



AGENDA

Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, May 2, 2017
8:30 AM
John G. Britton 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; Olivia Rodriguez, Director; Dick Weinberg, Director; David Tabor, Director; Paula Perotte, 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 April 18, 2017.

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 April 11, 2017 through April 24, 2017.

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. TRANSPORTATION MANAGEMENT AND TRANSIT SERVICES MASTER AGREEMENT- (ATTACHMENT-ACTION MAY BE TAKEN)

Staff recommends that the Board authorize the General Manager to execute the Transportation Management and Transit Services Master Agreement between MTD and the City of Santa Barbara, contingent upon review and acceptance by legal counsel and risk.

8. COMMERCIAL PROPERTY INSURANCE RENEWAL, EFFECTIVE: MAY 24, 2017 THROUGH MAY 23, 2018 - (ACTION MAY BE TAKEN)

Staff recommends the Board of Directors authorize MTD staff to bind coverage and place commercial property insurance with Travelers Indemnity Company of Connecticut.

9. EARTHQUAKE INSURANCE RENEWAL, EFFECTIVE: MAY 24, 2017 THROUGH MAY 23, 2018 - (ACTION MAY BE TAKEN)

Staff recommends the Board of Directors authorize MTD staff to bind coverage and place earthquake insurance with Lloyd's of London.

TIME CERTAIN 9:00 AM

10. FINAL SERVICE PLAN - (ATTACHMENTS-ACTION MAY BE TAKEN)

Staff recommends the Board of Directors approve the proposed Final Service Plan for August 2017.

11. ESTABLISHMENT OF TRUST TO PREFUND OPEB OBLIGATIONS - (ATTACHMENTS-ACTION MAY BE TAKEN)

Staff recommends the Board of Directors execute an agreement with the California Employers' Retiree Benefit Trust and adopt resolutions 2017-06 and 2017-07.

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

- a) Maintenance Department Staffing
- b) BYD Bus Production
- c) Earth Day
- d) Fast Fare Fareboxes
- e) FTA Triennial Review
- f) Diesel Fuel Bid
- g) Community Outreach Efforts

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

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

14. 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, April 18, 2017
8:30 AM
John G. Britton 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 Tabor and Director Perotte.

3. REPORT REGARDING POSTING OF AGENDA

Lilly Gomez, Office Administrator, reported that the agenda was posted on Friday, April 14, 2017 at MTD's Administrative office, mailed and emailed to those on the agenda list, and posted on MTD's website.

AT THIS POINT DIRECTOR TABOR ENTERED THE MEETING

CONSENT CALENDAR

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

Director Tabor moved to approve the draft minutes for the meeting of March 21, 2017. Director Rodriguez seconded the motion. The motion passed unanimously.

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

Director Tabor moved to approve the cash report for the period of March 14, 2017 through March 27, 2017 and March 28, 2017 through April 10, 2017. Director Rodriguez seconded the motion. The motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

None was made.

7. MTD BRAND DEVELOPMENT AND LOGO CHANGE - (ATTACHMENT-ACTION MAY BE TAKEN)

Marketing Manager Hillary Blackerby presented the rebranding proposals and changes to MTD's logo and color scheme. Ms. Blackerby explained that the current logo and colors are nearly thirty years old. The inspiration for the new logo and color scheme is the South Coast environment. All of MTD's service area shares the curved coast incorporated into the new logo, with a wave and curved road look. The font of the new logo is very similar to the current logo, with "Santa Barbara" above "MTD" rather than below. Ms. Blackerby explained that the goal is to fully rebrand MTD so that all representations of MTD, including the logo, buses, facilities, bus stop signs, schedule guides, uniforms, letterhead and other printed materials, have a coordinated, fresh, and vibrant new look.

Ms. Blackerby informed the Board that the proposed logo and color scheme was shared with staff members, drivers, and the public that attended the most recent community meetings. The feedback provided was well received, with mainly positive feedback.

Mr. Howard Green shared his concern with the cost of rebranding. Mr. Green also stated that he prefers the color green instead of blue.

Directors Weinberg, Shelor, and Tabor liked the new colors and the timing of the new branding, but shared the concern of visibility of the new colors in comparison to the current yellow.

Director Rodriguez stated she loved the color scheme.

Director McQuary moved to move forward in evolving the color scheme and logo. Director Rodriguez seconded the motion. The motion passed with four ayes, two nays, and one absent.

Director Weinberg and Chair Davis indicated that their support was conditional as they had some concerns regarding visibility, cost, and timing of the rebranding.

8. BUS BENCH SPONSOR PLAQUE POLICY - (ATTACHMENT-ACTION MAY BE TAKEN)

Manager of Government Relations & Compliance Steve Maas recommended the adoption of a policy regarding sponsor plaques on donated bus stop benches. Mr. Maas stated he examined multiple different park memorial policies and reviewed with legal counsel. Director Tabor and Director Shelor both inquired about upkeep of the sponsored plaques and benches. Director McQuary moved to approve the Bench Sponsor Policy. Director Tabor Seconded the motion. The motion passed unanimously.

9. REVISION TO MTD FY 2016 - FY 2018 OVERALL DBE GOAL - (ATTACHMENT-ACTION MAY BE TAKEN)

Manager of Government Relations & Compliance Steve Maas recommended that the Board approve MTD's revised FY 2016 - FY 2018 "Overall Goal for Disadvantaged Business Enterprise Participation in Federal Transit Administration Assisted Programs." Mr. Maas explained that the MTD is required to submit an overall goal for Disadvantaged Business Enterprise (DBE) participation to the Federal Transit Administration (FTA) every three years. The Board approved the DBE goal on July 7, 2015, and staff submitted it to FTA prior to the due date of August 1, 2015. MTD received a letter on March 9, 2017, requiring revisions to the document to clarify the process utilized in developing the overall goal. Mr. Maas stated that the revised document is due to FTA by April 24. Director Tabor moved to approve the staff recommendation. Director Rodriguez seconded the motion. The motion passed unanimously.

10. LOW CARBON TRANSIT OPERATIONS PROGRAM RESOLUTION - (ATTACHMENT-ACTION MAY BE TAKEN)

Manager of Government Relations & Compliance Steve Maas recommended the Board adopt Resolution 2017-05 authorizing MTD to submit the revised "Ridership Development Marketing Plan" project to be funded with FY 2017 California cap-and-trade auction proceeds from the Low Carbon Transit Operations Program (LCTOP). Mr. Maas explained that the proposed "Ridership Development Marketing Plan" is a three-year project with a budget of \$53,000 annually. The project is an element of MTD's upcoming five-year marketing plan. The project will include bilingual promotion and outreach through social media, electronic media, print, and in-person community events. Targeted outreach to employers, chambers of commerce, educational institutions, and community groups will attract riders that are new to MTD, and enhance the experience for existing riders, encouraging them to ride more frequently. Director Tabor moved to adopt resolution No. 2017-05. Director Rodriguez seconded the motion. The motion passed unanimously.

11. NEGOTIATORS FOR CALLE REAL DEVELOPMENT - (ACTION MAY BE TAKEN)

General Manager Jerry Estrada presented the recommendation from the ad hoc Calle Real Committee that the Board designate the General Manager and Board Chair as real estate negotiators for the sale or lease of the Calle Real property and authorize staff to issue a Request for Qualifications to retain one or more qualified consultants with expertise in planning, permitting, financial and technical matters. Chair Davis clarified that the selection from the Request for Qualifications will be brought to the Board for final approval. Director Rodriguez moved to approve

the appointment of negotiators and to issue a Request for Qualifications. Director Weinberg seconded the motion. The motion passed unanimously.

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

General Manager Jerry Estrada acknowledged staff for all the hard work being put into the month. April is a very capital-intensive period. The new fareboxes are being installed, with staff working all day and night. The Federal Triennial Review is currently taking place. Many staff members will be volunteering at the Earth Day festival this coming weekend.

Mr. Estrada advised the Board that Procurement Specialist Ryan Gripp and Marketing Manager Hillary Blackerby would be visiting the Lancaster BYD facility to receive an update on the new buses.

A meeting is scheduled with the City of Santa Barbara on Thursday April 20 regarding an agreement for the Downtown Waterfront Shuttle. Staff is hopeful that an agreement can be reached at that meeting.

Chair Davis expressed his disappointment with the process, because MTD requested the agreement be in place by mid-March. Chair Davis plans to contact the Mayor and express his concerns.

Mr. Estrada shared that Senate Bill 1 recently passed and potentially will result in a significant increase to MTD's State Transit Assistance funding. Staff plans to review and discuss this topic with the Finance & Human Resources and Risk Committee later in the year.

Mr. Estrada advised that staff is in the process of preparing a recommendation to the Board to join the California Employers' Retiree Benefit Trust (CERBT) to begin prefunding MTD's Other Post-Employment Benefits (OPEB) retiree health obligations. The Finance and Human Resources and Risk Committee will meet next week to review the recommendation.

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

General Manager Estrada advised the Board that he will propose a time for the Finance & Human Resources and Risk Committee to meet and discuss MTD's OPEB obligations.

Mr. Estrada also shared that Superintendent of Maintenance Mike Cardona has been promoted to Acting Fleet Manager. Additionally, Mr. Rob Lurie from Gold Coast Transit started as a part-time employee this month to assist in the new projects. Mr. Estrada stated MTD is honored to have Mr. Lurie's expertise on staff.

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

No public comment related to Closed Session was made.

14. 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:
One matter: Martha M. Wright v. Goleta Water District, SBSC case no. SM057969

Upon returning from closed session, Chair Davis reported no action was taken.

15. ADJOURNMENT

Director Tabor moved to adjourn the meeting at 10:22am. Director Rodriguez seconded the motion. The motion passed unanimously.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of May 2, 2017
For the Period April 11, 2017 through April 24, 2017

MONEY MARKET

Beginning Balance April 11, 2017 **\$13,702,032.29**

SB-325 (LTF)	524,703.21
Accounts Receivable	435,194.48
Passenger Fares	127,037.23
Prop 1B Transfers	12,012.34
Miscellaneous/Asset Sales	925.54
Total Deposits	1,099,872.80

ACH Garn/Escrow	(8,640.17)
ACH Pensions Transfer	(33,966.26)
ACH Tax Deposit	(147,188.94)
Payroll Transfer	(317,059.40)
Operations Transfer	(878,191.75)
Total Disbursements	(1,385,046.52)

Ending Balance **\$13,416,858.57**

CASH INVESTMENTS

LAIF Account	\$3,371,820.53
Money Market Account	13,416,858.57

Total Cash Balance **\$16,788,679.10**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$3,821,124.03)
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Working Capital **\$12,967,555.07**

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
115015	4/14/2017	JOSE BAUTISTA	AD MOUNTING/DISMOUNTING	256.00	
115016	4/14/2017	BUYNAK, FAUVER, ARCHBALD&S	LEGAL COUNSEL	30,237.83	
115017	4/14/2017	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	323.00	
115018	4/14/2017	CINTAS CORPORATION	FIRST AID SUPPLIES	143.76	
115019	4/14/2017	LARRY CORRAL	TOOL ALLOWANCE	1,100.00	
115020	4/14/2017	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	502.51	
115021	4/14/2017	CA STATE BOE, MOTOR CARRIER	QTRLY USER FUEL TAX	1,538.99	
115022	4/14/2017	CA. STATE BOARD OF EQUALIZAT	UNDERGROUND STORAGE TANK FEE	3,094.38	
115023	4/14/2017	EASY LIFT TRANSPORTATION, INC	ADA SUBSIDY	70,925.00	
115024	4/14/2017	STATE OF CALIFORNIA	PAYROLL RELATED	1,298.17	
115025	4/14/2017	FRONTIER CALIFORNIA INC.	TELEPHONES	94.99	
115026	4/14/2017	GUARDIAN-APPLETON (DENTAL I	DENTAL INSURANCE	4,498.62	
115027	4/14/2017	GUARDIAN-APPLETON (LIFE INS)	LIFE INSURANCE	622.13	
115028	4/14/2017	INTELLICORP RECORD INC.	PRE-EMPLOYMENT CHECK	186.52	
115029	4/14/2017	KIMBALL MIDWEST	SHOP SUPPLIES	370.27	
115030	4/14/2017	KLIPPEL TOOL REPAIR DBA	COMPRESSORS MAINT/BUS PARTS	377.85	
115031	4/14/2017	LABOR ALLIANCE MANAGED TRU	DENTAL INSURANCE	9,354.00	
115032	4/14/2017	MANSFIELD OIL CO.- GAINESVILL	DIESEL FUEL	16,691.24	
115033	4/14/2017	MC CORMIX CORP. (OIL)	LUBRICANTS	1,822.32	
115034	4/14/2017	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	2,274.78	
115035	4/14/2017	MEDICAL EYE SERVICES, INC.	VISION INSURANCE	422.12	
115036	4/14/2017	MISSION LINEN SUPPLY, INC	UNIFORM & LINEN SERVICE	6,787.24	
115037	4/14/2017	NEWEGG, INC	IT EQUIPMENT & SUPPLIES	376.60	
115038	4/14/2017	NEW PIG CORP.	B/G SUPPLIES (OF)	712.53	
115039	4/14/2017	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	21.71	
115040	4/14/2017	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
115041	4/14/2017	ROGERS, SHEFFIELD & CAMPBELL	LEGAL COUNSEL	9,350.19	
115042	4/14/2017	SAFETY MATTERS CERTIFIED TRA	TRAINING	774.00	
115043	4/14/2017	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	760.00	
115044	4/14/2017	SANTA BARBARA NEWSPRESS D	BUS SCHEDULE BOOKLETS	19,392.55	
115045	4/14/2017	SPECIAL DISTRICT RISK MGMT	MEDICAL HEALTH INSURANCE	44,734.00	
115046	4/14/2017	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	499.05	
115047	4/14/2017	SM TIRE, CORP.	BUS TIRE MOUNTING	163.00	
115048	4/14/2017	SO. CAL. EDISON CO.	UTILITIES	1,548.16	
115049	4/14/2017	SOFTWARE SECURITY SOLUTIONS	OFFICE MACHINES MAINTENANCE	364.85	
115050	4/14/2017	TEAMSTERS MISC SECURITY TRU	UNION MEDICAL INSURANCE	191,694.00	
115051	4/14/2017	TEAMSTERS PENSION TRUST	UNION PENSION	94,426.71	
115052	4/14/2017	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	10,903.82	

Check #	Date	Company	Description	Amount	Voids
115053	4/14/2017	J.C. M. AND ASSOCIATES INC.	UNIFORMS	1,020.68	
115054	4/14/2017	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	2,096.03	
115055	4/20/2017	ABC BUS COMPANIES INC	BUS PARTS	15.93	
115056	4/20/2017	ALLIED ELECTRONICS, INC	BUS PARTS	193.48	
115057	4/20/2017	AMERICAN MOVING PARTS, LLC	BUS PARTS	216.19	V
115058	4/20/2017	HENRY ANDREWS	RETIREE HEALTH REIMBURSEMENT	266.06	
115059	4/20/2017	APPLEONE EMPLOYMENT SERVIC	CONTRACT EMPLOYMENT	1,601.28	
115060	4/20/2017	ASBURY ENVIRONMENTAL	WASTE OIL RECYCLER	340.00	
115061	4/20/2017	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	891.77	
115062	4/20/2017	BUENA TOOL, INC.	SHOP/B&G SUPPLIES	74.19	
115063	4/20/2017	ROBERT BURNHAM	RETIREE HEALTH REIMBURSEMENT	285.00	
115064	4/20/2017	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	20.47	
115065	4/20/2017	CAPITOL HARDWARE & BUILDING	B&G SUPPLIES	550.39	
115066	4/20/2017	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	256.52	
115067	4/20/2017	CENTRAL CITY ABS, INC.	BUS SUPPLIES	72.41	
115068	4/20/2017	CARPINTERIA VALLEY CHAMBER	MEMBERSHIP DUES	250.00	
115069	4/20/2017	CELTIS VENTURES, INC.	MARKETING SERVICES	5,563.20	
115070	4/20/2017	SB FAMILY YMCA, Attn:Leslie Shinkl	ENTRY FEE FOR BOOTH	50.00	
115071	4/20/2017	STAN CISOWSKI	RETIREE HEALTH REIMBURSEMENT	235.22	
115072	4/20/2017	COAST TRUCK PARTS	BUS PARTS	838.72	
115073	4/20/2017	COMMUNITY SERVICES DEPT - PA	BUS STOP IMPROVEMENTS	18,250.00	
115074	4/20/2017	CUMMINS PACIFIC, LLC	BUS PARTS & REPAIRS	8,005.54	
115075	4/20/2017	CA STATE OF BOARD OF EQUALIZ	SALES/CONSUMER USE TAX	1,716.00	
115076	4/20/2017	DAVE BANG ASSOCIATES, INC.	BUS BENCHES, TRASH RECEPTACLES	4,356.80	
115077	4/20/2017	DOWNTOWN ORGANIZATION, INC.	TC MAINTENANCE	450.00	
115078	4/20/2017	SHERRIE FISHER	RETIREE HEALTH REIMBURSEMENT	789.36	
115079	4/20/2017	MELVIN FOUNTAIN	RETIREE HEALTH REIMBURSEMENT	92.00	
115080	4/20/2017	FRANK SCHIPPER CONSTRUCTION	T1 CANOPY PROJECT	162,027.18	
115081	4/20/2017	FRONTIER CALIFORNIA INC.	TELEPHONES	1,960.84	
115082	4/20/2017	GIBBS INTERNATIONAL INC	BUS PARTS	2,499.08	
115083	4/20/2017	GILLIG LLC	BUS PARTS	8,322.99	
115084	4/20/2017	GARY GLEASON	RETIREE HEALTH REIMBURSEMENT	247.95	
115085	4/20/2017	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	597.71	
115086	4/20/2017	GRAYPHICS DIGITAL IMAGING D	PRINTING SERVICES	241.09	
115087	4/20/2017	JIM HAGGERTY	RETIREE HEALTH REIMBURSEMENT	246.56	
115088	4/20/2017	ALI HABIBI	RETIREE HEALTH REIMBURSEMENT	237.08	
115089	4/20/2017	H.G. MAKELIM CO., INC.	BUS PARTS	1,820.33	
115090	4/20/2017	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	443.53	
115091	4/20/2017	JAY DANIEL ROBERTSON	RETIREE HEALTH REIMBURSEMENT	170.64	
115092	4/20/2017	DONALD JACKSON	RETIREE HEALTH REIMBURSEMENT	138.00	
115093	4/20/2017	JANICARE DBA	JANITORIAL SERVICES	53.09	

Check #	Date	Company	Description	Amount	Voids
115094	4/20/2017	LOUIS JONES	DEDUCTIONS WITHHELD IN ERROR 8/	92.00	
115095	4/20/2017	KIMBALL MIDWEST	SHOP SUPPLIES	100.72	
115096	4/20/2017	LINDA LEE LACKEY	RETIREE HEALTH REIMBURSEMENT	847.68	
115097	4/20/2017	LMA ARCHITECTS, CORP.	ARCHITECTURAL SERVICES	14,618.04	
115098	4/20/2017	LOUIS MANDEVILLE	RETIREE HEALTH REIMBURSEMENT	250.16	
115099	4/20/2017	MANSFIELD OIL CO.- GAINESVILL	DIESEL FUEL	49,861.27	
115100	4/20/2017	MC CORMIX CORP. (OIL)	LUBRICANTS	2,733.48	
115101	4/20/2017	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	425.22	
115102	4/20/2017	MCI SERVICE PARTS, INC.	BUS PARTS	35.78	
115103	4/20/2017	MOTION INDUSTRIES, INC.	BUS PARTS	217.31	
115104	4/20/2017	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	690.68	
115105	4/20/2017	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	1,218.32	
115106	4/20/2017	CARLOS ORNELAS	RETIREE HEALTH REIMBURSEMENT	135.00	
115107	4/20/2017	PAULA A. PEROTTE	DIRECTOR FEES	60.00	
115108	4/20/2017	PERFECT PATTERN DIFFERENTIAL	OVERHAULED TRANSFERS	1,279.00	
115109	4/20/2017	CAREY POINDEXTER	RETIREE HEALTH REIMBURSEMENT	282.34	
115110	4/20/2017	POWERSTRIDE BATTERY CO.	EV BATTERIES	861.01	
115111	4/20/2017	RECARO NORTH AMERICA, INC	BUS PARTS	1,693.61	
115112	4/20/2017	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	158.58	
115113	4/20/2017	OLIVIA RODRIGUEZ	DIRECTOR FEES	60.00	
115114	4/20/2017	SB LOCKSMITHS, INC.	B&G REPAIR & SUPPLIES	144.00	
115115	4/20/2017	SANTA BARBARA NEWSPRESS D	BUS SCHEDULE BOOKLETS	49.28	
115116	4/20/2017	SHAHBAZIAN, R.	REIMBURSEMENT	53.00	
115117	4/20/2017	SILVAS OIL CO., INC.	LUBRICANTS	487.69	
115118	4/20/2017	SANTA BARBARA TROPHY	DRIVER NAME PLATES	72.41	
115119	4/20/2017	SM TIRE, CORP.	BUS TIRE MOUNTING	346.00	
115120	4/20/2017	SMART & FINAL	OFFICE/MEETING SUPPLIES	387.69	
115121	4/20/2017	SO. CAL. EDISON CO.	UTILITIES	3,282.60	
115122	4/20/2017	SOFTCHOICE CORP, INC.	COMPUTER SOFTWARE	1,511.88	
115123	4/20/2017	SOAP MAN DISTRIBUTIN DBA	CLEANING SUPPLIES	124.45	
115124	4/20/2017	THE GAS COMPANY DBA	UTILITIES	284.65	
115125	4/20/2017	SPECIALTY TOOL & BOLT, LTD	SHOP SUPPLIES	635.96	
115126	4/20/2017	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	907.03	
115127	4/20/2017	DAVID T. TABOR	DIRECTOR FEES	60.00	
115128	4/20/2017	TOM CURRY ROOFING & WATERP	BUS SHELTER REPAIRS	10,574.78	
115129	4/20/2017	TOTAL BARRICADE SERVICE, INC.	TRAFFIC MANAGEMENT	2,620.00	
115130	4/20/2017	UNITED PARCEL SERVICE, INC.	FREIGHT CHARGES	493.94	
115131	4/20/2017	J.C. M. AND ASSOCIATES INC.	UNIFORMS	815.41	
115132	4/20/2017	VALLEY POWER SYSTEMS, INC.	BUS PARTS	3,213.19	
115133	4/20/2017	VALLEY POWER SYSTEMS, INC.	BUS PARTS	2,082.63	
115134	4/20/2017	VOICES TRANSLATION AND INTER	TRANSLATION	185.70	

Check #	Date	Company	Description	Amount	Voids
115135	4/20/2017	WAXIE SANITARY SUPPLY	DBA JANITORIAL SUPPLIES	920.19	
115136	4/20/2017	WAYNE'S TIRE INC.	VEHICLE TIRES	2,529.26	
115137	4/20/2017	WORKER'S COMPENSATION ADMI	PROFESSIONAL SERVICES	13,766.75	
115138	4/20/2017	YELLOW (YRC) TRANSPORTATION	FREIGHT CHARGES	363.60	
115139	4/20/2017	ALEXANDER YOUNG	RETIREE HEALTH REIMBURSEMENT	236.26	
115140	4/20/2017	AMERICAN MOVING PARTS, LLC	BUS PARTS	216.19	
				878,407.94	
				Current Cash Report Voided Checks:	216.19
				Prior Cash Report Voided Checks:	0.00
				Grand Total:	\$878,191.75

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

Date	Company	Description	Amount
4/10/2017	Montecito Bank & Trust	Advertising on Buses	3,124.00
4/11/2017	ASTI Holding Company, LLC	Overpass Property Lease	15,650.26
4/11/2017	KCSB - FM	Advertising on Buses	498.00
4/13/2017	Idea Engineering, Inc.	Advertising on Buses	2,934.00
4/14/2017	Santa Barbara Airport	Advertising on Buses	1,760.00
4/14/2017	Santa Barbara City College	Advertising on Buses	5,216.00
4/14/2017	Santa Barbara City College	Advertising on Buses	500.00
4/18/2017	City of SB-Environmental Services D	Advertising on Buses	1,410.00
4/18/2017	Godzilla Graphics	Advertising on Buses	7,236.00
4/18/2017	Rabobank/New & Improved Media Ag	Advertising on Buses	4,023.43
4/19/2017	Cottage Hospital	Passes/Token Sales	11,500.00
4/19/2017	County of Santa Barbara	Passes/Token Sales	2,456.00
4/20/2017	Federal Transit Administration	FTA Capital Assistance	13,782.00
4/24/2017	City of SB - (Downtown Shuttle)	Downtown Shuttle	93,708.75
4/24/2017	Measure A, Section 3 LSTI	Measure "A" Funds	18,444.95
4/24/2017	Measure A, Section 3 LSTI	Measure "A" Funds	251,417.49
4/24/2017	True Media LLC	Advertising on Buses	1,533.60
Total Accounts Receivable Paid During Period			\$435,194.48



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 2, 2017 **AGENDA ITEM #:** 7

TYPE: ACTION

PREPARED BY: STEVE MAAS

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: **Transportation Management and Transit Services
Master Agreement**

RECOMMENDATION:

Staff recommends that the Board authorize the General Manager to execute the Transportation Management and Transit Services Master Agreement (“Agreement”) between MTD and the City of Santa Barbara. Contract execution will be contingent upon review and acceptance by Legal Counsel and Risk of the new insurance language proposed by city staff and inserted into Clause 13. The proposed new insurance language has replaced the previous Clause 13.

DISCUSSION:

Under the terms of the Agreement, the City provides MTD a subsidy for MTD to operate the Downtown-Waterfront Shuttle. The current Agreement will expire on June 30, 2017. MTD and the City have worked cooperatively to update the Agreement for a five-year period from FY 2018 through FY 2022 (i.e., from July 1, 2017, through June 30, 2022).

Major points of the draft Agreement include:

- Maintains CPI increase for each year of the Agreement
- City subsidy is reduced by \$20,000, and in return, MTD will eliminate the 9:00 to 10:00 A.M. State Street service year-round.
- Added references to the City’s “Park Once” concept
- Added a reference to assessment of service within the Funk Zone
- Added language to the effect that, if the City notifies MTD by November 30 that funding for the following fiscal year is insufficient to provide the current annual hours of service, MTD and the City will work together to develop a mutually agreeable solution for the following fiscal year by December 31.

ATTACHMENT:

- Draft Transportation Management and Transit Services Master Agreement

Santa Barbara City Agreement No.

TRANSPORTATION MANAGEMENT AND TRANSIT SERVICES
MASTER AGREEMENT

City of Santa Barbara &
Santa Barbara Metropolitan Transit District
July 1, 2017 – June 30, 2022

THIS AGREEMENT, entered into this _____, by and between the

City of Santa Barbara (hereinafter referred to
as the "City")

and

Santa Barbara Metropolitan Transit District
(hereinafter referred to as the "District"),

for the support and subsidy of transit services within the City of Santa Barbara, California,

WHEREAS, the District is established and existing under Part 9, Division 10, of the California Public Utilities Code, codified at Sections 95000-97100, and empowered to provide public transportation service in the South Coast of Santa Barbara County; and,

WHEREAS, in cooperation with the District, the City has contributed to the design and acquisition of distinctive theme electric vehicles (hereinafter referred to as "EVs") and has continuously supported transit services within the City under agreement with the District; and,

WHEREAS, the City and the District desire to promote a "Park Once" concept and encourage persons in the Central Business District (CBD) and the Waterfront to park once in City-operated parking lots and utilize the Downtown-Waterfront Shuttle; and

WHEREAS, the City and the District agree that connectivity between the CBD and the Waterfront is essential to the long-term vitality of the City; and

WHEREAS, with funding provided by the City, the District will conduct a feasibility study to explore expansion of the "Park Once" concept and the Downtown-Waterfront Shuttle to include the Funk Zone; and

WHEREAS, the City and the District agree to work collaboratively to implement, market, and promote new technologies in the EVs and City-operated parking lots to encourage ridership and promote the "Park Once" concept; and

WHEREAS, the City has arranged to provide a portion of the City's revenues for transit services; and,

WHEREAS, the City is willing to dedicate portions of such funds to subsidize the District from the funds identified for such use in order to maintain District shuttle services; and,

WHEREAS, the City has implemented a Transportation Management Program (TMP) to improve traffic circulation and parking in the City's CBD and Waterfront area; and,

WHEREAS, the City has implemented a Transportation Management Program (TMP), as a mitigation measure for the Central City Redevelopment Project Area to reduce vehicle trips in the CBD; and,

WHEREAS, the TMP consists of shuttle service in and around the CBD, and at present has two components:

- a) The first component consists of shuttle service along State Street (State Street Service); and,
- b) The second component consists of shuttle service between the CBD and the Waterfront area (Waterfront Service), as a tourist connection under Highway 101; and,

WHEREAS, the City and District recognize that:

- a) Ease of circulation is critical to the economic vitality of the City's CBD and Waterfront; and,
- b) Current and planned developments in these areas of the City will result in greater transportation demand in the CBD and Waterfront; and,
- c) The City's Circulation Element of the General Plan, the Central City Redevelopment Plan and EIR, the TMP, and the Santa Barbara County Air Quality Attainment Plan support expansion of public transportation service as a method of achieving federal air quality standards and mitigating adverse impacts of vehicular travel; and,
- d) Expanded public transportation service will facilitate greater economic vitality in the CBD and Waterfront while improving air quality and traffic congestion problems; and,

WHEREAS, the City recognizes that the District is the agency empowered by state statute to provide public transportation service in the South Coast of Santa Barbara County, including the City of Santa Barbara, and the City also recognizes that the District has the equipment, vehicles, experience, and expertise necessary to provide or cause to be provided high-quality shuttle service, which meets the objectives of the City's TMP; and,

WHEREAS, pursuant to the provisions of this Agreement, the City provides funding to enable discounted and/or free fares for shuttle service along the State Street and Waterfront routes; and,

WHEREAS, the District Board of Directors has adopted a policy which requires that fares be charged to passengers on District's public transportation services.

NOW, THEREFORE it is mutually agreed between the Parties that:

1. Downtown-Waterfront Shuttle Service

The District shall provide the Downtown-Waterfront Shuttle service utilizing EVs. The Downtown-Waterfront Shuttle provides service on State Street between Stearns Wharf and Sola Street, and on Cabrillo Avenue between East Beach and the Harbor. The District shall provide between 13,364 and 14,849 hours of service, which will be provided annually from July through June, unless the range of hours of service is adjusted as described in Section 10 below. The City shall provide the District a fare buy-down subsidy under the following terms and conditions:

- a) For the period of July 1, 2017 to June 30, 2018, the City shall provide to the District a total subsidy not to exceed \$1,240,392 for operation of the Downtown-Waterfront Shuttle. Requests by the City for additional city-related service will be billed at a rate of \$83.54 per hour.
- b) For the period of July 1, 2018 to June 30, 2019 and each fiscal year thereafter, the annual total subsidy and billing rate shall be adjusted by that percentage of such amount as shall not exceed the increase in the Consumer Price Index reported for the January immediately preceding the start of the service year over the Base Index, provided herein. The sum so calculated shall constitute the new total subsidy hereunder but in no event, shall any such subsidy be less than the total subsidy payable for the year immediately preceding the subsidy adjustment. 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 (1982-84 = 100). The Base Index shall be such Consumer Price Index, as reported for January of each year. Said payments to the District shall be made by the City monthly preceding each month of operation.
- c) Requests by the City for additional service on behalf of a third party, such as cruise lines, etc., shall be billed at the District's budgeted system operating rate for the appropriate fiscal year. The system operating rate will be calculated by dividing the operating expense budget by the number of budgeted revenue hours. With the agreement of both parties, District costs for additional service on behalf of a third party, in addition to the system operating rate, shall be billed at the District's calculated overhead rates for the appropriate fiscal year.
- d) The District shall apply the estimated fare box revenue from the prior month as a credit to the monthly invoices, thereby reducing the City's financial responsibility for the services specified herein. The monthly invoices will reflect 1/12th of the then-effective total annual fiscal subsidy, less estimated fare box revenue from the prior month.
- e) For the District to qualify for the City's fare buy-down subsidy, Downtown-Waterfront Shuttle service shall be provided with a fare not to exceed 50¢ per trip (excepting free fares for children under 45 inches in height, and free transfers

from other Downtown-Waterfront Shuttles) unless a change in fare is made based on mutual consent of both parties. With the consent of both parties, promotional programs such as free fare days may be offered.

- f) The City shall make payments to the District as provided in Section 8.
- g) The District shall “brand” the EVs in a manner that distinguishes them from other District services and is in keeping with the character of the City. The brand shall be developed by the District and approved by the Public Works Director.

2. The District’s Right Not to Perform a Service Where Subsidy Is Not Provided

If the District determines to perform the additional services, the City shall make the subsidy described herein available to the District according to the provisions of this Agreement. The District is not required to perform any service for which a subsidy is not provided as is specified under the terms, conditions, and limitations provided herein.

3. The District’s Discretion Over Services

The District shall be responsible for developing routes, hours of operation, days of operation, and headways appropriate to maintain such services. The District shall retain sole responsibility and full discretion for the planning, management, administration, maintenance, and operation of such services, including hours, location, headways, equipment, personnel, advertising, and services. At least 60 days prior to any significant change of route and/or schedule, District shall work cooperatively with City staff. The District may provide such services with District personnel and resources, through third party contracts for all or part of such services, or by other agreements, at the sole discretion of the District. The District shall each year conduct any and all necessary public hearings to develop the routes, days, hours, headways, and methods of operation appropriate for such service.

4. Annual Report

The District shall provide an annual report on the Downtown-Waterfront Shuttle to the City by August 15th of each year or as soon thereafter as feasible, stating total fares collected, ridership, and actual revenue hours. This report shall also include historical annual ridership and annual fare box revenue for the previous ten years, and include at least the following:

- a) Actual revenue hours;
- b) Ridership per revenue hour;
- c) Monthly fare box revenue;
- d) Total ridership;
- e) Explanation of any variances between the ridership totals and the fare box revenue;
- f) Historical comparison of ridership detailed on a monthly basis;
- g) Historical comparison of fare box revenue detailed on a monthly basis;
- h) Air quality benefits due to greenhouse gas reductions;

- i) Summary of marketing and promotional activities exclusively specific for the Downtown-Waterfront Shuttle service;
- j) Summary of marketing and promotional activities that mention the Downtown-Waterfront Shuttle service, as part of general District marketing activities; and
- k) Summary of constructive comments received from customers regarding Downtown-Waterfront Shuttle service, including complaints, commendations, and suggestions for change.
- l) The District shall provide an annual report regarding the number of daily and afternoon peak hour trips mitigated by the Crosstown Shuttle, Line 4-Mesa/SBCC, and the enhanced peak-period service on Lines 1 & 2. Said report shall be delivered to the City on the 15th of August or as soon thereafter as feasible.

The district shall also provide monthly reports on the Downtown Waterfront Shuttle to the City that detail the operation of the service provided. Such reports shall be in the current format or a format mutually agreed upon by both parties. The monthly reports shall be submitted to the City by the 15th of each month or as soon thereafter as feasible for the preceding month.

5. Placement of the City Seal on Electric Vehicles

The District shall place on all EVs regularly operated on the Downtown-Waterfront Shuttle the City Seal, which shall be displayed in a prominent location. The District shall use the City seal wherever appropriate and reference the City as providing a fare buy-down subsidy in all written marketing material solely related to the aforementioned services distributed to the public, which shall include, but not be limited to schedules, annual reports, and District budget.

6. City Advertisement On Electric Vehicles

The City shall be able to advertise City programs using exterior space on all EVs regularly operated on the Downtown-Waterfront Shuttle at no cost, utilizing the ad space that is not able to be sold by the District to other paying customers. It is understood that the City ads may be displaced if the ad space is sold. Such ads will follow the District's general advertising policy. The City shall pay the actual cost for the preparation and installation of the artwork.

7. Air Emission Credits

Any air emission credits (under the Clean Air Act, under any California regulations, and under any regulations of the Santa Barbara County Air Pollution Control District) which are generated or available by reason of the use of EVs shall be credited to the District. The District shall assess the reasonable value of such air emissions credits, record their development and value, and keep account of the value of such credits on a generally recognized accounting basis.

8. City Payment Provisions and District Recordkeeping

The City shall pay subsidy payments monthly to the District in response to invoices in the usual City format, approved by the City Public Works Department. The payments shall be made within sixty days of receipt of the District's invoice. The District shall keep and maintain financial records of all services that receive such subsidy on a generally recognized accounting basis. The District shall maintain such records for at least five years following the date such services were provided. All such financial records shall be made available to City agents and employees for review and audit during regular business hours. The District shall provide the City with a written annual report describing and quantifying the services that have received a subsidy for the preceding year, with a detailed report of all the costs of the services provided.

9. Adjustments to Services

Any changes, adjustments, increases, reductions or losses of service by reason of new or lost funding sources shall be on the basis of the hourly rate described in the appropriate section of this Agreement of qualifying shuttle service or other service subsidized by the City. Any increase in the number of service hours provided will be based upon costs approved in writing by the District General Manager and the City Public Works Director. Changes in service, operational provisions, specifications, schedules, fares, and location of services, required to meet unforeseen changes in demand, unforeseen funding restrictions, or the availability of additional funds for enhanced service shall be made on 90 days' advance written notice.

10. City Funding Not Guaranteed

The obligation of the City to provide funds hereunder shall be subject to the condition precedent that funds for said services are approved in applicable budgets and appropriated to the City for such services, and subject, further, to the receipt of such funds for use as provided herein. In the event that the City notifies the District by the end of November that funding for the following fiscal year is insufficient to provide annual hours of service that fall within the range in Section 1 above, District shall work cooperatively with City staff in December to develop a mutually agreeable solution for the following fiscal year.

11. Termination

The City reserves the right to terminate the service described in Section 1 of this agreement for any reason; however, the City shall provide at least 90 days' written notice to District of any such decision. District reserves the right to suspend and/or terminate the service described in Section 1 at any time for any reason; however, District shall provide at least 60 days' written notice to the City of any such decision.

12. Indemnity

Neither the District nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by the City under or in connection with any work, authority or jurisdiction delegated to the City herein. It is also agreed that, pursuant to California Government Code Section 895.4, the City shall fully indemnify and hold the District harmless from any liability imposed for injury (as defined by

Government Code Section 810.8) occurring by reason of anything done or omitted to be done by the City under, or in connection with, any work, authority or jurisdiction delegated to the City hereunder. Neither the City, nor any officer or employee thereof, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by the District under, or in connection with, any work, authority or jurisdiction delegated to the District herein. It is also agreed that, pursuant to California Government Code Section 895.4, the District shall fully indemnify and hold the City harmless from any liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of anything done or omitted to be done by the District under or in connection with any work, authority or jurisdiction delegated to the District hereunder.

13. Insurance Requirements

As part of the consideration of this Agreement, Operator agrees to purchase and maintain at its sole cost and expense during the life of this agreement insurance coverage against claims for injuries to persons or damages to property which may arise from or in connection with the business operations or use of the premises by the Operator, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

- A. **Commercial General Liability (CGL)**: Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations with limits of no less than Five Million Dollars (\$5,000,000) per occurrence for bodily injury, personal injury and property damage. If a general aggregate limit applies, either the aggregate limit shall apply separately to this project or the general aggregate limit shall be twice the required occurrence limit.
- B. **Automobile Liability**: Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), or if Operator has no owned autos, Code 8 (hired) and Code 9 (non-owned), with limits of no less than Five Million Dollars (\$5,000,000) per accident for bodily injury and property damage.
- C. **Workers' Compensation**: In accordance with the provisions of the California Labor Code, Operator is required to be insured against liability for Workers' Compensation or to undertake self-insurance. Statutory Workers' Compensation and Employers' Liability of at least \$1,000,000 shall cover all Operator's staff while performing any work incidental to the performance of this agreement.

Contractor is required to be insured for coverage for benefits under the United States Longshoremen's and Harbor Workers' Compensation Act and the Jones Act for any work on, over, or near any navigable waters.

If the Operator maintains higher coverage limits than the amounts shown above, then the City requires and shall be entitled to coverage for the higher coverage limits maintained by the Operator. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

OTHER INSURANCE PROVISIONS

Each insurance policy shall contain, or be endorsed to contain, the following five (5) provisions:

1) *Additional Insured Status*

The City of Santa Barbara, its officers, employees, and agents, shall be covered as additional insureds on the Commercial General Liability and the Automobile Liability policy with respect to liability arising out of work or operations performed by or on behalf of the Operator including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Operator. Additional Insured coverage shall be provided in the form of an endorsement to the Operator's insurance (at least as broad as Insurance Services Office Form CG 20 10 11 85). A copy of the endorsement evidencing that the City of Santa Barbara has been added as an additional insured on the policy, must be attached to the certificate of insurance.

2) *Subcontractors*

Operator shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Operator shall ensure that the City is an additional insured on insurance required from subcontractors. For Commercial General Liability coverage subcontractors shall provide coverage with a format at least as broad as Insurance Services Office form CG 20 38 04 13.

3) *Notice of Cancellation*

A provision that coverage will not be cancelled or subject to reduction without written notice given to the City Clerk, addressed to P.O. Box 1990, Santa Barbara, California 93102-1990.

4) *Primary Coverage*

For any claims related to this contract, the Operator's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City shall be excess of the Operator's insurance and shall not contribute with it.

5) *Waiver of Subrogation*

Operator hereby agrees to waive rights of subrogation which any insurer of Operator may acquire from Operator by virtue of the payment of any loss. Operator agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. Operator agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Operator, its employees, agents and subcontractors.

ACCEPTABILITY OF INSURERS

All insurance coverage shall be placed with insurers that have a current rating from AM Best of no less than A: VII; and are admitted insurance companies in the State of California. All other insurers require prior approval of the City.

COVERAGE LIMITS SPECIFICATIONS

Approval of the insurance by City or acceptance of the certificate of insurance by City shall not relieve or decrease the extent to which the Operator may be held responsible for payment of damages resulting from Operator's services or operation pursuant to this Agreement, nor shall it be deemed a waiver of City's rights to insurance coverage hereunder.

If, for any reason, Operator fails to maintain insurance coverage which is required pursuant to this Agreement, the same shall be deemed a material breach of contract. City, at its sole option, may terminate this Agreement and obtain damages from the Operator resulting from said breach. Alternately, City may purchase such required insurance coverage, and without further notice to Operator, City may deduct from sums due to Operator any premium costs advanced by City for such insurance.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the Operator shall cause the insurer to reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the Operator shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

EVIDENCE OF COVERAGE

Operator must provide evidence that it has secured the required insurance coverage before execution of this agreement. A Certificate of Insurance supplied by the City or the appropriate ACORD and Insurance Services Office forms evidencing the above shall be completed by Operator's insurer or its agent and submitted to the City prior to execution of this Agreement by the City.

Operator shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Operator's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

14. Notices

All notices, approvals, acceptances, demands and other communications required or permitted hereunder, to be effective shall be in writing and shall be delivered either in person or by mailing the same by United States mail (postage prepaid, registered or certified, return receipt requested) or by Federal Express or other similar overnight delivery service to the party to whom the notice is directed at the address of such party as follows:

The Santa Barbara MTD	The City of Santa Barbara
General Manager	Santa Barbara Public Works Director
550 Olive Street	City Hall, 735 Anacapa Street
Santa Barbara, California 93101	P.O. Box 1990
	Santa Barbara, CA 93110

Any written communication given by mail shall be deemed delivered two (2) business days after such mailing date and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Either party may change its address by giving the other party written notice of its new address as herein provided.

15. No Third-Party Beneficiary Intended

Nothing herein is intended to confer any rights or remedies, express or implied, under or by reason of this document on any persons other than the parties hereto and their respective successors and assigns, nor is anything in this document intended to relieve or discharge the obligations or liability of any third persons to any party hereto, nor shall any provision give any third persons any right or subrogation or action over or against any party.

16. Term of Agreement

The term of this agreement shall be July 1, 2017 through June 30, 2022.

IN WITNESS WHEREOF, the parties hereto have executed this Transportation Management and Transit Services agreement as of the day and year first above written.

CITY OF SANTA BARBARA
a Municipal Corporation

SANTA BARBARA METROPOLITAN
TRANSIT DISTRICT

By _____

By _____

Rebecca Bjork
Public Works Director

Jerry Estrada
General Manager
550 Olive Street
Santa Barbara, CA 93101

ATTEST:

By _____
Sarah Gorman
City Clerk

APPROVED AS TO CONTENT:

By _____
Robert Dayton
Transportation Planning and Parking Manager

APPROVED AS TO FORM:

By _____
Ariel Pierre Calonne
City Attorney



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 2, 2017

AGENDA ITEM #: 8

TYPE: ACTION

PREPARED BY: MARY GREGG

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: Commercial Property Insurance Renewal, Effective: May 24, 2017 through May 23, 2018

RECOMMENDATION:

Staff recommends the Board of Directors authorize MTD staff to bind coverage and place commercial property insurance with Travelers Indemnity Company of Connecticut effective May 24, 2017, at an annual premium of \$12,451.

DISCUSSION:

MTD’s insurance broker, Brown and Brown, conducted a marketing survey of major carriers, including the expiring policy carrier Liberty National. The carrier that returned the best pricing was Travelers, an A + + XV rated carrier. Liberty has increased their rates to go into effect June 2017 and was unable to compete with Travelers’ quote. The terms of the Travelers policy are identical to the expiring policy.

The commercial property insurance policy renewal covers all MTD locations as follows:

- 550 Olive Street - six buildings
- 1020 Chapala St - Transit Center
- 5353 Overpass Road - four buildings
- 5775 Carpinteria Ave - charging station

BUDGET/FINANCIAL:

	2017-2018 Renewal	2016-2017 Expiring	2015-2016 Prior Year	2014-2015 Prior Year
Blanket Building and Blank Business Personal Proper	\$12,451	\$15,718	\$15,054	\$14,868



BOARD OF DIRECTORS REPORT

MEETING DATE: May 2, 2017

AGENDA ITEM #: 9

TYPE: ACTION

PREPARED BY: Mary Gregg

Signature

REVIEWED BY: General Manager

GM Signature

SUBJECT: Earthquake Insurance Renewal, Effective: May 24, 2017 through May 23, 2018

RECOMMENDATION:

Staff recommends the Board of Directors authorize MTD staff to bind coverage and place earthquake insurance with Lloyd's of London, effective May 24, 2017, at an annual premium of \$13,193.60.

DISCUSSION:

The current earthquake policy is issued with Rockhill Insurance through managing underwriter Catalytic. Rockhill quoted a renewal premium at a price increase, a result of Rockhill's current book of business and unrelated to writing a policy with MTD. To maintain competitive pricing, Catalytic recommended placement with Lloyds, where they could match Rockhill's expiring premium. Lloyds is an A XV rated carrier.

The terms are identical to the expiring policy. Coverage fully insures the Administrative building, Maintenance building, Transit Center, and Overpass location for Real Property including Foundations, Business Personal Property, Loss of Rents, Business Income, Extra Expense and Building Ordinance. The Total Insurable Value (TIV) is \$9,711,939 with a 5% deductible per unit subject to a \$25,000 minimum.

BUDGET/FINANCIAL:

	2017-2018	2016-2017	2015-2016	2014-2015
	Renewal	Expiring	Prior Year	Prior Year
5% Deductible	\$13,193.60	\$13,193.60	\$15,154.40	-----
10% Deductible	-----	-----	-----	\$17,476.00



BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 2, 2017

AGENDA ITEM #: 10

TYPE: ACTION

PREPARED BY: GEORGE AMOON

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: Proposed Final Service Plan for August 2017

RECOMMENDATION:

That the Board of Directors approve the proposed Final Service Plan for August 2017

DISCUSSION:

Background:

The proposed draft service changes were presented to the Board of Directors on March 21st and the proposed final were approved by the Planning & Marketing Committee on April 26th. The service changes were based on input throughout the year from the public and MTD drivers, data review and extensive field observations.

Public input overall has been supportive. As discussed at the Board meeting, five community meetings were held throughout the District. Press releases, social media and posting at bus stops and in buses have all been utilized to widely distribute the information to the community. Attachment 1 summarizes the public input with comments by staff as noted. The public input summary was presented to the Planning & Marketing Committee at the April 26th meeting as well.

Proposed Final Service Changes:

Staff is proposing a 1.5% increase in revenue hours for FY 2017-18. The approved service level for FY 2016-17 was 221,119 hours. The proposed changes would raise the service level to 224,431 hours representing an increase of 3,312 hours. The proposed increase in service hours is comprised primarily of modifications to improve schedule adherence and to account for calendar year fluctuations.

	Hours	% Change
Approved FY 2016-17 Service Level	221,119	
Proposed Service Improvements (funded by MTD)	3,218	1.5%
Lines 1 and 2 AM weekday peak hour service reduction (funded by grant)	-1,483	-0.7%
Adjustment due to Calendar Fluctuation & hours in FY 17 for August 2016 changes	<u>1,577</u>	<u>0.7%</u>
Total FY 2016-17 Changes	<u>3,312</u>	1.5%
Proposed FY 2017-18 Service Level	224,431	

The proposed service changes are discussed in detail below and summarized in Attachment 2. They are fundamentally the same as proposed to the Board on March 21st except for the addition of Line 14 schedule adjustments, postponing the Line 15x re-route proposal until the service plan next year and eliminating the Carpinteria-Goleta service proposal, as explained below.

- Lines 6/11/23/25: Add time to trips to improve on time performance every day of the week and minor Line 23 re-route. Line 25 is currently on a detour for up to two years using Bradford Drive and Calle Real in a one-way counter clockwise direction. The detour is due to a slope failure on Cathedral Oaks Road. The current detour is the same route that was proposed by staff prior to the slope failure as a permanent re-route to better serve the neighborhood. As part of the long term closure, the stop at Calle Real at Jenna Drive currently used by school boosters and formerly used by Line 23 will be serviced by Line 25 as well as by the Line 23 minor re-route. Staff will monitor the detoured route over the coming months. Attachment 3 shows the Line 23 re-route and Line 25 detour re-route.
- Lines 20/21x: Reallocate time within trips and add some time to improve on time performance every day of the week.
- Lines 12x/24x: Adjust schedules to improve on time performance every day of the week. Frequency on these lines varies between 35-minutes and 1-hour. The proposed changes will reduce frequency from 30-minutes to 35-minutes and from 1-hour to 1 hour 10 minutes. This will result in some trips being removed. However, they are mostly isolated "half trips" (e.g., mid-day Line 24x trip that begins at UCSB toward the Transit Center) that served limited purpose. Other frequencies will predominantly stay the same.
- Line 15x: Reallocate time within trips to improve on time performance. This will result in frequencies increased up to six minutes and additional trips.
- Line 16: Revert currently detoured route to standard route depending on timing of the re-opening of the SBCC West Campus bus stop.
- Line 14: Reallocate time within trips during the weekdays to improve on time performance.
- Downtown-Waterfront Shuttle: To be determined.
- Lines 1 and 2: Revert AM peak service from 10-minute frequency to 15-minute frequency during the weekdays. Service was enhanced in November 2015 from 15-minute frequency to 10-minute frequency during the weekday AM peak funded by a Cap and Trade LCTOP grant. LCTOP funding has decreased and staff has proposed reallocating that funding source to other priorities. MTD will fund the enhanced service from July 1, 2017 to August 20, 2017 until the new driver bid begins.

The Line 15x re-route proposal was removed by staff from the draft service plan during the March 21st Board meeting due to continued closure of the Line 16 bus stop at the

SBCC West Campus into next year. Once re-opened, this stop will offload demand from the main campus bus stop at which the proposed re-routed Line 15x will primarily serve. Additional studies are also necessary for this proposal.

The Carpinteria-Goleta service proposal funded by Caltrans as part of the Traffic Management Plan for the Linden Avenue and Casitas Pass Road Interchange Project was removed by staff from the draft service plan because SBCAG staff is planning on using vanpools between the two communities.

ATTACHMENTS:

- 1 – Summary of Public Input
- 2 – Summary of Proposed Final August 2017 Service Plan Table
- 3 – Maps of minor re-routes

ATTACHMENT 1 Summary of Public Input

The following provides a summary of the public comments received to date with respect to service planning. They are categorized as follows: (1) part of August 2017 service changes, (2) to be reviewed under work plan for August 2018 service changes, and (3) additional comments noted by Planning Department staff.

Part of current August 2017 service changes:

- Lines 12x toward Goleta and Line 24x toward Santa Barbara are late.

Response: These lines are included in the service plan to improve schedule adherence.

- Restore uniform 15 minute daytime frequency toward Santa Barbara and 10 minute peak frequency toward Goleta on Lines 6 and 11.

Response: The schedule adjustments to Lines 6 and 11 include these adjustments.

- Provide schedules on bus stops without omitting specific scheduled times on Lines 6 and 11 (use 6 column wide format).

Response: Ranges will no longer be shown on Lines 6 and 11 as a result of restoring the uniform frequency noted above.

To be reviewed under work plan for August 2018 service changes:

- Expand Seaside Shuttle to more areas in around Carpinteria including beach.
- More capacity on Line 28 due to overcrowding.
- More direct service between Santa Barbara eastside and Harbor/SBCC
- Loma Alta stop should remain if Line 15x is re-routed using that route.

Other comments noted:

- Line 23 as an independent line and more frequent.
- Line 10 more frequent and to serve Calle Real shopping center
- Turn all deadheads to and from the yard, Transit Center and other locations into being able to pick up and drop off passengers with special destination signs.
- Lines 12x and 24x express back to downtown Santa Barbara on Highway 101 using Storke Road.
- Consider “dial-a-ride”/on demand type service.
- Coordinate with SBCC to provide residence demographics to show where their students live/reside while in school.
- Line 7 is not timed well enough to allow for ample shopping time later in the evening.

- Express service from Santa Barbara east side to unincorporated area between Santa Barbara and Goleta.
- Independent stops for each line
- Perform origin destinations studies on all routes
- New bus technology should track passenger activity.
- Maintain the 10 minute service during the AM weekday peak hours on Lines 1 and 2
- 30 minute service on Line 20 during the mid day on weekdays
- Consider service planning along Via Real extension once completed (2020).
- Increased public awareness of community meetings
- Raise fares
- How is UCSB mitigating overloading of buses with increased enrollment?
- Same line doing uniform trips e.g., not having short 24x trips.
- Cathedral Oaks Road is isolated on weekends
- Service to Goleta Library
- Less transfer times between certain lines at the Transit Center and at Storke and Hollister.
- Have Line 24x arrive earlier at the Transit Center per working schedules.
- Line 14 Sunday service
- Crosstown weekend service
- Provide Line 20/21x or Seaside Shuttle service to Bates Road at Rincon Beach and to a trailhead for the Coastal Trail.
- Schedule additional booster buses for San Marcos High School after school events
- Add a westbound bus stop closer to San Marcos building entrance
- Provide Downtown Waterfront shuttle schedules
- Add a Downtown shuttle stop sign to the pole at southbound Anacapa at Sola.
- Provide a Downtown shuttle stop on southbound Chapala between Ortega and Haley, to be used during the Farmer's Market detour.
- Provide a bus shelter on Cliff Drive at Loma Alta.

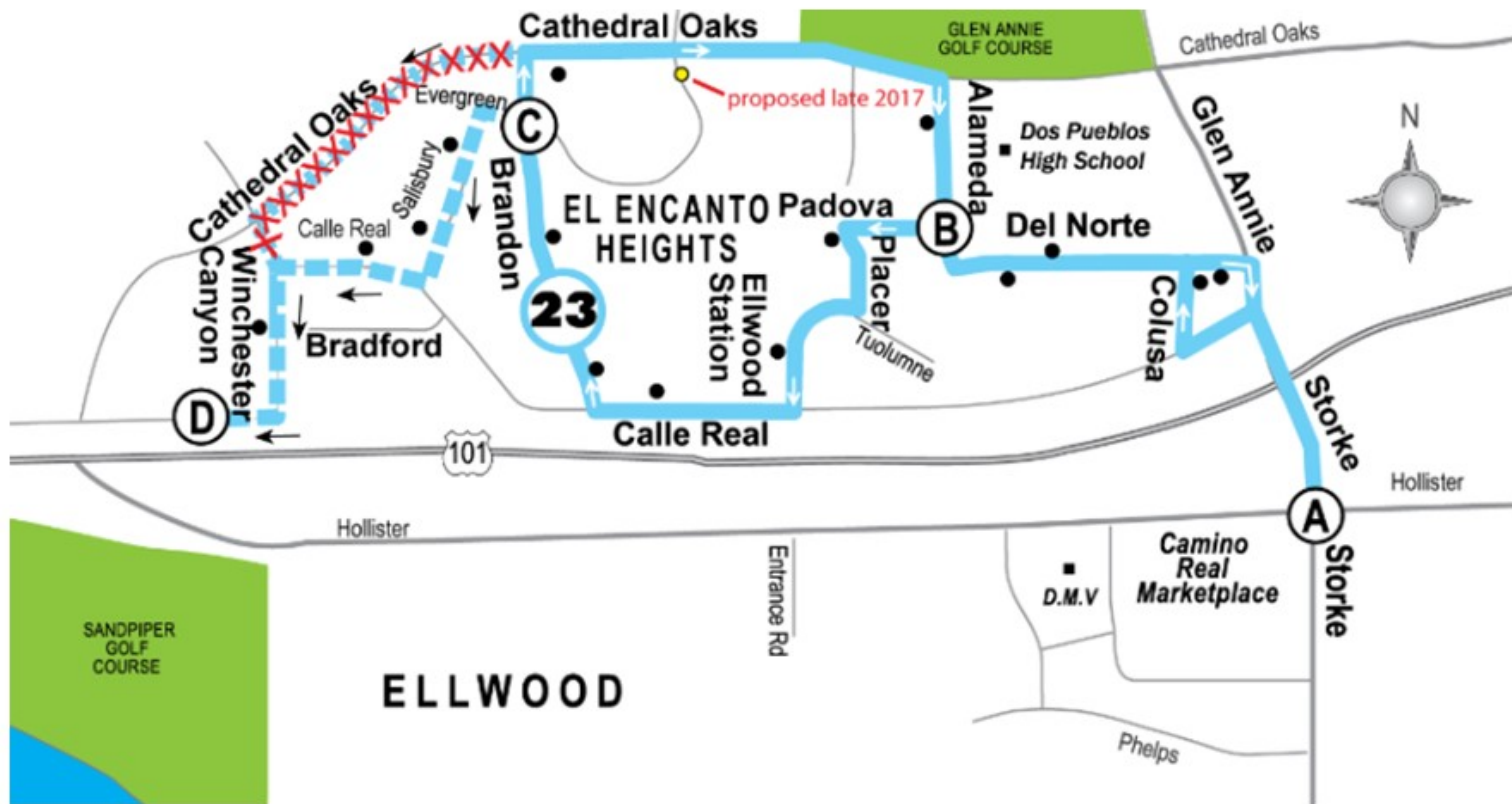
ATTACHMENT 2 - SUMMARY OF PROPOSED FINAL AUGUST 2017 SERVICE PLAN

April 19, 2017

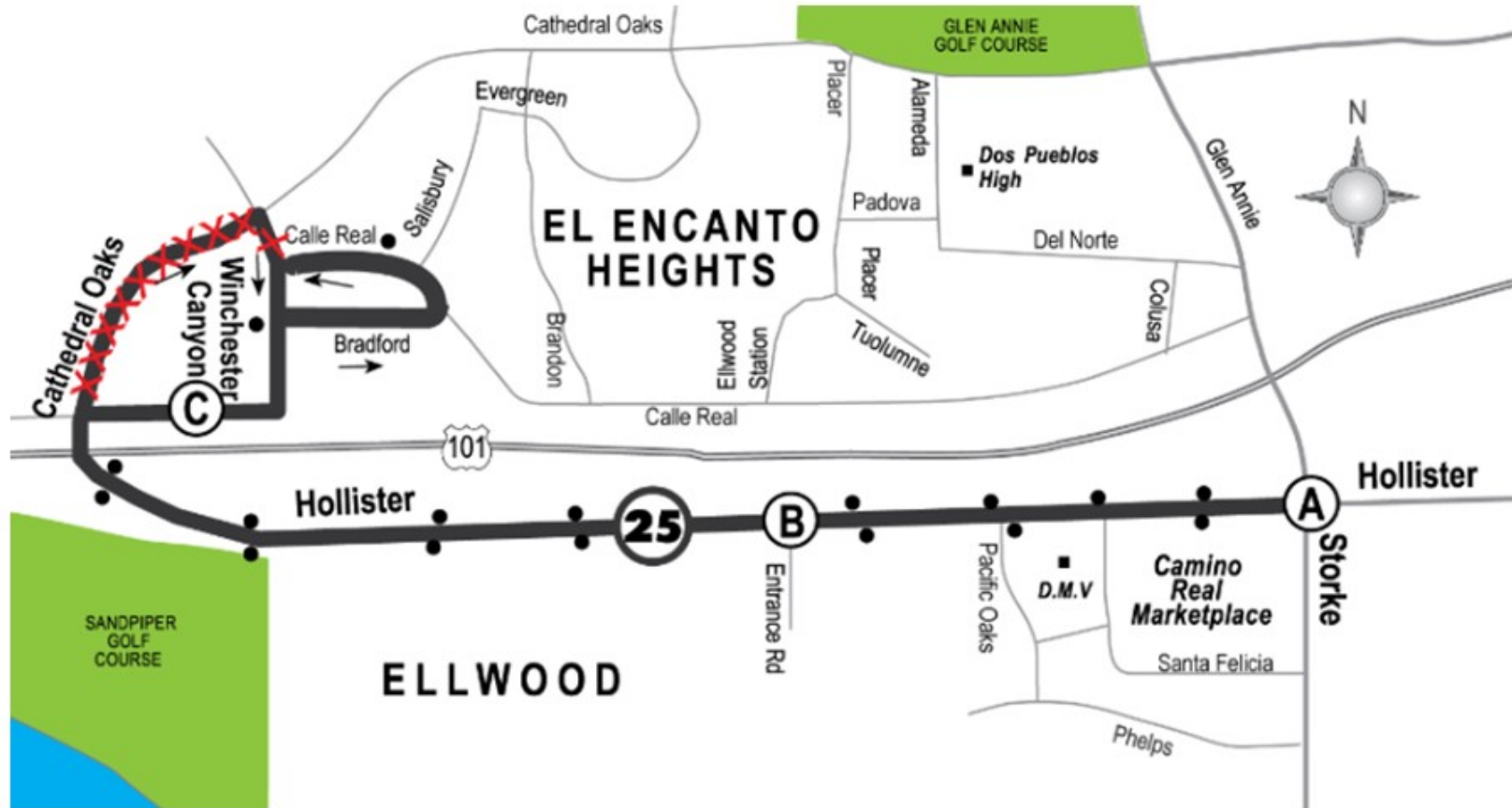
DRAFT
to take effect August 21, 2017

Line	Route	Issue	Draft Proposal	Estimated Additional Hours for FY 17-18
FUNDED BY MTD				
6/11/23/25	Lines 6 and 11: Trunk service between Santa Barbara and Goleta/UCSB along State Street and Hollister Avenue. Lines 23 and 25: Ellwood/El Encanto Heights neighborhoods.	Schedule adherence issues between Santa Barbara and Goleta.	Add time to Lines 6 and 11 trips as necessary for improved schedule adherence all days of the week. Minor re-route of Line 23 night service using prior Line 23 route along Salisbury and Calle Real to better serve neighborhood. Utilize existing Calle Real/Jenna Drive bus stop as part of re-route. Line 25 is currently on long-term detour along Bradford and Calle Real for up to two years due to recent slope failure along Cathedral Oaks Road. Utilize existing Calle Real/Jenna Drive bus stop during detour.	2,854
20/21x	Santa Barbara - Carpinteria	Schedule adherence issues.	Reallocate time within segments of trips and add some time per trips as necessary for improved schedule adherence all days of the week.	175
12x/24x	Santa Barbara - Goleta and UCSB/Isla Vista	Schedule adherence issues.	Reallocate time for improved schedule adherence and reduce frequency to 35 minutes when it is 30 minutes during the day and to 1 hr 10 min hour when it is 1 hr. Other frequencies will predominantly stay the same. Results in reduced total trips per day due to decreased frequency of which most are isolated trips that serve limited purpose.	(34)
1 and 2	Santa Barbara Westside - Transit Center - Santa Barbara Eastside	LCTOP grant funds that have been funding the enhanced service are proposed to be applied to a different MTD project next fiscal year due to funding limitations. MTD will fund the enhanced service from July 1, 2017 to August 20, 2017 until the new driver bid begins.	Revert AM peak service from 10-minute frequency to 15-minute frequency during the weekdays.	233 Funded by MTD
15x	Isla Vista - SBCC	Schedule adherence issues.	Reallocate time within segments of trips. Frequency increased up to 6 minutes. Results in additional trips per day due to less overall time allocated per trip.	(10)
16	Downtown Santa Barbara - SBCC	SBCC West Campus project completion proposed in early 2018 will re-open the bus stop at the turn-around.	Revert currently detoured route to standard route. Total trip time remains the same.	0
14	Downtown Santa Barbara - Montecito	Schedule adherence issues on weekdays.	Reallocate time within segments of trips.	0
Downtown and Waterfront Shuttles	Downtown Santa Barbara	To be determined.	To be determined.	To be determined.
Subtotal				3,218 1.5% increase
FUNDED BY OUTSIDE SOURCES				
1 and 2	See Lines 1 and 2 above			(1,483) Hours no longer funded by grant (0.7%) increase
Net hours change for calendar days fluctuation & hours for August 2016 service changes between July 1, 2017 and August 20, 2017				1,577 0.7% increase
Total				3,312 1.5% increase

Line 23 Minor Re-route After 7:00 PM



Line 25 Detour Re-route





BOARD OF DIRECTORS REPORT

MEETING DATE: MAY 2, 2017 **AGENDA ITEM #:** 11

TYPE: ACTION

PREPARED BY: BRAD DAVIS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: Establishment of Trust to Prefund OPEB Obligations

RECOMMENDATION:

Staff is requesting that the Board of Directors authorize the following recommendation to establish an irrevocable trust to prefund MTD's OPEB obligations.

Staff recommends that the Board:

1. Approve and execute an agreement with the California Employers' Retiree Benefit Trust (CERBT) Fund for the purpose of establishing an irrevocable trust for the prefunding of MTD's retiree health insurance obligations (OPEB).
2. Adopt a resolution for the Delegation of Authority to Request Disbursements from the Trust for the payment of OPEB obligations.
3. Approve prefunding the OPEB Trust with \$1,000,000 from MTD reserves during fiscal year 2016-2017.
4. Approve the selection of CERBT Strategy 2 for the investment of prefunding assets.

DISCUSSION:

District Health Benefit

The District provides post-employment health benefits in the form of a monthly reimbursement towards retirees' personal health insurance premiums for eligible union and staff retirees and their spouses of amounts not to exceed \$285 per month. Eligibility for the benefit requires that the employees be at least 65 years of age at the time of retirement and have worked 20 years at MTD. The authorities under which benefit provisions are established or may be amended are: the collective bargaining agreement for union employees; and policies established by the Board for non-union employees. MTD currently incurs the cost of this benefit on a "pay-as-you-go basis" in that actual cash outlays are limited to the reimbursement costs made to retirees. There is currently no prefunding of anticipated future retiree health benefit costs.

OPEB Reporting Requirements

The Government Accounting Standards Board (GASB) designates retiree health benefits as “other post-employment benefits” commonly referred to as OPEB (such benefits are “other” in that they do not include pension obligations which have separate standards). GASB Statement 45¹ requires the measurement and reporting of the liabilities associated with OPEB. Since 2009, such liabilities and other reportable figures have been determined by an actuarial valuation and reported on the District’s audited financial statements each year.

The unfunded OPEB liability at the end of FY15-16 was \$3,082,000. This liability represents the present value of all future benefits expected to be paid to current employees and retirees. Because MTD does not presently prefund OPEB and the amount of future retirement benefits is growing, this liability increases each year.

Benefits of Prefunding

Pre-funding OPEB through an irrevocable trust provides the following benefits:

- The generation of investment income to help pay for future retiree benefits
- A reduction in the OPEB liability reported on MTD’s financial statements
- An improvement in the District’s future financial condition and stability

Prefunding OPEB obligations generates investment income that can cover significant portions of OPEB costs over time, reducing an employer’s future contributions. Additionally, using a trust can substantially increase investment income by widening the available investment options beyond relatively restrictive low-return instruments. Investments and the risk-return tradeoff, are discussed in more detail below in *CERBT Investment Strategies*.

To be considered a GASB-qualifying trust, the contributions must be irrevocable, dedicated to paying OPEB, and protected from creditors. Failure to meet these stipulations—for instance, by MTD prefunding internally and directly investing the proceeds—disallows the reduction of the reported OPEB liability. The anticipated higher rate of return of a trust also allows for use of a higher discount rate by the actuary which further reduces the present value of the OPEB liability reported on the District’s financial statements.

Establishing and funding an OPEB trust enhances the ability of public agencies to meet their future benefit obligations. The Government Finance Officers Association, the largest public finance membership organization in the United States, strongly recommends prefunding as a best practice and considers it the most fiscally responsible action governmental agencies can take with respect to OPEB obligations.

Prefunding Contributions

Staff recommends that the District allocate \$1 million this fiscal year to begin prefunding its OPEB obligations. Such action would make use of existing reserves. The five-year operating and capital budget projection has been updated and indicates the ability to fully fund reserves to their target levels with the allocation to OPEB prefunding.

¹ GASB 45 is being replaced with GASB 75 effective next fiscal year. While the new statement will change the reporting requirements, it will not materially affect the determination of MTD’s OPEB obligations.

Staff is not making a recommendation on the future prefunding of OPEB costs at this time. The matter will be revisited next fiscal year following completion of the OPEB actuarial valuation required for this year’s annual financial audit. The valuation will include the recalculated Annual Required Contribution (ARC) that takes into account the prefund amount and the higher discount rate. This will significantly reduce the ARC, which was \$231,000 in FY15-16. Staff anticipates recommending that MTD prefund OPEB at the ARC each year, although the final decision would need to take into account the financial condition of the District at that time.

Agencies are not required to make contributions to the CERBT Fund each year. The amount and timing of any prefunding is at the full discretion of MTD. It should be emphasized that prefunding through an irrevocable trust eliminates access to the funds for other purposes. The assets are only available for the payment of OPEB retiree benefits. In order to build investment earnings, MTD would not begin disbursing trust funds to pay retiree benefits for a number of years. Actual benefit costs each year would continue to be funded with the operating budget.

CERBT Description & Fees

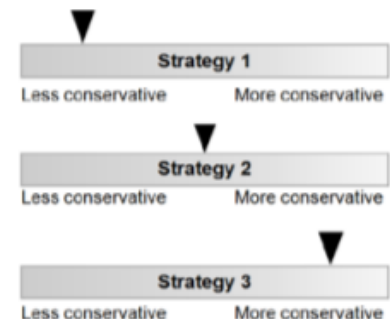
The California Employers' Benefit Trust (CERBT) Fund is a multiple-employer trust fund for prefunding OPEB for eligible California public agencies. It is administered by CalPERS although the CERBT fund is completely independent from the CalPERS pension fund. CERBT was created in 2007, shortly after GASB 45 was issued. CERBT assets are growing and exceed \$6.3 billion representing OPEB prefunding of more than 500 California public agencies.

CERBT is a self-funded trust in which participating employers pay all administrative and investment expenses. Currently, CERBT annual expenses are 10 basis points (0.10%) of the agency’s assets (e.g., \$1,000,000 in assets x 0.10% = \$1,000 in annual fees). The fee covers expenses borne by CalPERS for the administration and oversight of trust assets, investment and administrative fees to manage assets, recordkeeping fees to administer individual employer accounts, and preparation of data required for actuarial valuations. The fee changes over time and has been reduced two times in the last four years as costs have been spread over the growing asset base. CERBT is the only public OPEB trust available to MTD. There are for-profit prefunding trust alternatives. However, of the several public agency OPEB trust establishment reports reviewed by staff, all that discussed or solicited for-profit trust alternatives indicated significantly higher fees.

CERBT Fund Investment Strategies

CERBT offers three investment strategies which are determined by CalPERS. The difference between the strategies is the level of risk. The greater the risk, the greater the anticipated rate of return. The allocation between different investment classes for each strategy is as follows:

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	57%	40%	24%
Fixed Income	27%	39%	39%
Treasury Inflation-Protected Securities	5%	10%	26%
Real Estate Investment Trusts	8%	8%	8%
Commodities	3%	3%	3%



The strategy chosen affects the discount rate used for the actuarial valuation of the unfunded OPEB liability. The higher the anticipated return, the higher the discount rate that is used for the valuation and, consequently, the lower the OPEB liability will be. The expected and historical rates of return for the three strategies are shown in the below table:

CERBT Performance as of March 31, 2017				
Fund	Expected Return	1 Year	3 Years*	5 Years*
Strategy 1	7.28%	9.85%	4.19%	6.80%
Strategy 2	6.73%	7.38%	3.79%	5.75%
Strategy 3	6.12%	5.14%	3.47%	4.72%

*Returns for periods greater than one year are annualized.

Staff recommends the selection of Strategy 2 for its prefunding contributions. With the recommendation to prefund nearly one-third of MTD's current OPEB liability, there is less need for higher risk because of the relatively large starting principle that will be earning investment returns. The majority of public agencies choose Strategy 1, the least conservative option. However, most government agencies have prefunded only a small part of their overall liability and thus desire greater earnings to make up the shortfall. It also results in the use of an higher actuarial discount rate used to value the unfunded liability. It can also be argued that the trust is a long-term investment with sufficient time to weather short-term volatility associated with the higher risk. MTD retains the option to change its funding strategy if determined appropriate.

Legal Review

The contract documents have been reviewed and approved by legal counsel which also prepared the necessary resolutions. CERBT requires that the contract be executed by MTD's presiding officer, which is the Chair of the Board.

Attachments:

1. Resolution for the *Agreement and Election of the Santa Barbara Metropolitan Transit District to Prefund Other Post-Employment Benefits through CalPERS* (the CERBT agreement is included as an exhibit to the resolution)
2. Resolution for the *Delegation of Authority to Request Disbursements from the Other Post-Employment Prefunding Plan*
3. Five-Year Reserves Projection
4. OPEB Prefunding Balance Projections

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

IN THE MATTER OF THE AGREEMENT
AND ELECTION OF THE SANTA
BARBARA METROPOLITAN TRANSIT
DISTRICT TO PREFUND OTHER POST-
EMPLOYMENT BENEFITS THROUGH
CALPERS

RESOLUTION NO. 2017-06

WHEREAS, The Government Code, at section 22940, establishes an Annuitants' Health Care Coverage Fund in the State Treasury to prefund health care coverage for annuitants ("Prefunding Plan"); and

WHEREAS, The Prefunding Plan is a trust fund that (1) is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, (2) serves as an agent multiple-employer defined benefit plan, as defined in Governmental Accounting Standards Board Statements of Accounting and Financial Reporting, Inc., particularly Statement No. 43, and (3) consists of an aggregation of single-employer plans, with pooled administrative and investment functions; and

WHEREAS, The California Public Employees' Retirement System ("CalPERS") Board of Administration ("CalPERS Board") will have sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as "CERBT"), the purposes of which include, but are not limited to, (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan, (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds, and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post-employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS, The Santa Barbara Metropolitan Transit District ("SBMTD") desires to participate in the Prefunding Plan upon the terms and conditions set by the CalPERS Board and as set forth in the Agreement and Election of SBMTD to Prefund Other Post-Employment Benefits through CalPERS ("Agreement"), attached hereto as [Exhibit 1](#).

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SBMTD DOES RESOLVE AS FOLLOWS:

SECTION 1. The Board of Directors of the SBMTD hereby elects to participate in the Prefunding Plan or CERBT, and adopts the Agreement;

SECTION 2. The Board of Directors of the SBMTD hereby authorizes the Chairman of the Board of Directors to execute the Agreement and further authorizes the General Manager or his designee to file a true and correct original or certified copy of the Agreement with CalPERS and to take any additional actions necessary to comply with the procedures and processes established by CalPERS or CERBT to administer the Prefunding Plan, carry out the purposes of the Agreement and maintain the tax-exempt status of the Prefunding Plan;

SECTION 3. The SBMTD's Board Secretary shall certify the adoption of this Resolution and, thereafter, the same shall be in full force and effect.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara Metropolitan Transit District this 18th day of April, 2017 by the following vote:

AYES: _____
NAYS: _____
ABSENT: _____

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM ("CERBT")

**AGREEMENT AND ELECTION
OF
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**

**TO PREFUND OTHER POST-EMPLOYMENT
BENEFITS THROUGH CalPERS**

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post-employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) **SANTA BARBARA METROPOLITAN TRANSIT DISTRICT** (Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post-Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
Affiliate Program Services Division
CERBT (OPEB)
P.O. Box 1494
Sacramento, CA 95812-1494

Filing in person, deliver to: CalPERS Mailroom
Affiliate Program Services Division
CERBT (OPEB)
400 Q Street
Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

C. Other Post-Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB 43. This OPEB cost report may be prepared as an actuarial valuation report or, if the employer is qualified under GASB 45 and 57, may be prepared as an Alternative Measurement Method (AMM) report.

- (a) Unless qualified under GASB 45 and 57 to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB 43 and 57, and shall be:
 - 1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
 - 2) prepared in accordance with generally accepted actuarial practice and GASB 43, 45 and 57; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

- (b) If qualified under GASB 45 and 57, Employer may provide to the Board an AMM report. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB 43 and 57, and shall be:
 - 1) affirmed by Employer's external auditor, or by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board, to be consistent with the AMM process described in GASB 45;
 - 2) prepared in accordance with GASB 43, 45, and 57; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report submitted to it, but shall not unreasonably do so. In the event that the Board determines, in its sole discretion, that the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB Statement No. 45. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount

required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) No contributions are required. If an employer elects to contribute then the contribution amount should not be less than \$5000 or the employer's annual required contribution (ARC), whichever amount is lower. Contributions can be made at any time following the seventh day after the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts will be maintained for each employer so that Employer's assets will provide benefits only under employer's plan.

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

(4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income shall be allocated among employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.

(6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

- (1) Employer may receive disbursements not to exceed the annual premium and other costs of post-employment healthcare benefits and other post-employment benefits as defined in GASB 43.
- (2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.
- (3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.
- (4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) will be processed monthly.
- (5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.
- (6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. Termination of Employer Participation in Prefunding Plan

- (1) The Board may terminate Employer's participation in the Prefunding Plan if:
 - (a) Employer gives written notice to the Board of its election to terminate;
 - (b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.
- (2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.
- (3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

- (4) After Employer's participation in the Prefunding Plan terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.
- (5) After thirty-six (36) months have elapsed from the effective date of this Agreement or at such earlier date as may be approved by the Board in its sole discretion:
 - (a) Employer may request a trustee to trustee transfer of the assets in Employer's Prefunding Account. Upon satisfactory showing to the Board that the transfer will satisfy applicable requirements of the Internal Revenue Code and the Board's fiduciary duties, then the Board shall effect the transfer within one hundred twenty (120) days. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the disbursement date and shall include investment earnings up to the investment earnings allocation date immediately preceding the disbursement date. In no event shall the investment earnings allocation date precede the transfer by more than 120 days.
 - (b) Employer may request a disbursement of the assets in Employer's Prefunding Account. Upon satisfactory showing to the Board that all of Employer's obligations for payment of post-employment health care benefits and other post-employment benefits and reasonable administrative costs of the Board have been satisfied, then the Board shall effect the disbursement within one hundred twenty (120) days. The amount to be disbursed shall be the amount in the Employer's Prefunding Account as of the disbursement date and shall include investment earnings up to the investment earnings allocation date immediately preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement by more than 120 days.
- (6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.
- (7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as defined in GASB 43), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.
- (8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated with such appointment shall be paid from the assets attributable to contributions by Employer.
- (9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

- (a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.
- (b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

- (a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:
 - 1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.
 - 2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
 - 3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.

4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.
6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.
- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Modification

This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by the party to be charged.

(5) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(6) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(7) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer's Governing Body at a public meeting held on the 18th day of the month of April in the year 2017, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: David Davis, Chairman of the Board of Directors

Name of Governing Body: Board of Directors

Name of Employer: Santa Barbara Metropolitan Transit District

Date: April 18, 2017

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
NAME
AFFILIATE PROGRAM SERVICES DIVISION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS The effective date of this Agreement is: April 18, 2017

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

IN THE MATTER OF THE DELEGATION
OF AUTHORITY TO REQUEST
DISBURSEMENTS FROM THE OTHER
POST-EMPLOYMENT PREFUNDING
PLAN

RESOLUTION NO. 2017-07

WHEREAS, The Government Code, at section 22940, establishes an Annuitants' Health Care Coverage Fund in the State Treasury to prefund health care coverage for annuitants ("Prefunding Plan"); and

WHEREAS, The California Public Employees' Retirement System ("CalPERS") Board of Administration ("CalPERS Board") has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as "CERBT"); and

WHEREAS, The Santa Barbara Metropolitan Transit District ("SBMTD") desires to participate in the Prefunding Plan upon the terms and conditions set by the CalPERS Board and as set forth in the Agreement and Election of SBMTD to Prefund Other Post-Employment Benefits through CalPERS ("Agreement"); and

WHEREAS, One purpose of the Prefunding Plan is disbursing contributed amounts and income thereon, if any, to pay for health care costs or other post-employment benefits; and

WHEREAS, the Delegation of Authority to Request Disbursements, attached hereto as [Exhibit 1](#), formalizes the method by which the SBMTD will request disbursements from the Prefunding Plan.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SBMTD DOES RESOLVE AS FOLLOWS:

SECTION 1. The Board of Directors of SBMTD hereby delegates to the General Manager, Assistant General Manager/Controller, and/or Assistant Controller authority to request, on behalf of the SBMTD, disbursements from the Prefunding Plan and to certify as to the purpose for which the disbursed funds will be used;

SECTION 2. The Board of Directors of SBMTD authorizes the General Manager, Assistant General Manager/Controller, and/or Assistant Controller to execute the Delegation of Authority to Request Disbursements and further authorizes the General Manager or his designee to file a true and correct original or certified copy of the Delegation of Authority to Request Disbursements with CalPERS;

SECTION 3. The SBMTD Board Secretary shall certify the adoption of this Resolution, and, thereafter, the same shall be in full force and effect.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara Metropolitan Transit District this 18th day of April, 2017 by the following vote:

AYES: _____
NAYS: _____
ABSENT: _____

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors



DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS

RESOLUTION OF THE

_____ (GOVERNING BODY)

OF THE

_____ (NAME OF EMPLOYER)

The _____ delegates to the incumbents
(GOVERNING BODY)

in the positions of _____ and
(TITLE)

_____ and/or
(TITLE)

_____ authority to request on
(TITLE)

behalf of the Employer disbursements from the Other Post Employment Prefunding Plan and to certify as to the purpose for which the disbursed funds will be used.

By _____

Title _____

Witness _____

Date _____

Bill Shelor,
Secretary, Board of Directors

Operating Budget Projection
(in thousand of dollars)

	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Operating Revenue	\$25,240	\$25,576	\$25,955	\$26,431	\$27,021
Operating Expenses	25,640	26,161	26,987	27,856	28,773
Budget Surplus/(Deficit)	<u>(\$400)</u>	<u>(\$584)</u>	<u>(\$1,032)</u>	<u>(\$1,425)</u>	<u>(\$1,752)</u>

Change in Unrestricted Net Position
(in thousand of dollars)

	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
BOY Unrestricted Net Position	\$9,949	\$9,475	\$8,815	\$7,708	\$6,208
Budget Surplus/(Deficit)	(400)	(584)	(1,032)	(1,425)	(1,752)
OPEB Liability Change	(75)	(75)	(75)	(75)	(75)
EOY Unrestricted Net Position	<u>\$9,475</u>	<u>\$8,815</u>	<u>\$7,708</u>	<u>\$6,208</u>	<u>\$4,381</u>

Targeted Reserve Balances
(in thousand of dollars)

<i>RESERVE FUNDS</i>	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Working Capital	\$5,082	\$5,189	\$5,557	\$5,668	\$5,781
Emergency	2,564	2,616	2,699	2,786	2,877
Appropriated	513	523	540	557	575
Capital (100% Y1, 80% Y2, etc.)	0	0	0	0	0
Reserves Target Balance	<u>\$8,159</u>	<u>\$8,328</u>	<u>\$8,795</u>	<u>\$9,011</u>	<u>\$9,234</u>

Projected Reserve Balances
(in thousand of dollars)

<i>RESERVE FUNDS</i>	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Working Capital	\$5,082	\$5,189	\$5,557	\$5,668	\$4,381
Emergency	2,564	2,616	2,152	540	0
Appropriated	513	523	0	0	0
Capital	0	0	0	0	0
Reserves Projected Balance	<u>\$8,159</u>	<u>\$8,328</u>	<u>\$7,708</u>	<u>\$6,208</u>	<u>\$4,381</u>
Targeted Reserves Shortfall	<u>\$0</u>	<u>\$0</u>	<u>\$1,087</u>	<u>\$2,803</u>	<u>\$4,853</u>

Projected Capital Reserve Levels
(in thousand of dollars)

<i>RESERVE FUNDS</i>	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Capital Projects	\$8,675	\$1,787	\$2,229	\$10,576	\$1,731
Anticipated Funding	8,675	1,787	2,229	10,576	1,731
Total Gross Capital Shortfall	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OPEB Prefunding Trust Balance*

10-Year Projection - S2 Expected Rate of Return**

Fiscal Year	Beginning of Year Balance	End of Year Contribution	Earnings** (6.73%)	End of Year Balance
FY17-18	\$1,000,000	\$50,000	\$67,300	\$1,117,300
FY18-19	1,117,300	50,000	75,194	1,242,494
FY19-20	1,242,494	50,000	83,620	1,376,114
FY20-21	1,376,114	50,000	92,612	1,518,726
FY21-22	1,518,726	50,000	102,210	1,670,936
FY22-23	1,670,936	50,000	112,454	1,833,390
FY23-24	1,833,390	50,000	123,387	2,006,777
FY24-25	2,006,777	50,000	135,056	2,191,833
FY25-26	2,191,833	50,000	147,510	2,389,343
FY25-27	2,389,343	50,000	160,803	2,600,146

Fiscal Year	Beginning of Year Balance	End of Year Contribution	Earnings** (6.73%)	End of Year Balance
FY17-18	\$1,000,000	\$75,000	\$67,300	\$1,142,300
FY18-19	1,142,300	75,000	76,877	1,294,177
FY19-20	1,294,177	75,000	87,098	1,456,275
FY20-21	1,456,275	75,000	98,007	1,629,282
FY21-22	1,629,282	75,000	109,651	1,813,933
FY22-23	1,813,933	75,000	122,078	2,011,011
FY23-24	2,011,011	75,000	135,341	2,221,352
FY24-25	2,221,352	75,000	149,497	2,445,849
FY25-26	2,445,849	75,000	164,606	2,685,455
FY25-27	2,685,455	75,000	180,731	2,941,186

Fiscal Year	Beginning of Year Balance	End of Year Contribution	Earnings** (6.73%)	End of Year Balance
FY17-18	\$1,000,000	\$100,000	\$67,300	\$1,167,300
FY18-19	1,167,300	100,000	78,559	1,345,859
FY19-20	1,345,859	100,000	90,576	1,536,435
FY20-21	1,536,435	100,000	103,402	1,739,837
FY21-22	1,739,837	100,000	117,091	1,956,928
FY22-23	1,956,928	100,000	131,701	2,188,629
FY23-24	2,188,629	100,000	147,295	2,435,924
FY24-25	2,435,924	100,000	163,938	2,699,862
FY25-26	2,699,862	100,000	181,701	2,981,563
FY25-27	2,981,563	100,000	200,659	3,282,222

*Assumes current OPEB costs paid from operating budget & not disbursements

**Based on Strategy 2 expected rate of return & simple annual earnings calculation

OPEB Prefunding Trust Balance*

10-Year Projection - 4% Expected Rate of Return**

Fiscal Year	Beginning of Year Balance	End of Year Contribution	Earnings** (4.00%)	End of Year Balance
FY17-18	\$1,000,000	\$50,000	\$40,000	\$1,090,000
FY18-19	1,090,000	50,000	43,600	1,183,600
FY19-20	1,183,600	50,000	47,344	1,280,944
FY20-21	1,280,944	50,000	51,238	1,382,182
FY21-22	1,382,182	50,000	55,287	1,487,469
FY22-23	1,487,469	50,000	59,499	1,596,968
FY23-24	1,596,968	50,000	63,879	1,710,847
FY24-25	1,710,847	50,000	68,434	1,829,281
FY25-26	1,829,281	50,000	73,171	1,952,452
FY25-27	1,952,452	50,000	78,098	2,080,550

Fiscal Year	Beginning of Year Balance	End of Year Contribution	Earnings** (6.73%)	End of Year Balance
FY17-18	\$1,000,000	\$75,000	\$40,000	\$1,115,000
FY18-19	1,115,000	75,000	44,600	1,234,600
FY19-20	1,234,600	75,000	49,384	1,358,984
FY20-21	1,358,984	75,000	54,359	1,488,343
FY21-22	1,488,343	75,000	59,534	1,622,877
FY22-23	1,622,877	75,000	64,915	1,762,792
FY23-24	1,762,792	75,000	70,512	1,908,304
FY24-25	1,908,304	75,000	76,332	2,059,636
FY25-26	2,059,636	75,000	82,385	2,217,021
FY25-27	2,217,021	75,000	88,681	2,380,702

Fiscal Year	Beginning of Year Balance	End of Year Contribution	Earnings** (6.73%)	End of Year Balance
FY17-18	\$1,000,000	\$100,000	\$40,000	\$1,140,000
FY18-19	1,140,000	100,000	45,600	1,285,600
FY19-20	1,285,600	100,000	51,424	1,437,024
FY20-21	1,437,024	100,000	57,481	1,594,505
FY21-22	1,594,505	100,000	63,780	1,758,285
FY22-23	1,758,285	100,000	70,331	1,928,616
FY23-24	1,928,616	100,000	77,145	2,105,761
FY24-25	2,105,761	100,000	84,230	2,289,991
FY25-26	2,289,991	100,000	91,600	2,481,591
FY25-27	2,481,591	100,000	99,264	2,680,855

*Assumes current OPEB costs paid from operating budget & not disbursements

**Based on 4% rate of return & simple annual earnings calculation

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: May 2, 2017
Subject: General Manager's Report

Operations

The driver training class of February 2017 has 5 drivers now fully licensed, trained, and driving solo. Congratulations to Jose "Tony" Espinosa, Rudy Villavicencio, Karen Downs, Richard Carradine, and Tracy Wharton. The newest training class just started on April 17 with 3 beginning their training – we welcome Lisbet Sotelo-Garcia, Anthony Nicholson, and Brian Ronces. Brian is transferring from working as one of our Transit Center Customer Service Reps.

Operations and Planning staff recently met with City of Goleta staff regarding a construction project at the corner of Hollister and Pine in Old Town Goleta. The planned construction will have an impact on the well-used inbound stop at Hollister and Pine. After the initial meeting with Goleta staff, staff met with the contractor, Corstone Contractors, LLC, on-site to provide guidance on bench relocations, ADA requirements, and etc. The stop will remain open during the construction.

Operations Staff met recently with SBCAG's Kent Epperson and Easy Lift's Rene Andrade in Carpinteria to conduct a route evaluation of the proposed service designed to accommodate the residents of the San Roque Mobile Estate park located on Via Real. The van service will be operated by Easy Lift, and is planned to function while the bike path connecting Via Real and Carpinteria Avenue is closed. The group traveled the route and discussed how best to make the service work.

Fleet & Facilities

Robert Lurie has joined the fleet maintenance staff as Temporary Maintenance Supervisor and will be assisting the Maintenance Department in its procurement and maintenance processes, Robert has an extensive background in transit maintenance, serving most recently as the Maintenance Manager at Gold Coast Transit until his retirement in December 2016.

Hillary and Ryan visited the BYD plant on April 19th, and the first two buses were on the line in the chassis fabrication stage. Transit Resource Center has been contracted to provide the BYD onsite build inspections.

The three 40-ft. Gillig diesel buses are under manufacture. The inspector noted that the first two have their drivelines installed as of April 21st, and are scheduled for delivery next week.

NEC Electrical has completed 70% of the 480v charger infrastructure changes necessitated by the arrival of the BYD buses. Eaton Corporation staff are on site April 25, 2017 to repair the Eaton MCA switchgear located in the Haley electrical room so the wiring can be pulled from the BYD charging stations to the switchgear. The second MCB switchgear is from Square D and it is currently locked out after the generator installation. Smith Electric, the contractor on the generator project, has been contacted to assist in the connection of the BYD charging stations to this box.

The canopy lift and roof replacement project continues, with Phase II complete. The LED lighting is installed and the Phase II reinforcement welding is completed. Phase III began April 17, 2017, and the roof-removal stage of Phase III has been completed.

The new Fast Fare electronic fareboxes from Genfare were installed last weekend and are in revenue service. The cashbox vaulting equipment and data systems were simultaneously upgraded making for a very busy weekend. The implementation went very well. There were the expected technical issues that have largely been worked out. While an MTD team effort, Juan Perez and Josh Martinez, MTD's farebox technicians, were instrumental in the success of the installation and are to be commended for their hard work and long hours ensuring that the process went smoothly. MTD is now in a position to move forward with the smartcard programs for UCSB and SBCC. Progress on this phase continues with the expectation of beginning use later this year.

Planning & Administration

As in past years, Planning staff provided Carpinteria Beautiful wooden benches from Carpinteria bus stops in order for them to paint colorful and artistic designs. Seven benches were painted this year by Carpinteria Beautiful volunteers and local art students. This has been a popular ongoing annual event for the local community.

Planning staff attended the City of Goleta Hollister Avenue Complete Streets public workshop on April 13 at the Goleta Valley Community Center. Planning staff has been invited to be part of a stakeholder's advisory group and will be attending the first upcoming meeting.

Planning staff attended the City of Goleta utility coordination meeting on April 27. These meetings are held periodically in order for local agencies and utility companies to all coordinate together on their respective projects within the City.

The site visit element of the Federal Transit Administration (FTA) Triennial Review of MTD was conducted on Thursday, April 27, and Friday, April 28. The reviewer will look at MTD's compliance with Federal requirements in great detail.

Staff submitted the required quarterly Milestone Progress Reports and Federal Financial Reports for MTD's open Federal grants to the FTA. Staff also submitted the required semiannual report to the California Governor's Office of Emergency Services (CalOES) for the Proposition 1B Transit Security grant program.

MTD received prequalification submittals from eight diesel fuel vendors. The submittals are being reviewed to determine vendor responsiveness to the bid requirements as well as having the technical and financial capacity to undertake the project. The reason for the prequalification is so that MTD can award the contract within hours of the bid deadline to enable the contractor to lock in the price of their fuel supply due to the fixed price nature of the contract.

Last week, Accounting completed and submitted the State Controller Annual Compensation Report for 2016. This report provides employee wages and benefits by position. Once it is approved by the State Controller, it will be posted on their website. MTD will update its website link to the new report at that time.

MTD contracts with Santa Barbara Cottage Hospital Mental Health Services to provide Employee Assistance Program benefit services for all MTD employees and their family members. The services include confidential counseling services of up to four sessions per presenting problem. MTD employee feedback on the program is very positive and MTD has a strong utilization rate. Services are contracted on an annual basis and MTD has renewed the contract for an additional year.

Staff interacted with hundreds of community members this month by tabling at Carpinteria Open Streets, SBCC Earth Day, and the Santa Barbara Earth Day Festival. EV21 made an appearance at the Santa Barbara Earth Day festival on April 22-23. Over 24,000 people attended the opening day of the festival with good attendance on Sunday as well. MTD staff was there to answer questions about our systems, fleets and technologies.

The annual MTD Youth Art Poster Contest has opened and staff has distributed materials to numerous schools and youth programs to encourage participation. This year's theme is "Buses of the Future". Marketing and Community Relations Manager Hillary Blackerby also presented recently at a program hosted by StartupSB on the topic of Green Transportation Innovation.