



## AGENDA

Meeting  
of the  
**FINANCE & HUMAN RESOURCES AND RISK COMMITTEE**  
of the  
**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
A Public Agency  
**Monday, December 4, 2017**  
**9:00am**  
**John G. Britton Auditorium**  
550 Olive Street, Santa Barbara, CA 93101

**1. CALL TO ORDER**

**2. ROLL CALL OF THE COMMITTEE MEMBERS**

Dave Tabor (Chair), Paula Perotte (Director), Olivia Rodriguez (Director)

**3. REPORT REGARDING POSTING OF AGENDA**

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

The committee will be asked to waive the reading of and approve the draft minutes for the meeting of October 31, 2017.

**5. PUBLIC COMMENT**

Members of the public may address the Committee on items within the jurisdiction of the Committee that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Committee Chair. Please complete and deliver a *Request to Speak* form including a description of the subject you wish to address, to the MTD Board Clerk before the meeting is convened. These forms are available at the meeting or at [www.sbmtd.gov](http://www.sbmtd.gov).

**6. BUS ADVERTISING POLICY - (ATTACHMENT - ACTION MAY BE TAKEN)**

Staff will recommend that Advertising Policy changes effective January 1, 2018 be forwarded to the Board of Directors for consideration.

**7. DIRECTORS AND OFFICERS (D&O) INSURANCE/ EMPLOYMENT PRACTICES LIABILITY (EPLI) INSURANCE / FIDUCIARY LIABILITY INSURANCE - (ATTACHMENT - ACTION MAY BE TAKEN)**

Staff will ask that the Finance Committee consider recommending binding coverage for Directors and Officers (D&O) insurance, Employment Practices Liability (EPL) insurance and Fiduciary Liability insurance to the Board for the policy period of January 3, 2018 to January 3, 2019.

**8. PROCUREMENT OF FOURTEEN 40' TRANSIT BUSES - (ATTACHMENT - INFORMATIONAL)**

Staff will present the Committee with a status update on the procurement of fourteen 40' transit buses to replace buses that are now beyond their useful life.

**9. OTHER BUSINESS AND REPORTS - (ACTION MAY BE TAKEN)**

Committee members will report on other related issues.

**10. ADJOURNMENT**

**AMERICAN WITH DISABILITIES ACT:** If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 805.963.3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.

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## COMMITTEE MEETING MINUTES

**Meeting  
of the  
FINANCE & HUMAN RESOURCES AND RISK COMMITTEE  
of the  
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT  
A Public Agency  
October 31, 2017  
9:00 AM  
John G. Britton Auditorium  
550 Olive Street, Santa Barbara, CA 93101**

**1. CALL TO ORDER**

Chair Tabor called the meeting to order at 9:01am.

**2. ROLL CALL OF THE COMMITTEE MEMBERS**

Chair Tabor reported all members were present.

**3. REPORT REGARDING POSTING OF AGENDA**

It was reported that the agenda was posted on Friday, October 27, 2017 at MTD's Administrative Offices, mailed and emailed to those on the agenda list and posted on MTD's website [www.sbmtd.gov](http://www.sbmtd.gov).

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

Director Rodriguez moved to approve the draft minutes for the meeting of September 26, 2017. Director Perotte seconded the motion. The motion passed unanimously.

**5. PUBLIC COMMENT**

No public comments were made.

**6. DRAFT SINGLE AUDIT REPORT - (ATTACHMENT - ACTION MAY BE TAKEN)**

Assistant General Manager Brad Davis and Scott Davis, auditor from McGowan & Guntermann, reported key results of the draft Single Audit Report to the Committee from fiscal year ending June 30, 2017 with intentions to present to the full Board. Director Rodriguez moved to forward the report to the Board. Director Perotte seconded the motion.

**7. STAFF HEALTH AND DENTAL INSURANCE - (ATTACHMENT - ACTION MAY BE TAKEN)**

Manager of Human Resources & Risk Mary Gregg provided the Committee with an overview of the 2018 renewal terms for staff medical, dental and life insurance for adoption by the Board; medical with Blue Shield, dental and life insurance through Guardian. Director Rodriguez moved to forward the report to the Board. Director Perotte seconded the motion. The motion passed unanimously.

**8. D&O / EPL /FIDUCIARY LIABILITY INSURANCE - (ATTACHMENT - INFORMATIONAL)**

Mary Gregg provided the Committee with a progress update on Directors and Officers (D&O) insurance, Employment Practices Liability (EPL) insurance and Fiduciary Liability insurance to take to the full Board.

**9. OTHER BUSINESS AND REPORTS - (ACTION MAY BE TAKEN)**

No other items were discussed.

**10. ADJOURNMENT**

Chair Tabor moved to adjourn the meeting at 9:52am. Director Perotte seconded the motion. The motion passed unanimously.



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**FINANCE, HUMAN RESOURCES & RISK COMMITTEE REPORT**

**MEETING DATE:** DECEMBER 4, 2017  
**DEPARTMENT:** MARKETING  
**TYPE:** ACTION  
**PREPARED BY:** HILLARY BLACKERBY  
**REVIEWED BY:** GENERAL MANAGER  
**SUBJECT:** BUS ADVERTISING POLICY

**AGENDA ITEM: #6**

  
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Signature

**RECOMMENDATION:**

Staff recommends forwarding to the Board of Directors for their consideration the changes listed below to the Advertising Policy to take effect January 1, 2018.

Changes

- Unbundle shuttle tail ads (currently sold as full fleet); sell individually
  - Raise price on the shuttle tails to \$250 per month, regardless of length of contract
- Set rate for interior ads for SB shuttles as a fleet of 12 \$240 (8.5 x 14) {\$20 per space}
- Set rate for interior ads for Carpinteria shuttles as a fleet of 2 \$40 (8.5 x 14) {\$20 per space}
- When an advertiser requests to change interior artwork, implement a change fee of \$40 to change full diesel fleet of interior cards
- When an advertiser requests to change exterior artwork, implement a change fee of:
  - 1-3 posters = \$60
  - 4-7 posters = \$90
  - 8-11 posters = \$120
  - 12-15 posters = \$155
  - 16-20 posters = \$185
  - 21+ posters = \$250

When Nova replacements arrive – Change the rate of Queen Space to reflect the 40' Gillig rate for all new advertisers (Contracts already in place will not be affected)

Nova Queens 15" x 130"

1 - 5 months \$199, 6 - 11 months \$166, 12 months \$132

Will change to:

Gillig 40' Queens 30" x 88"

1 - 5 months \$232, 6 - 11 months \$199, 12 months \$166.

Shuttles are the most popular and requested space because they service the main shopping district of Santa Barbara. All kinds of customers ride our shuttles, from residents, downtown employees, and visitors. Many businesses can benefit from advertising in the main shopping district but are unable to due to the lack of availability. The shuttles have had the same advertiser on the fleet for years. Variety can bring more attention to the ads.

The price for Shuttle Tails is \$2300 a month for 12 ads (approximately \$192 per ad). Considering the shuttle tail is one of the most popular ad staff recommends increasing the per ad rate to \$250 per ad, regardless of length in contract.

Shuttle Interior ads are currently at the rate of \$575 per month for the full fleet. This particular space has not sold in over 3 years. The E-Bus shuttle fleet required large vinyl interior ads, making it infeasible to switch out and more expensive for advertisers to produce the ads. Staff recommends decreasing the rate to \$240 for the full fleet of 12 DWE shuttles and \$40 for the full fleet of 2 Seaside Shuttles equating to \$20 per ad. The size of advertising on a new BYD is 8.5x17.

For perspective, the interior rate for our diesel fleets is \$250 per month for 11 x 17 and \$300 for 11 x 28 for 96 buses. While the shuttle ads will be smaller and on a smaller fleet, they are in the highest demand area of Santa Barbara and staff expects the shuttle interior ads will have a better chance of selling if the rate is lowered, but remains reasonable.

#### Additions

- Sell the Queen ad space on each BYD on the rear quarter panel (30x42) for \$275 per month
- Won't sell King (Driver Side) rear quarter panel on BYD, will use for MTD partnership promotions where non-profit partner supplies design that incorporates MTD and non-profit partner pays for half of printing costs. MTD pays other half of printing costs and provides space.
- Offer one free 42x22 inch space on the inside back wall of BYD to advertisers with contracts over \$35,000 in one calendar year. \*Based on availability



We will use 2018 as an opportunity to work in a focused manner on increasing advertising revenues. After this year, depending on the level of success, the board may want to discuss the possibility of engaging an outside firm to manage and boost our advertising sales program.

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**FINANCE, HUMAN RESOURCES & RISK COMMITTEE REPORT**

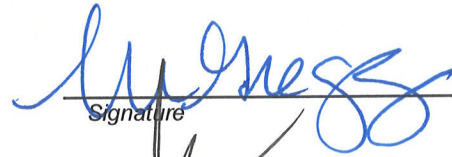
**MEETING DATE:** DECEMBER 4, 2017

**AGENDA ITEM: #7**

**DEPARTMENT:** RISK

**TYPE:** ACTION

**PREPARED BY:** MARY GREGG

  
Signature

**REVIEWED BY:** GENERAL MANAGER

  
Signature

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

**RECOMMENDATION:**

That the Finance Committee consider recommending binding coverage for Directors and Officers (D&O) insurance, Employment Practices Liability (EPL) insurance, and Fiduciary Liability insurance to the Board of Directors for the policy period of January 3, 2018 to January 3, 2019.

**DIRECTORS and OFFICERS**

**DISCUSSION:**

The current underwriter is Professional Governmental Underwriters Inc. (PGU). PGU has secured the best rate in the market this year, and at a flat renewal, through surplus lines carrier Indian Harbor Insurance Company. The options in the insurance market in California for D&O are shrinking as carriers are leaving the state due to the high cost and increasingly large number of these types of claims. Additionally, there are a limited number of carriers that write these policies for the public sector.

Policy	Renewal	Expiring	Prior
<b>Premium:</b>	\$20,105	\$20,105	\$17,025
<b>Limits:</b>	\$3,000,000	\$3,000,000	\$3,000,000
<b>Retention:</b>	\$100,000	\$100,000	\$100,000

## **EMPLOYMENT PRACTICES LIABILITY**

### **DISCUSSION:**

The current carrier is Atlantic Specialty Insurance through OneBeacon Professional Insurance Company. Brown and Brown reports that Atlantic's quote for the 2018 renewal offers the best terms available in the market. This policy is offered at a flat renewal. EPL covers wrongful acts arising from the employment process. It is designed to address an entity's exposure to most employment practice-related claims, on a first- and third-party basis. Third-party coverage protects an organization and its employees from accusations of wrongful acts committed by third parties against its employees.

<b>Policy</b>	<b>Renewal</b>	<b>Expiring</b>	<b>Prior</b>
<b>Premium:</b>	\$40,340	\$40,340	\$39,530
<b>Limits:</b>	\$3,000,000	\$3,000,000	\$3,000,000
<b>Retention:</b>	\$150,000	\$150,000	\$150,000

## **FIDUCIARY LIABILITY**

### **DISCUSSION:**

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

<b>Policy</b>	<b>Renewal</b>	<b>Expiring</b>	<b>Prior</b>
<b>Premium:</b>	\$3,911	\$3,818	\$3,706
<b>Limits:</b>	\$2,000,000	\$2,000,000	\$2,000,000
<b>Retention:</b>	\$0	\$0	\$0



<b>FINANCE, HUMAN RESOURCES &amp; RISK COMMITTEE REPORT</b>
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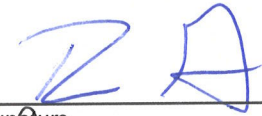
**MEETING DATE:** DECEMBER 4, 2017

**AGENDA ITEM: #8**

**DEPARTMENT:** CAPITAL PROJECTS

**TYPE:** INFORMATIONAL

**PREPARED BY:** RYAN GRIPP

  
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*Signature*

**REVIEWED BY:** GENERAL MANAGER

  
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*Signature*

**SUBJECT:** PROCUREMENT OF (14) 40' TRANSIT BUSES

**DISCUSSION:**

Staff will present on the status of the procurement of (14) 40' transit buses to replace buses that are beyond their useful life. The information will include an update on the budget for the 14 bus procurement based upon current pricing information.