12,535</u>

Comparison Excluding Trade-In Credit

MTD Price Difference from Average	-1%
MTD Price Difference from Weighted Average	-4%

Comparison Including Trade-In Credit

MTD Price Difference from Average	-9%
MTD Price Difference from Weighted Average	-11%

The above comparative data was obtained through direct calls and internet searches for transit agencies known to have obtained Fast Fare systems. As not all agencies obtained the same farebox features and options, the figures have been normalized to the extent feasible to take such differences into account (e.g., RTA did not obtain the mobile payment feature so the value of such option, as indicated in other competitive solicitations, has been added to their farebox unit price).

The analysis indicates that the price that Genfare has quoted MTD for the fareboxes is in line with prices obtained through competitive means. Taking into account the trade-in value of \$1,000 offered by Genfare, the farebox price is at a substantial discount to the other prices (one other solicitation indicated a trade-in credit in farebox pricing; the per unit value was \$682).

Based upon the above analysis, staff finds the contract price for the Genfare farebox replacement to be fair and reasonable. Furthermore, by contracting with the incumbent vendor, MTD will be saving a minimum of \$800,000 and likely closer to \$1 million. Incurring these additional costs would increase the project cost by 50% to 63%.

Budget & Funding

The approved capital budget for fiscal year 2016-17 includes \$1 million for farebox replacements. The source of funds is State Transit Assistance Funds. The farebox project is in the budget as a multiyear

phased replacement of the Odyssey fareboxes. The budget also includes \$1 million in Prop 1B PTMISEA funds for the smart card project. As the farebox replacements are an integral part of the implementation of smart cards, the capital funds for both projects are considered pooled resources to complete both projects. Going forward with the recommended \$1.6 million contract will leave \$400,000 in capital funds for the remainder of the projects, which is anticipated to be more than sufficient to complete them.

As previously stated, the farebox system replacement has been scheduled to take place over several years. With this procurement, it would be fully completed this year. The result is that the five-year capital budget would be modified to take into account the reduction in planned future capital expenditures. The net effect would be an increase MTD's cash reserves balance reflecting an improvement in MTD's overall financial condition.

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To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: November 1, 2016
Subject: General Manager's Report

Operations & Maintenance

Cruise ship visits here in Santa Barbara are continuing in a rapid fashion, with Operations adding up to three additional shuttles, with a dedicated Supervisor, to handle the massive disembarkations from those vessels.

Training continues for our two Operators in Training: Jefferson Hove and Geoffrey Cutler. They are progressing very well, and, are expected to complete their training regime as scheduled.

The bidding procedure has commenced for our next block of schedule change – fall 2016 Bid. Operations have a dedicated Supervisor to assist in the process that generally takes approximately 4 weeks. During this specific one, we also bid the upcoming holidays applicable to this block of time (November 28, 2016-March 5, 2017). Also, vacation weeks will be bid for 2017.

Staff has assessed the lithium-ion battery fire incident that took place recently and making necessary adjustments to address the issues identified from the event. As reported in the press, no injuries were sustained and property damage was minimal.

Identifying the infrastructure changes needed for the 480v chargers continues, with the project is on schedule to be completed around the beginning of February, 2017. BYD has said that MTD will begin receiving two buses a week starting the first week of February, 2017. Revised plans for the charger upgrades have been provided by the Electrical Contractor.

A second demo of the BYD 40' all-electric bus will be conducted from October 25th through the 28th. The bus will run designated routes throughout the system, with the operators providing performance feedback.

Staff is considering using the California State DGS vehicle purchasing contracts to procure MTD's service vehicles. MTD is in immediate need to replace S110 (damaged in recent accident). Replacement of an additional 4-5 vehicles will be brought-up during the mid-year budget review.

Congratulations to Carlos Flores for successfully passing the Master Mechanic (EV) tests. Carlos was effectively promoted to the position on October 17th.

Planning & Administration

Staff will submit the required quarterly reports to the Federal Transit Administration (FTA) for all open federal grants and the initial FY 2016 National Transit Database (NTD) report to the FTA prior to the October 31 deadline, as required. Staff submitted the required monthly ridership and safety & security reports for September to the NTD.

Staff will submit an application to Caltrans for funding from the Sustainable Transportation Planning Grant program to procure a consultant to complete an MTD Transit Facilities Master Plan. Caltrans expects to notify successful applicants in the Spring of 2017.

Santa Barbara County Public Works and Planning staff met with Planning and Operations staff to coordinate bus stop improvements as part of the Hollister Avenue widening project (two to four lanes) extending between Hwy 154 and Auhay Drive. The project will be phased with the first of two phases beginning 2018.

The wooden shelters at the Camino Pescadero/El Colegio and at the outbound Hollister/Turnpike stop were demolished due to their age. Shelters are proposed for those locations as part of the overall wooden shelter project next year when all of the wooden shelters within the District will either be refurbished, rebuilt or replaced with a pre-fabricated shelter. Notices were posted at the bus stops informing the public of the project.

MTD and SBCAG staff met to discuss direct regional service between Carpinteria and Goleta and local service within Carpinteria to be funded by Caltrans as part of the Traffic Management Program for the Linden Ave/ Casitas Pass Road overpass replacement project. The two agencies will continue to coordinate on the services to be potentially implemented next year.

MTD attended a Veterans Benefit Fair on Oct. 15th, both to let veterans know of the process for getting a Mobility ID card and discount, and also to let vets know of the job openings as an MTD bus driver. We connected with other organizations who try to help put returning vets to work, as well.

On Oct. 26th, we went to the Braille Institute to have a bus riding workshop with the sight impaired. Approximately 20 people signed up for the class, learning how to hold their passes in the correct position, safely board and exit the bus, etc.