



AGENDA

**Meeting
of the
FINANCE & HUMAN RESOURCES AND RISK COMMITTEE
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, February 20, 2018
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 December 4, 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.

6. DRAFT FY 2017-18 BUDGET REVISION - (ATTACHMENT - ACTION MAY BE TAKEN)

Staff will recommend that the Finance & Human Resources Committee authorize forwarding the draft fiscal year 2017-18 budget revision to the Board of Directors for its consideration.

7. COMMERCIAL AUTO AND GENERAL LIABILITY INSURANCE RENEWAL - (INFORMATIONAL – NO ACTION WILL BE TAKEN)

Staff will provide the Committee with progress update on the renewal of the Commercial Auto and General Liability policy effective April 1, 2018.

8. DRAFT REVISED DRUG AND ALCOHOL POLICY - (ATTACHMENT – ACTION MAY BE TAKEN)

Staff will recommend that the Committee review the draft revised Drug and Alcohol Policy and direct it to make any appropriate revisions prior to bringing the Policy to the full Board to request adoption.

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

December 4, 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 9:05am.

2. ROLL CALL OF THE COMMITTEE MEMBERS

Chair Tabor reported all members were present except Director Perotte.

3. REPORT REGARDING POSTING OF AGENDA

General Manager Jerry Estrada reported that the agenda was posted on Thursday, November 30, 2017 at MTD's Administrative Offices, mailed and emailed to those on the agenda list and posted on MTD's website 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 October 31, 2017. Director Perotte seconded the motion. The motion passed unanimously.

5. PUBLIC COMMENT

No public comments were made.

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

General Manager Jerry Estrada introduced the topic of considering changes to our Advertising Policy in 2018. Significant changes in the bus fleet have created an impetus of change focused on increasing revenue. Director Rodriguez moved to present the policy changes to the full Board for consideration. Director Tabor seconded the motion. The motion passed unanimously.

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

Mary Gregg provided the Committee with renewal updates for Directors and Officers (D&O) insurance, Employment Practices Liability (EPL) insurance and Fiduciary Liability insurance. Director Rodriguez moved to recommend the binding of the policy to the full Board. Director Tabor seconded the motion. The motion passed unanimously.

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

Procurement Specialist Ryan Gripp updated the Committee on the projected cost of the replacement vehicles and his recommendations on how to cover the cost of the acquisition.

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

No other items were discussed.

10. ADJOURNMENT

Chair Tabor moved to adjourn the meeting at 10:06am. Director Rodriguez seconded the motion. The motion passed unanimously.



FINANCE & HUMAN RESOURCES COMMITTEE REPORT

MEETING DATE: FEBRUARY 20, 2018

AGENDA ITEM: #6

DEPARTMENT: FINANCE

TYPE: ACTION ITEM

PREPARED BY: BRAD DAVIS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: DRAFT FY 2017-18 BUDGET REVISION

RECOMMENDATION:

Staff is recommending that the Finance & Human Resources Committee authorize forwarding the draft fiscal year 2017-18 budget revision to the full board for its consideration.

DISCUSSION:

Staff will be presenting the attached draft budget revision to the Finance and Human Resources Committee and is requesting authorization to forward the budget revision to the full Board for its consideration at its next board meeting.

The budget revision has been prepared without taking into account the anticipated financial effects of the Thomas fire and Montecito mudslides. The basis of this approach is that the revision serves as a key element in preparation of the initial draft budget for next fiscal year. As such, it is important that it remain free of significant extraordinary financial events. The effects of the disasters will be reported upon separately and take into account the use of emergency reserves and estimated reimbursement of costs through federal aid.

The revision covers both the operating and capital budgets. Some key points and assumptions about the proposed changes include:

- Both operating revenues and expenses have been increased by about 1% resulting in a modest \$17,143 reduction in the projected deficit for the year to \$437,746.
- Adjustments to operating income include taking into account a fare revenue reduction of less than the budgeted 4%; improved property tax growth; and a sharp drop in fares associated with the reduction in cruise ship visits.
- Changes to operating expenditures include increases to driver overtime, health benefits, and training outlays; adjustments due to differences between the budgeted and actual employment levels; and bumping up projected reserves for risk-related expenditures.
- The capital budget has grown by \$2.6 million mainly due to the escalation of costs for the recently approved bus acquisitions.

These and other budget drivers will be further discussed at the committee meeting.

Attachment: Draft FY2017-18 Operating & Capital Budget Revision

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Operating Budget Summary

Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>REVENUES</u>						
Fare Revenue	\$7,144,904	\$7,078,236	\$66,668	1%	\$7,205,297	-1%
LTF Sales Tax Revenue	7,771,309	7,771,309	0	0%	7,555,989	3%
FTA Operating Assistance	5,081,813	5,081,813	0	0%	5,065,847	0%
Measure A Sale Tax Revenue	2,014,211	2,014,211	0	0%	2,040,988	-1%
State & Local Operating Assistance	1,259,851	1,210,376	49,474	4%	1,376,654	-8%
Property Tax Revenue	1,213,312	1,155,536	57,777	5%	1,163,728	4%
Non-Transportation Income	836,396	836,396	0	0%	727,323	15%
<i>Total Operating Revenue</i>	<u>\$25,321,795</u>	<u>\$25,147,876</u>	<u>\$173,919</u>	1%	<u>\$25,135,826</u>	1%
<u>EXPENSES</u>						
Route Operations	\$16,183,824	\$15,785,453	\$398,370	3%	\$15,325,342	6%
Vehicle Maintenance	5,183,621	5,253,304	(69,683)	-1%	5,135,125	1%
Passenger Accommodations	1,464,072	1,620,975	(156,904)	-10%	1,434,536	2%
General Overhead	2,928,025	2,943,033	(15,008)	-1%	3,007,706	-3%
<i>Total Operating Expense</i>	<u>\$25,759,542</u>	<u>\$25,602,765</u>	<u>\$156,776</u>	1%	<u>\$24,902,709</u>	3%
SURPLUS / (DEFICIT)	<u>(\$437,746)</u>	<u>(\$454,889)</u>	<u>\$17,143</u>		<u>\$233,117</u>	

Operating Revenue Summary

Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>FARE REVENUE</u>						
Cash Fares & Tokens	\$2,136,896	\$2,075,016	\$61,880	3%	2,145,809	0%
Adult Passes	1,059,463	1,067,143	(7,680)	-1%	1,100,793	-4%
Youth Passes	513,370	502,314	11,056	2%	503,342	2%
Senior Passes	186,697	162,387	24,310	15%	173,436	8%
Mobility Passes	152,230	143,670	8,560	6%	148,451	3%
Day Passes	4,374	4,332	42	1%	4,610	-5%
Downtown-Waterfront Shuttle	1,096,278	1,096,278	0	0%	1,104,340	-1%
UCSB Contract Fares	1,037,135	1,037,135	0	0%	1,023,825	1%
SBCC Contract Fares	844,961	844,961	0	0%	880,169	-4%
Special Event Fares & Amtrak	78,500	110,000	(31,500)	-29%	89,882	-13%
City My Ride Program	35,000	35,000	0	0%	30,640	14%
<i>Subtotal</i>	<u>\$7,144,904</u>	<u>\$7,078,236</u>	<u>\$66,668</u>	1%	<u>\$7,205,297</u>	-1%
<u>NON-TRANSPORTATION INCOME</u>						
Advertising on Buses	\$550,000	\$550,000	\$0	0%	562,676	-2%
Interest on Investments	67,910	67,910	0	0%	26,256	159%
Lease & Other Income	218,486	218,486	0	0%	138,391	58%
<i>Subtotal</i>	<u>\$836,396</u>	<u>\$836,396</u>	<u>\$0</u>	0%	<u>727,323</u>	15%
<u>GRANTS & SUBSIDIES</u>						
TDA Sales Tax Revenue	\$7,771,309	\$7,771,309	\$0	0%	7,555,989	3%
FTA Formula Assistance	5,081,813	5,081,813	0	0%	5,065,847	0%
Measure A	2,014,211	2,014,211	0	0%	2,040,988	-1%
Property Tax Revenue	1,213,312	1,155,536	57,777	5%	1,163,728	4%
State & Local Operating Assistance	1,259,851	1,210,376	49,474	4%	1,376,654	-8%
<i>Subtotal</i>	<u>\$17,340,496</u>	<u>\$17,233,245</u>	<u>\$107,251</u>	1%	<u>17,203,206</u>	1%
TOTAL OPERATING REVENUE	<u><u>\$25,321,795</u></u>	<u><u>\$25,147,876</u></u>	<u><u>\$173,919</u></u>	1%	<u><u>25,135,826</u></u>	1%

Operating Expense Summary

Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>ROUTE OPERATIONS</u>						
Drivers	\$11,927,208	\$11,729,256	\$197,951	2%	\$11,186,156	7%
Dispatch & Supervision	787,219	789,377	(2,157)	0%	607,010	30%
Hiring & Training	361,737	305,457	56,279	18%	411,157	-12%
Risk & Safety	2,238,602	2,092,305	146,297	7%	2,169,919	3%
Transportation Subsidies	869,058	869,058	0	0%	951,100	-9%
<i>Subtotal</i>	<u>\$16,183,824</u>	<u>\$15,785,453</u>	<u>\$398,370</u>	3%	<u>\$15,325,342</u>	6%
<u>VEHICLE MAINTENANCE</u>						
Mechanics	\$1,244,509	\$1,269,331	(\$24,823)	-2%	\$1,100,806	13%
Cleaners & Fuelers	841,878	817,215	24,663	3%	829,817	1%
Supervision	497,103	576,516	(79,413)	-14%	557,162	-11%
Vehicle Consumables	1,668,132	1,665,892	2,240	0%	1,718,118	-3%
Bus Parts & Supplies	794,000	819,000	(25,000)	-3%	843,950	-6%
Vendor Services	82,500	57,500	25,000	43%	20,482	303%
Risk & Safety	55,500	47,850	7,650	16%	64,790	-14%
<i>Subtotal</i>	<u>\$5,183,621</u>	<u>\$5,253,304</u>	<u>(\$69,683)</u>	-1%	<u>\$5,135,125</u>	1%
<u>PASSENGER ACCOMMODATIONS</u>						
Passenger Facilities	\$449,464	\$532,848	(\$83,384)	-16%	\$541,883	-17%
Transit Development	297,774	388,762	(90,988)	-23%	320,323	-7%
Promotion & Information	436,275	443,520	(7,245)	-2%	315,990	38%
Fare Revenue Collection	280,559	255,846	24,713	10%	256,340	9%
<i>Subtotal</i>	<u>\$1,464,072</u>	<u>\$1,620,975</u>	<u>(\$156,904)</u>	-10%	<u>\$1,434,536</u>	2%
<u>GENERAL OVERHEAD</u>						
Finance	\$578,495	\$605,017	(\$26,522)	-4%	\$556,748	4%
Personnel	168,635	169,454	(819)	0%	166,030	2%
Utilities & Communication	246,501	219,501	27,000	12%	211,382	17%
Operating Facilities	360,478	340,709	19,769	6%	331,758	9%
District Administration	1,573,917	1,608,353	(34,436)	-2%	1,741,788	-10%
<i>Subtotal</i>	<u>\$2,928,025</u>	<u>\$2,943,033</u>	<u>(\$15,008)</u>	-1%	<u>\$3,007,706</u>	-3%
TOTAL OPERATING EXPENSES	<u><u>\$25,759,542</u></u>	<u><u>\$25,602,765</u></u>	<u><u>\$156,776</u></u>	1%	<u><u>\$24,902,709</u></u>	3%

Route Operations Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>DRIVERS</u>						
Scheduled	\$6,802,661	\$6,791,024	\$11,637	0%	\$6,447,949	6%
Scheduled Overtime	417,939	316,079	101,860	32%	403,873	3%
Unscheduled Pay	258,975	258,532	443	0%	306,740	-16%
Driver Lite Duty	7,853	7,853	0	0%	8,790	-11%
FICA	645,471	640,412	5,059	1%	608,387	6%
Pension	941,216	941,216	0	0%	879,261	7%
Health	1,826,839	1,707,326	119,513	7%	1,656,155	10%
Sick Pay	199,355	199,355	0	0%	128,672	55%
Vacation Pay	464,099	524,999	(60,900)	-12%	430,413	8%
Holiday Pay	247,379	247,379	0	0%	226,561	9%
Other Pay	39,267	26,178	13,089	50%	28,661	37%
Unemployment Insurance	33,904	33,904	0	0%	31,173	9%
Uniforms	42,250	35,000	7,250	21%	29,521	43%
<i>Drivers Subtotal</i>	<u>\$11,927,208</u>	<u>\$11,729,256</u>	<u>\$197,951</u>	2%	<u>\$11,186,156</u>	7%
<u>DISPATCH & SUPERVISION</u>						
Supervisors	\$323,915	\$323,915	\$0	0%	\$208,938	55%
Staff	172,224	172,224	0	0%	173,586	-1%
FICA	43,495	43,495	0	0%	32,523	34%
Pension	38,053	38,053	0	0%	39,156	-3%
Health	135,501	137,658	(2,157)	-2%	86,695	56%
Sick Pay	7,370	7,370	0	0%	7,642	-4%
Vacation Pay	34,000	34,000	0	0%	33,438	2%
Holiday Pay	19,350	19,350	0	0%	14,221	36%
Other Paid Leave	11,708	11,708	0	0%	9,738	20%
Unemployment Insurance	1,603	1,603	0	0%	1,073	49%
<i>Dispatch & Supervision Subtotal</i>	<u>\$787,219</u>	<u>\$789,377</u>	<u>(\$2,157)</u>	0%	<u>\$607,010</u>	30%
<u>HIRING & TRAINING</u>						
Staff	\$35,252	\$35,252	\$0	0%	\$35,913	-2%
Student Drivers	93,186	36,905	56,281	153%	111,585	-16%
Existing Drivers/Supers	128,894	128,894	0	0%	135,485	-5%
FICA	20,551	16,246	4,305	27%	14,417	43%
Pension	10,731	10,731	0	0%	13,251	-19%
Health	24,100	24,348	(247)	-1%	30,867	-22%
Sick Pay	1,961	1,961	0	0%	2,164	-9%
Vacation Pay	5,290	5,290	0	0%	13,925	-62%
Holiday Pay	3,345	3,345	0	0%	4,080	-18%
Other Paid Leave	713	713	0	0%	1,297	-45%
Unemployment Insurance	113	113	0	0%	585	-81%
Medical Exams & License Fees	25,600	25,600	0	0%	35,124	-27%
Employment Advertising	6,000	6,000	0	0%	6,958	-14%
Training, Travel & Meetings	6,000	10,060	(4,060)	-40%	5,506	9%
<i>Hiring & Training Subtotal</i>	<u>\$361,737</u>	<u>\$305,457</u>	<u>\$56,279</u>	18%	<u>\$411,157</u>	-12%

Route Operations Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>RISK & SAFETY</u>						
Wages & Benefits						
Staff	\$147,331	\$147,331	\$0	0%	\$145,161	1%
Supervisors	304,753	304,753	0	0%	283,996	7%
Driver Accident Pay	1,832	1,832	0	0%	1,962	-7%
FICA	40,871	40,871	0	0%	39,750	3%
Pension	49,398	49,398	0	0%	47,951	3%
Health	95,975	96,778	(803)	-1%	89,107	8%
Sick Pay	5,623	5,623	0	0%	11,733	-52%
Vacation Pay	34,018	34,018	0	0%	44,260	-23%
Holiday Pay	16,428	16,428	0	0%	16,069	2%
Other Paid Leave	24,273	24,273	0	0%	26,052	-7%
Unemployment Insurance	1,459	1,459	0	0%	1,356	8%
	<u>\$721,961</u>	<u>\$722,764</u>	<u>(\$803)</u>	<u>0%</u>	<u>\$707,397</u>	<u>2%</u>
Public Liability						
Professional Services	\$142,585	\$112,585	\$30,000	27%	\$326,978	-56%
Insurance	270,138	270,138	0	0%	261,424	3%
Current Year Incident Payouts	50,000	50,000	0	0%	13,442	272%
Current Year Incident Reserves	100,000	100,000	0	0%	18,002	455%
Prior Years Incident Payouts	125,000	125,000	0	0%	144,766	-14%
Change in Prior Years Reserves	(125,000)	(125,000)	0	0%	(115,000)	9%
	<u>\$562,723</u>	<u>\$532,723</u>	<u>\$30,000</u>	<u>6%</u>	<u>\$649,612</u>	<u>-13%</u>
Workers' Compensation						
Professional Services	\$251,745	\$251,745	\$0	0%	\$325,498	-23%
Insurance	104,500	87,400	17,100	20%	76,727	36%
Current Year Incident Payouts	125,000	125,000	0	0%	28,545	338%
Current Year Incident Reserves	400,000	300,000	100,000	33%	517,823	-23%
Prior Years Incident Payouts	350,000	350,000	0	0%	544,941	-36%
Change in Prior Years Reserves	(300,000)	(300,000)	0	0%	(700,072)	-57%
Miscellaneous Risk & Safety	22,673	22,673	0	0%	19,448	17%
	<u>\$953,918</u>	<u>\$836,818</u>	<u>\$117,100</u>	<u>14%</u>	<u>\$812,910</u>	<u>17%</u>
<i>Risk & Safety Subtotal</i>	<u>\$2,238,602</u>	<u>\$2,092,305</u>	<u>\$146,297</u>	<u>7%</u>	<u>\$2,169,919</u>	<u>3%</u>
<u>TRANSPORTATION SUBSIDIES</u>						
ADA Paratransit Service	\$869,058	\$851,100	\$17,958	2%	\$851,100	2%
ADA Paratransit Service - Capital	\$0	\$0	0	n/a	100,000	
<i>Transportation Subsidies Subtotal</i>	<u>\$869,058</u>	<u>\$851,100</u>	<u>\$17,958</u>	<u>2%</u>	<u>\$951,100</u>	<u>-9%</u>
TOTAL ROUTE OPERATIONS	<u><u>\$16,183,824</u></u>	<u><u>\$15,767,495</u></u>	<u><u>\$416,328</u></u>	<u>3%</u>	<u><u>\$15,325,342</u></u>	<u>6%</u>

Vehicle Maintenance Detail

Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>MECHANICS</u>						
Mechanics	\$725,095	\$729,534	(\$4,439)	-1%	\$636,772	14%
Less Mechanic Labor Capitalization	(30,607)	(29,955)	(652)	2%	(17,699)	73%
Mechanics-OT	37,526	36,962	564	2%	45,078	-17%
FICA	69,789	71,803	(2,014)	-3%	58,962	18%
Pension	91,833	91,393	439	0%	79,096	16%
Health	170,095	164,251	5,845	4%	145,324	17%
Sick Pay	23,811	23,711	99	0%	27,893	-15%
Vacation Pay	93,551	116,938	(23,388)	-20%	61,861	51%
Holiday Pay	30,754	29,955	799	3%	26,679	15%
Other Paid Leave	1,538	1,498	40	3%	3,342	-54%
Unemployment Insurance	2,955	2,941	14	0%	2,992	-1%
Uniforms	16,000	16,000	0	0%	16,206	-1%
Tool Allowance	12,169	14,300	(2,131)	-15%	14,300	-15%
<i>Mechanics Subtotal</i>	<u>\$1,244,509</u>	<u>\$1,269,331</u>	<u>(\$24,823)</u>	-2%	<u>\$1,100,806</u>	13%
<u>CLEANERS & FUELERS</u>						
Service Workers	\$480,689	\$457,799	\$22,890	5%	\$463,354	4%
FICA	41,752	40,000	1,751	4%	39,244	6%
Pension	73,364	73,364	0	0%	70,825	4%
Health	168,480	168,458	22	0%	176,213	-4%
Sick Pay	10,707	10,707	0	0%	11,144	-4%
Vacation Pay	32,072	32,072	0	0%	33,600	-5%
Holiday Pay	20,292	20,292	0	0%	17,547	16%
Other Paid Leave	2,012	2,012	0	0%	362	456%
Unemployment Insurance	2,743	2,743	0	0%	2,543	8%
Uniforms	6,552	6,552	0	0%	8,745	-25%
Medical Exams & License Fees	3,216	3,216	0	0%	6,240	-48%
<i>Cleaners & Fuelers Subtotal</i>	<u>\$841,878</u>	<u>\$817,215</u>	<u>\$24,663</u>	3%	<u>\$829,817</u>	1%
<u>SUPERVISION</u>						
Staff	\$313,302	\$351,793	(\$38,490)	-11%	\$336,477	-7%
FICA	26,713	29,691	(2,978)	-10%	29,382	-9%
Pension	31,670	38,812	(7,143)	-18%	33,650	-6%
Health	73,870	102,862	(28,993)	-28%	92,121	-20%
Sick Pay	4,464	3,678	786	21%	8,695	-49%
Vacation Pay	18,846	19,546	(700)	-4%	26,620	-29%
Holiday Pay	10,750	12,586	(1,836)	-15%	13,248	-19%
Other Paid Leave	2,457	2,517	(60)	-2%	7,640	-68%
Unemployment Insurance	905	905	0	0%	1,425	-36%
Training, Travel & Meetings	14,125	14,125	0	0%	7,904	79%
<i>Supervision Subtotal</i>	<u>\$497,103</u>	<u>\$576,516</u>	<u>(\$79,413)</u>	-14%	<u>\$557,162</u>	-11%

Vehicle Maintenance Detail

Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>VEHICLE CONSUMABLES</u>						
Bus Fuel	\$1,309,432	\$1,307,192	\$2,240	0%	\$1,366,450	-4%
Oil & Lubricants	115,000	115,000	0	0	\$115,054	
Electric Vehicle Power	72,000	72,000	0	0%	64,656	11%
Tire Lease	161,700	161,700	0	0%	162,044	0%
Tire Mounting	10,000	10,000	0	0%	9,914	1%
Vehicle Consumables Subtotal	<u>\$1,668,132</u>	<u>\$1,665,892</u>	<u>\$2,240</u>	0%	<u>\$1,718,118</u>	-3%
<u>VEHICLE PARTS & SUPPLIES</u>						
Bus Parts Issued	\$700,000	\$725,000	(\$25,000)	-3%	\$759,334	-8%
Shop Supplies	70,000	70,000	0	0%	64,077	9%
Bus Servicing Supplies	10,000	10,000	0	0%	7,884	27%
Hazmat Disposal & Compliance	14,000	14,000	0	0%	12,655	11%
Vehicle Part & Supplies Subtotal	<u>\$794,000</u>	<u>\$819,000</u>	<u>(\$25,000)</u>	-3%	<u>\$843,950</u>	-6%
<u>VENDOR BUS REPAIRS</u>						
Vandalism Repairs	\$5,000	\$5,000	\$0	0%	\$5,236	-5%
Accident Damage Repairs	5,000	5,000	0	0%	642	679%
Accident Claim Collections	(2,500)	(2,500)	0	0%	(23,583)	-89%
Other Vendor Repairs	75,000	50,000	25,000	50%	38,187	96%
Vendor Bus Repairs Subtotal	<u>\$82,500</u>	<u>\$57,500</u>	<u>\$25,000</u>	43%	<u>\$20,482</u>	303%
<u>RISK & SAFETY</u>						
Workers' Comp Services	\$20,000	\$13,250	\$6,750	51%	\$20,708	-3%
Workers' Comp Insurance	5,500	4,600	900	20%	7,600	-28%
Current Year Incident Payouts	10,000	10,000	0	0%	0	n/a
Current Year Incident Reserves	20,000	20,000	0	0%	0	n/a
Prior Years Incident Payouts	150,000	150,000	0	0%	14,079	965%
Change in Prior Years Reserves	(150,000)	(150,000)	0	0%	22,403	-770%
Risk & Safety Subtotal	<u>\$55,500</u>	<u>\$47,850</u>	<u>\$7,650</u>	16%	<u>\$64,790</u>	-14%
TOTAL VEHICLE MAINTENANCE	<u><u>\$5,183,621</u></u>	<u><u>\$5,253,304</u></u>	<u><u>(\$69,683)</u></u>	-1%	<u><u>\$5,135,125</u></u>	1%

Passenger Accommodations Detail

Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>PASSENGER FACILITIES</u>						
Wages & Benefits						
Supervisors	\$126,542	\$126,542	\$0	0%	\$173,707	-27%
TC Advisors	73,731	122,571	(48,840)	-40%	89,294	-17%
Staff	39,808	39,808	0	0%	42,139	-6%
FICA	20,700	24,591	(3,890)	-16%	25,713	-19%
Pension	26,491	26,491	0	0%	19,818	34%
Health	86,054	114,695	(28,641)	-25%	86,921	-1%
Sick Pay	3,987	3,824	163	4%	10,119	-61%
Vacation Pay	14,188	15,527	(1,339)	-9%	25,155	-44%
Holiday Pay	10,576	11,246	(670)	-6%	8,832	20%
Other Paid Leave	1,762	1,929	(167)	-9%	3,310	-47%
Unemployment Insurance	1,015	1,015	0	0%	2,244	-55%
	<u>\$404,856</u>	<u>\$488,240</u>	<u>(\$83,384)</u>	<u>-17%</u>	<u>\$487,252</u>	<u>-17%</u>
Buildings & Grounds						
TC Contract Maintenance	\$31,717	\$31,717	\$0	0%	\$36,310	-13%
TC Repairs/Supplies	5,000	5,000	0	0%	13,521	-63%
Bus Stop Repairs/Supplies	5,000	5,000	0	0%	2,480	102%
TC Property Insurance	2,891	2,891	0	0%	2,320	25%
	<u>\$44,608</u>	<u>\$44,608</u>	<u>\$0</u>	<u>0%</u>	<u>\$54,631</u>	<u>-18%</u>
<i>Passenger Facilities Subtotal</i>	<u>\$449,464</u>	<u>\$532,848</u>	<u>(\$83,384)</u>	<u>-16%</u>	<u>\$541,883</u>	<u>-17%</u>
<u>TRANSIT DEVELOPMENT</u>						
Staff	\$174,221	\$185,343	(\$11,122)	-6%	\$194,500	-10%
FICA	15,436	16,406	(970)	-6%	17,599	-12%
Pension	20,178	21,445	(1,268)	-6%	23,246	-13%
Health	46,666	47,778	(1,112)	-2%	50,261	-7%
Sick Pay	6,065	6,256	(191)	-3%	7,840	-23%
Vacation Pay	14,315	15,047	(731)	-5%	9,568	50%
Holiday Pay	7,826	8,314	(488)	-6%	8,370	-6%
Other Paid Leave	2,348	2,494	(146)	-6%	7,548	-69%
Unemployment Insurance	679	679	0	0%	630	8%
Training, Travel & Meetings	5,000	5,000	0	0%	761	557%
Planning Services & Supplies	5,040	80,000	(74,960)	-94%	0	n/a
<i>Transit Development Subtotal</i>	<u>\$297,774</u>	<u>\$388,762</u>	<u>(\$90,988)</u>	<u>-23%</u>	<u>\$320,323</u>	<u>-7%</u>

Passenger Accommodations Detail

Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>PROMOTION & INFORMATION</u>						
Wages & Benefits						
Staff	\$113,358	\$117,641	(\$4,283)	-4%	\$100,311	13%
FICA	9,625	10,097	(471)	-5%	8,758	10%
Pension	12,582	13,198	(616)	-5%	7,503	68%
Health	20,117	20,342	(225)	-1%	18,244	10%
Sick Pay	2,106	2,919	(813)	-28%	2,990	-30%
Vacation Pay	3,493	5,076	(1,584)	-31%	9,315	-63%
Holiday Pay	5,493	5,076	416	8%	4,660	18%
Other Paid Leave	1,373	1,269	104	8%	1,465	-6%
Unemployment Insurance	679	452	226	50%	557	22%
	<u>\$168,825</u>	<u>\$176,070</u>	<u>(\$7,245)</u>	<u>-4%</u>	<u>\$153,803</u>	<u>10%</u>
Outside Services						
Media Ad Placement	15,000	15,000	0	0%	2,500	500%
Brochures & Publications	19,200	19,200	0	0%	7,569	154%
Market Research	8,500	8,500	0	0%	0	n/a
Promotional Giveaways	15,000	15,000	0	0%	3,285	357%
Bus/Shuttle Decorations	1,500	1,500	0	0%	4,096	-63%
Other Promotions	94,300	94,300	0	0%	34,696	172%
Route Schedules & Information	109,950	109,950	0	0%	107,271	2%
Training, Travel & Meetings	4,000	4,000	0	0%	2,770	44%
	<u>\$267,450</u>	<u>\$267,450</u>	<u>\$0</u>	<u>0%</u>	<u>\$162,187</u>	<u>65%</u>
Promotion & Information Subtotal	<u>\$436,275</u>	<u>\$443,520</u>	<u>(\$7,245)</u>	<u>-2%</u>	<u>\$315,990</u>	<u>38%</u>
<u>FARE REVENUE COLLECTION</u>						
Wages & Benefits						
Staff	\$132,468	\$108,288	\$24,180	22%	\$102,376	29%
FICA	11,595	9,787	1,808	18%	9,242	25%
Pension	12,794	12,794	0	0%	12,356	4%
Health	53,690	54,872	(1,181)	-2%	55,659	-4%
Sick Pay	2,786	3,331	(546)	-16%	5,350	-48%
Vacation Pay	9,326	9,326	0	0%	6,421	45%
Holiday Pay	4,663	4,663	0	0%	2,958	58%
Other Paid Leave	2,331	2,331	0	0%	1,274	83%
Unemployment Insurance	905	452	452	100%	420	115%
	<u>\$230,559</u>	<u>\$205,846</u>	<u>\$24,713</u>	<u>12%</u>	<u>\$196,056</u>	<u>18%</u>
Outside Services						
Fare Processing	\$15,000	\$15,000	\$0	0%	\$13,616	10%
Farebox Parts & Repairs	15,000	15,000	0	0%	23,580	-36%
Tickets, Tokens & Transfers	20,000	20,000	0	0%	23,088	-13%
	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$0</u>	<u>0%</u>	<u>\$60,284</u>	<u>-17%</u>
Fare Revenue Collection Subtotal	<u>\$280,559</u>	<u>\$255,846</u>	<u>\$24,713</u>	<u>10%</u>	<u>\$256,340</u>	<u>-8%</u>
TOTAL PSNGR ACCOMMODATIONS	<u><u>\$1,464,072</u></u>	<u><u>\$1,620,975</u></u>	<u><u>(\$156,904)</u></u>	<u><u>-10%</u></u>	<u><u>\$1,434,536</u></u>	<u><u>-1%</u></u>

General Overhead Detail

Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>FINANCE</u>						
Staff	\$319,940	\$338,415	(\$18,475)	-5%	\$318,117	1%
FICA	28,224	29,670	(1,446)	-5%	28,000	1%
Pension	36,894	38,785	(1,891)	-5%	36,640	1%
Health	78,422	82,699	(4,277)	-5%	80,743	-3%
Sick Pay	6,528	6,960	(432)	-6%	6,281	4%
Vacation Pay	22,344	22,344	0	0%	24,101	-7%
Holiday Pay	14,001	14,001	0	0%	13,645	3%
Other Paid Leave	6,125	6,125	0	0%	6,018	2%
Unemployment Insurance	1,018	1,018	0	0%	1,001	2%
Financial Audit Services	65,000	65,000	0	0%	42,202	54%
<i>Finance Subtotal</i>	<u>\$578,495</u>	<u>\$605,017</u>	<u>(\$26,522)</u>	-4%	<u>\$556,748</u>	4%
<u>PERSONNEL</u>						
Staff	\$101,909	\$101,909	\$0	0%	\$100,450	1%
FICA	8,735	8,735	0	0%	8,434	4%
Pension	11,419	11,419	0	0%	10,669	7%
Health	33,454	34,273	(819)	-2%	34,471	-3%
Sick Pay	1,217	1,217	0	0%	2,468	-51%
Vacation Pay	4,392	4,392	0	0%	2,990	47%
Holiday Pay	4,780	4,780	0	0%	4,225	13%
Other Paid Leave	2,390	2,390	0	0%	2,008	19%
Unemployment Insurance	339	339	0	0%	315	8%
<i>Personnel Subtotal</i>	<u>\$168,635</u>	<u>\$169,454</u>	<u>(\$819)</u>	0%	<u>\$166,030</u>	2%
<u>UTILITIES</u>						
Telephone & Data Communications	\$72,140	\$72,140	\$0	0%	\$68,182	6%
Power, Water & Refuse	162,000	135,000	27,000	20%	132,540	22%
Two-Way Radios	12,360	12,360	0	0%	10,660	16%
<i>Utilities Subtotal</i>	<u>\$246,501</u>	<u>\$219,501</u>	<u>\$27,000</u>	12%	<u>\$211,382</u>	17%
<u>OPERATING FACILITIES</u>						
<u>Wages & Benefits</u>						
Staff	\$57,022	\$57,022	\$0	0%	\$57,726	-1%
FICA	4,921	4,921	0	0%	5,020	-2%
Pension	6,433	6,433	0	0%	6,625	-3%
Health	9,940	10,171	(231)	-2%	10,237	-3%
Sick Pay	872	872	0	0%	1,064	-18%
Vacation Pay	3,711	3,711	0	0%	5,223	-29%
Holiday Pay	2,474	2,474	0	0%	2,411	3%
Other Paid Leave	247	247	0	0%	245	1%
Unemployment Insurance	226	226	0	0%	210	8%
	<u>\$85,846</u>	<u>\$86,077</u>	<u>(\$231)</u>	0%	<u>\$88,761</u>	-3%

General Overhead Detail

Fiscal Year 2017-18

	FY 17-18 Budget		Budget Change		FY 16-17	Var
	Revised	Original	Amount	%	Actual	%
<u>OPERATING FACILITIES (cont'd)</u>						
Service Vehicles						
Parts & Repairs	\$30,000	\$20,000	\$10,000	50%	\$30,414	-1%
Fuel	60,000	50,000	10,000	20%	48,619	23%
	<u>\$90,000</u>	<u>\$70,000</u>	<u>\$20,000</u>	<u>29%</u>	<u>\$79,033</u>	<u>14%</u>
Buildings & Grounds						
Contract Maintenance	\$83,360	\$83,360	\$0	0%	\$80,497	4%
Overpass Site Maintenance	5,500	5,500	0	0%	106	n/a
B&G Repairs/Supplies	40,000	40,000	0	0%	35,180	14%
Property Insurance	55,771	55,771	0	0%	48,181	16%
	<u>\$184,631</u>	<u>\$184,631</u>	<u>\$0</u>	<u>0%</u>	<u>\$163,964</u>	<u>13%</u>
<i>Operating Facilities Subtotal</i>	<u>\$360,478</u>	<u>\$340,709</u>	<u>\$19,769</u>	<u>6%</u>	<u>\$331,758</u>	<u>12%</u>
<u>DISTRICT ADMINISTRATION</u>						
Wages & Benefits						
Staff	\$510,744	\$558,463	(\$47,719)	-9%	\$532,516	-4%
Bus Ad Revenue Placement	2,264	2,264	0	0%	55	n/a
FICA	45,370	49,964	(4,594)	-9%	43,210	5%
Pension	59,307	65,312	(6,005)	-9%	61,423	-3%
Health	123,978	147,455	(23,477)	-16%	125,663	-1%
Sick Pay	8,165	10,467	(2,301)	-22%	11,373	-28%
Vacation Pay	54,058	54,005	53	0%	42,681	27%
Holiday Pay	15,464	23,222	(7,758)	-33%	22,744	-32%
Other Paid Leave	4,639	6,967	(2,327)	-33%	10,421	-55%
Unemployment Insurance	1,093	1,697	(603)	-36%	1,365	-20%
	<u>\$825,083</u>	<u>\$919,814</u>	<u>(\$94,732)</u>	<u>-10%</u>	<u>\$851,451</u>	
Administrative Services						
Directors Fees	\$12,600	\$12,600	\$0	0%	\$9,780	29%
Public Officials Insurance	67,040	67,040	0	0%	62,454	7%
Legal Counsel	85,000	85,000	0	0%	106,975	-21%
Pension Administration	2,500	2,500	0	0%	0	n/a
Office Equipment Maintenance	165,000	165,000	0	0%	169,670	-3%
Miscellaneous Services	138,694	93,398	45,296	48%	85,977	61%
Office & Computer Supplies	45,000	45,000	0	0%	43,415	4%
Dues & Subscriptions	55,000	55,000	0	0%	52,997	4%
Conferences, Meetings & Training	19,000	19,000	0	0%	14,268	33%
Employee Relations	20,000	20,000	0	0%	21,515	-7%
Retiree Health Insurance	60,000	60,000	0	0%	263,133	-77%
Mandated Fees & Permits	40,000	40,000	0	0%	39,543	1%
Bus Ad Revenue Program	9,000	9,000	0	0%	10,340	-13%
Misc. Expenses & Losses	30,000	15,000	15,000	100%	10,270	192%
	<u>\$748,834</u>	<u>\$688,538</u>	<u>\$60,296</u>	<u>9%</u>	<u>\$890,337</u>	<u>-16%</u>
<i>District Administration Subtotal</i>	<u>\$1,573,917</u>	<u>\$1,608,353</u>	<u>(\$34,436)</u>	<u>-2%</u>	<u>\$1,741,788</u>	<u>-8%</u>
TOTAL GENERAL OVERHEAD	<u><u>\$2,928,025</u></u>	<u><u>\$2,943,033</u></u>	<u><u>(\$15,008)</u></u>	<u><u>-1%</u></u>	<u><u>\$3,007,706</u></u>	<u><u>-1%</u></u>

Capital Project Detail

Fiscal Year 2017-18

	Revised Budget	Original Budget	Variance
<u>REVENUE VEHICLE PURCHASES</u>			
40' Diesel Buses (10)	\$5,300,000	\$5,000,000	\$300,000
40' Electric Buses (4)	3,750,000	2,000,000	1,750,000
30' Electric Buses (8)	3,200,000	3,100,000	100,000
30' Electric Buses-Capital Lease (6)	2,329,000	2,329,000	0
40' SAMTRANS 2003 Gillig Buses (17)	300,000	0	300,000
Subtotal	<u>\$14,879,000</u>	<u>\$12,429,000</u>	<u>\$2,450,000</u>
<u>REVENUE VEHICLE IMPROVEMENTS</u>			
Bus Refurbishing	\$100,000	\$300,000	(\$200,000)
Diesel Fleet Drivetrains	250,000	200,000	50,000
Hybrid Bus Battery Replacements	375,000	450,000	(75,000)
Subtotal	<u>\$725,000</u>	<u>\$950,000</u>	<u>(\$225,000)</u>
<u>OPERATING FACILITIES</u>			
Canopy Improvements *	\$115,000	\$0	\$115,000
Shop Structural & Roof Upgrades	225,000	225,000	0
Charging Infrastructure	350,000	0	350,000
Security Upgrades	83,000	83,000	0
Operating Facilities Allowance	75,000	75,000	0
Calle Real Development	200,000	100,000	100,000
Subtotal	<u>\$1,048,000</u>	<u>\$483,000</u>	<u>\$565,000</u>
<u>PASSENGER FACILITIES</u>			
TC Renovation Project	\$2,400,000	\$2,400,000	\$0
Bus Stop Upgrades & Allowance	200,000	600,000	(400,000)
Subtotal	<u>\$2,600,000</u>	<u>\$3,000,000</u>	<u>(\$400,000)</u>
<u>INTELLIGENT TRANSPORTATION SYSTEMS</u>			
AVL Project (AIM) *	\$475,000	\$150,000	\$325,000
Advanced Fare Collection System	75,000	0	75,000
Smartcard Project	50,000	150,000	(100,000)
Subtotal	<u>\$600,000</u>	<u>\$300,000</u>	<u>\$300,000</u>
<u>INFORMATION SYSTEMS</u>			
Fuel & Mileage Monitoring System	\$100,000	\$150,000	(\$50,000)
Software Systems Upgrades	175,000	175,000	0
IT Infrastructure Allowance	50,000	50,000	0
Subtotal	<u>\$325,000</u>	<u>\$375,000</u>	<u>(\$50,000)</u>
<u>OTHER EQUIPMENT</u>			
Shop Equipment Allowance	\$75,000	\$75,000	\$0
Service Vehicles	200,000	200,000	0
Fare Collection & Radio Allowance	25,000	25,000	0
Office Furniture Allowance	25,000	25,000	0
Subtotal	<u>\$325,000</u>	<u>\$325,000</u>	<u>\$0</u>
Total Capital Projects	<u>\$20,502,000</u>	<u>\$17,862,000</u>	<u>\$2,640,000</u>

* Carryover from FY 16-17



FINANCE & HUMAN RESOURCES COMMITTEE REPORT

MEETING DATE:	FEBRUARY 20, 2018	AGENDA ITEM: #7
DEPARTMENT:	RISK	
TYPE:	INFORMATIONAL ITEM	
PREPARED BY:	MARY GREGG	_____
		<i>Signature</i>
REVIEWED BY:	GENERAL MANAGER	_____
		<i>Signature</i>
SUBJECT:	COMMERCIAL AUTO AND GENERAL LIABILITY INSURANCE RENEWAL	

DISCUSSION:

Staff will provide the Committee with a progress update on the renewal for the Commercial Auto and General Liability policy effective April 1, 2018. Formal rate quotes from National Interstate Insurance Company and Travelers Insurance will be presented to MTD by Brown and Brown Insurance in early March.

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FINANCE AND HUMAN RESOURCES COMMITTEE REPORT

MEETING DATE: FEBRUARY 20, 2018

AGENDA ITEM: #8

DEPARTMENT: RISK

TYPE: ACTION ITEM

PREPARED BY: MARY GREGG

Signature

STEVE MAAS

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: DRAFT REVISED DRUG AND ALCOHOL POLICY

RECOMMENDATION:

Staff recommends that the Committee review the draft revised Drug and Alcohol Policy and direct staff to make any appropriate revisions and bring the draft Policy to the full Board for adoption.

DISCUSSION:

Staff has prepared the attached draft revised Drug and Alcohol Policy to comply with Federal Transit Administration (FTA) revised drug and alcohol testing requirements and to incorporate comments received from the auditors during the recent drug and alcohol program compliance audit of MTD. The auditors strongly suggested that MTD utilize FTA's "policy builder" software to revise our policy, and the draft Policy was developed using that software. An advantage to using the "policy builder" is that the resulting policy incorporates all updated terminology and reflects all current requirements.

All MTD requirements that exceed FTA requirements are underlined. All of these MTD requirements were retained from the current policy adopted by the Board last year.

ATTACHMENT:

- Draft Revised Drug and Alcohol Policy

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Santa Barbara Metropolitan Transit District



Drug and Alcohol Policy

Adopted [mm/dd/yyyy]

Effective [mm/dd/yyyy]

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I. Purpose of Policy

The Santa Barbara Metropolitan Transit District (MTD) provides public transit service for the residents of the South Coast of Santa Barbara County. Part of MTD's mission is to ensure that this service is delivered safely, efficiently, and effectively by establishing a drug and alcohol-free work environment, and to ensure that the workplace remains free from the effects of drugs and alcohol in order to promote the health and safety of employees and the general public.

This policy complies with 49 CFR Part 655, as amended and 49 CFR Part 40, as amended. Copies of Parts 655 and 40 are available in the Drug and Alcohol Program Manager's office and can be found on the internet at the Federal Transit Administration (FTA) Drug and Alcohol Program website <http://transit-safety.fta.dot.gov/DrugAndAlcohol/>.

All covered employees are required to submit to drug and alcohol tests as a condition of employment in accordance with 49 CFR Part 655.

Any provisions set forth in this policy that are implemented under the sole authority of MTD are identified by underlining.

In addition, DOT has published 49 CFR Part 32, implementing the Drug-Free Workplace Act of 1988, which requires the establishment of drug-free workplace policies and the reporting of certain drug-related offenses to the FTA.

All MTD employees are subject to the provisions of the Drug-Free Workplace Act of 1988.

The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace. An employee who is convicted of any criminal drug statute for a violation occurring in the workplace shall notify MTD management no later than five days after such conviction.

2. Covered Employees

This policy applies to every person, including an applicant or transferee, who performs or will perform a "safety-sensitive function" as defined in Part 655, section 655.4.

You are a covered employee if you perform any of the following:

- Operating a revenue service vehicle, in or out of revenue service
- Operating a non-revenue vehicle requiring a commercial driver's license
- Controlling movement or dispatch of a revenue service vehicle
- Maintaining (including repairs, overhaul and rebuilding) of a revenue service vehicle or equipment used in revenue service
- Carrying a firearm for security purposes

A volunteer is a covered employee if:

- (1) the volunteer is required to have a commercial driver's license to operate the vehicle;
or
- (2) the volunteer performs a safety-sensitive function and receives remuneration in excess of his or her actual expenses incurred

See Attachment A for a list of covered positions by job title.

Under MTD authority, all non-safety-sensitive employees are also subject to all provisions of this policy with the exception of random testing requirements. Testing of non-safety-sensitive employees will be conducted using non-Federal drug and alcohol testing forms.

3. Prohibited Behavior

Use of illegal drugs is prohibited at all times. All covered employees are prohibited from reporting for duty or remaining on duty any time there is a quantifiable presence of a prohibited drug in the body at or above the minimum thresholds defined in Part 40. Prohibited drugs include:

- marijuana
- cocaine
- phencyclidine (PCP)
- opioids
- amphetamines

All covered employees are prohibited from performing or continuing to perform safety-sensitive functions while having an alcohol concentration of 0.04 or greater. Under MTD authority, all covered employees are prohibited from performing or continuing to perform safety-sensitive functions while having an alcohol concentration of 0.02 or greater. Under MTD authority, all employees (including non-safety-sensitive employees) will be removed from duty for at least eight hours or for the duration of the workday, whichever is longer.

All covered employees are prohibited from consuming alcohol while performing safety-sensitive job functions or while on-call to perform safety-sensitive job functions. If an on-call employee has consumed alcohol, they must acknowledge the use of alcohol at the time that they are called to report for duty. If the on-call employee claims the ability to perform his or her safety-sensitive function, he or she must take an alcohol test with a result of less than 0.02 prior to performance.

All covered employees are prohibited from consuming alcohol within four (4) hours prior to the performance of safety-sensitive job functions.

All covered employees are prohibited from consuming alcohol for eight (8) hours following involvement in an accident or until he or she submits to the post-accident drug and alcohol test, whichever occurs first.

4. Consequences for Violations

Following a positive drug or alcohol (BAC at or above 0.04) test result or test refusal, the employee will be immediately removed from safety-sensitive duty and referred to a Substance Abuse Professional.

Following a BAC of 0.02 or greater, but less than 0.04, the employee will be immediately removed from safety-sensitive duties for at least eight hours or for the duration of the workday whichever is longer unless a retest results in the employee's alcohol concentration being less than 0.02. The employee will not be allowed to return to safety-sensitive duty for his/her next shift until he/she submits to an alcohol test with a result of less than 0.02 BAC. If the employee has an alcohol test result of 0.02 to 0.039 a second time, the employee will be terminated from employment with MTD and referred to a substance abuse counselor.

Zero Tolerance

Per MTD policy, any employee who tests positive for drugs or alcohol (BAC at or above 0.04) or refuses to test will be referred to a Substance Abuse Professional (SAP) and terminated from employment.

5. Circumstances for Testing

Pre-Employment Testing

Pre-employment alcohol tests are conducted after making a contingent offer of employment or transfer. All pre-employment alcohol tests will be conducted using the procedures set forth in 49 CFR Part 40. Under MTD authority, failure of a pre-employment alcohol test shall result in the contingent offer of employment or transfer being rescinded.

A negative pre-employment drug test result is required before an employee can first perform safety-sensitive functions. If a pre-employment test is cancelled, the individual will be required to undergo another test and successfully pass with a verified negative result before performing safety-sensitive functions.

If a covered employee has not performed a safety-sensitive function for 90 or more consecutive calendar days, and has not been in the random testing pool during that time, the employee must take and pass a pre-employment test before he or she can return to a safety-sensitive function.

A covered employee or applicant who has previously failed or refused a DOT pre-employment drug and/or alcohol test must provide proof of having successfully completed a referral, evaluation, and treatment plan meeting DOT requirements. Under MTD authority, failure of a pre-employment drug and/or alcohol test will disqualify an applicant for employment for a period of at least two years.

Reasonable Suspicion Testing

All covered employees shall be subject to a drug and/or alcohol test when MTD has reasonable suspicion to believe that the covered employee has used a prohibited drug and/or engaged in alcohol misuse. A reasonable suspicion referral for testing will be made by a trained supervisor or other trained company official on the basis of specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the covered employee.

Covered employees may be subject to reasonable suspicion drug testing any time while on duty. Covered employees may be subject to reasonable suspicion alcohol testing while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive functions, or just after the employee has ceased performing such functions. Under MTD authority, an alcohol test can be performed any time a covered employee or any employee subject to this policy is on duty or is in MTD uniform. Alcohol tests conducted under MTD authority shall be conducted using non-Federal drug and alcohol testing forms.

MTD shall be responsible for transporting the employee to the reasonable suspicion testing site. The employee shall be placed on administrative leave pending test results.

Post-Accident Testing

Covered employees shall be subject to post-accident drug and alcohol testing under the following circumstances:

Fatal Accidents

As soon as practicable following an accident involving the loss of a human life, drug and alcohol tests will be conducted on each surviving covered employee operating the public transportation vehicle at the time of the accident. In addition, any other covered employee whose performance could have contributed to the accident, as determined by MTD using the best information available at the time of the decision, will be tested.

Non-fatal Accidents

As soon as practicable following an accident not involving the loss of a human life, drug and alcohol tests will be conducted on each covered employee operating the public transportation vehicle at the time of the accident if at least one of the following conditions is met:

- (1) The accident results in injuries requiring immediate medical treatment away from the scene, unless the covered employee can be completely discounted as a contributing factor to the accident

- (2) One or more vehicles incurs disabling damage and must be towed away from the scene, unless the covered employee can be completely discounted as a contributing factor to the accident

In addition, any other covered employee whose performance could have contributed to the accident, as determined by MTD using the best information available at the time of the decision, will be tested.

A covered employee subject to post-accident testing must remain readily available, or it is considered a refusal to test. Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following an accident or to prohibit a covered employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care.

Random Testing

Random drug and alcohol tests are unannounced and unpredictable, and the dates for administering random tests are spread reasonably throughout the calendar year. Random testing will be conducted at all times of the day when safety-sensitive functions are performed.

Testing rates will meet or exceed the minimum annual percentage rate set each year by the FTA administrator. The current year testing rates can be viewed online at www.transportation.gov/odapc/random-testing-rates.

The selection of employees for random drug and alcohol testing will be made by a scientifically valid method, such as a random number table or a computer-based random number generator. Under the selection process used, each covered employee will have an equal chance of being tested each time selections are made.

A covered employee may only be randomly tested for alcohol misuse while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive functions, or just after the employee has ceased performing such functions. Under MTD authority, an alcohol test can be performed any time a covered employee or any employee subject to this policy is on duty or is in MTD uniform. Alcohol tests conducted under MTD authority shall be conducted using non-Federal drug and alcohol testing forms. A covered employee may be randomly tested for prohibited drug use anytime while on duty.

Each covered employee who is notified of selection for random drug or random alcohol testing must immediately proceed to the designated testing site.

Random Testing – End of Shift

Random testing may occur anytime an employee is on duty so long as the employee is notified prior to the end of the shift. Employees who provide advance, verifiable notice of scheduled medical or child care commitments will be random drug tested no later than three hours before the end of their shift and random alcohol tested no later than 30 minutes before the end of their shift. Verifiable documentation of a previously scheduled medical or child care commitment, for the period immediately following an employee's shift, must be provided at least five hours before the end of the shift.

6. Testing Procedures

All FTA drug and alcohol testing will be conducted in accordance with 49 CFR Part 40, as amended.

Dilute Urine Specimen

If there is a negative dilute test result, MTD will conduct one additional retest. The result of the second test will be the test of record.

Dilute negative results with a creatinine level greater than or equal to 2 mg/dL but less than or equal to 5 mg/dL require an immediate recollection under direct observation (see 49 CFR Part 40, section 40.67).

Split Specimen Test

In the event of a verified positive test result, or a verified adulterated or substituted result, the employee can request that the split specimen be tested at a second laboratory. MTD guarantees that the split specimen test will be conducted in a timely fashion. The cost of the split specimen test will be paid by MTD; however, MTD may seek reimbursement from the employee for such costs if the test result is positive.

7. Test Refusals

As a covered employee, you have refused to test if you:

- (1) Fail to appear for any test (except a pre-employment test) within a reasonable time, as determined by MTD.
- (2) Fail to remain at the testing site until the testing process is complete. An employee who leaves the testing site before the testing process commences for a pre-employment test has not refused to test.

- (3) Fail to attempt to provide a breath or urine specimen. An employee who does not provide a urine or breath specimen because he or she has left the testing site before the testing process commenced for a pre-employment test has not refused to test.
- (4) In the case of a directly-observed or monitored urine drug collection, fail to permit monitoring or observation of your provision of a specimen.
- (5) Fail to provide a sufficient quantity of urine or breath without a valid medical explanation.
- (6) Fail or decline to take a second test as directed by the collector or MTD for drug testing.
- (7) Fail to undergo a medical evaluation as required by the MRO or MTD's Designated Employer Representative (DER).
- (8) Fail to cooperate with any part of the testing process.
- (9) Fail to follow an observer's instructions to raise and lower clothing and turn around during a directly-observed test.
- (10) Possess or wear a prosthetic or other device used to tamper with the collection process.
- (11) Admit to the adulteration or substitution of a specimen to the collector or MRO.
- (12) Refuse to sign the certification at Step 2 of the Alcohol Testing Form (ATF).
- (13) Fail to remain readily available following an accident.

As a covered employee, if the MRO reports that you have a verified adulterated or substituted test result, you have refused to take a drug test.

As a covered employee, if you refuse to take a drug and/or alcohol test, you incur the same consequences as testing positive and will be immediately removed from performing safety-sensitive functions, and referred to a SAP. Under MTD authority, refusal to submit to a Federal drug or alcohol test or refusal to submit to a non-Federal drug or alcohol test shall be considered a positive test result and a direct act of insubordination and shall result in termination of employment and referral to a substance abuse counselor.

8. Voluntary Self-Referral

Any employee who has a drug and/or alcohol abuse problem and has not been selected for reasonable suspicion, random or post-accident testing or has not refused a drug or alcohol test may voluntarily refer her or himself to either the Designated Employee Representative or the Drug and Alcohol Program Manager, who will refer the individual to a substance abuse counselor for evaluation and treatment.

The substance abuse counselor will evaluate the employee and make a specific recommendation regarding the appropriate treatment. Employees are encouraged to voluntarily seek professional substance abuse assistance before any substance use or dependence affects job performance.

Any safety-sensitive employee who admits to a drug and/or alcohol problem will immediately be removed from his/her safety-sensitive function and will not be allowed to perform such function until successful completion of a prescribed rehabilitation program. Under MTD authority, such employee shall be placed on administrative leave. Testing performed under the authority of MTD shall be conducted using non-Federal drug and alcohol testing forms.

9. Prescription Drug Use

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, the use of any substance which carries a warning label that indicates that mental functioning, motor skills, or judgment may be adversely affected must be reported to the Designated Employee Representative or the Drug and Alcohol Program Manager. Medical advice should be sought, as appropriate, while taking such medication and before performing safety-sensitive duties. Under MTD authority, failure to inform the Designated Employee Representative or the Drug and Alcohol Program Manager of the use of legally prescribed drugs and non-prescription medications as defined above will result in disciplinary action.

10. Contact Person

For questions about MTD's anti-drug and alcohol misuse program, contact the Drug and Alcohol Program Manager.

Attachment A: Covered Positions

Federal Transit Administration Covered Classifications

Safety-sensitive function means any of the following duties, when performed by employees of recipients, subrecipients, operators, or contractors:

- Operating a revenue service vehicle, including when not in revenue service;
- Operating a nonrevenue service vehicle, when required to be operated by a holder of a Commercial Driver's License;
- Controlling dispatch or movement of a revenue service vehicle;
- Maintaining (including repairs, overhaul and rebuilding) a revenue service vehicle or equipment used in revenue service. This section does not apply to the following: an employer who receives funding under 49 U.S.C. 5307 or 5309, is in an area less than 200,000 in population, and contracts out such services; or an employer who receives funding under 49 U.S.C. 5311 and contracts out such services;
- Carrying a firearm for security purposes.

MTD Safety-Sensitive Job Classifications

- Driver
- Mechanic
- Dispatcher
- Utility Worker
- Service Worker
- Safety Officer
- Training Officer
- Operations Supervisor
- Manager of Operations
- Superintendent of Operations
- Manager of Maintenance
- Superintendent of Maintenance
- Any other employee who maintains a CDL

Attachment B: System Contacts

Any questions regarding this policy or any other aspect of the substance abuse policy should be directed to the following individual(s).

MTD Drug & Alcohol Program Manager

Name: Mary Gregg
Title: MTD Manager of Human Resources & Risk
Address: 550 Olive St., Santa Barbara, CA 93101
Telephone Number: 805-963-3364

MTD Designated Employee Representative

Name: Bill Morris
Title: MTD Manager of Operations
Address: 550 Olive St., Santa Barbara, CA 93101
Telephone Number: 805-963-3364

Medical Review Officer

Name: Dr. Mark H. Musicant
Business name: Sansum Clinic Occupational Medicine
Address: 101 S. Patterson Ave, Santa Barbara, CA 93111
Telephone Number: 805-898-3311

Substance Abuse Professional

Name: John Berberet, MFT
Title: Employee Assistance Program Director
Address: Mental Health Services, Cottage Health
400 W. Pueblo St., Santa Barbara, CA 93105
Telephone Number: 805-569-7808, Toll Free 1-800-253-0397
E-Mail: jberbere@sbch.org

HHS Certified Laboratory Primary Specimen

Name: Quest Diagnostics West Hills Laboratory
Address: 8401 Fallbrook Ave., West Hills, CA 91304
Telephone Number: 818-737-6144

HHS Certified Laboratory Split Specimen

Name: Lab One
Address: 10101 Renner Blvd., Lenexa, KS 66219
Telephone Number: 913-888-1770

Attachment C: Drug Free Workplace

- 1) MTD complies with the Drug Free Workplace Act of 1988 that requires recipients of Federal funds to certify that they provide drug-free workplaces for their employees.
 - a) Each employee is required to notify MTD management of any criminal drug statute conviction for a violation occurring in the workplace within five days after such conviction. Failure of an employee to report within five days a criminal drug statute conviction for a violation occurring in the workplace shall result in termination.
 - b) MTD must notify the Federal government of each violation within 10 days of notification of a conviction.
 - c) MTD must impose sanctions on the employee within 30 days following notification of a conviction.
- 2) MTD intends to have a workplace that is 100% free from drug or alcohol abuse. Employees are prohibited from engaging in unlawfully manufacturing, distributing, dispensing, possessing, or using controlled substances in the workplace. Employees are subject to termination of employment for any of the acts described in this section.
- 3) The passage of Proposition 64 legalized the recreational use of marijuana in the state of California. Proposition 64 also expressly recognizes the right of employers to maintain drug-free workplaces and to prohibit the use of illegal drugs by their employees. Under federal law, marijuana remains classified as a Schedule I drug, a controlled substance with the high potential for abuse, and is therefore illegal to possess or use. MTD is a recipient of funding from the Federal Transit Administration, an agency of the U.S. Department of Transportation, and as such MTD is required to follow rule 49 CFR Part 655 (Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations) and rule 49 CFR Part 40 (Procedures for Transportation Workplace Drug and Alcohol Testing Programs). MTD complies with the Federal Drug Free Workplace Act of 1988 and the Omnibus Transportation Employee Testing Act of 1991. MTD will continue to enforce this Drug and Alcohol Policy and will remain a Drug Free Workplace. All policies concerning marijuana remain in force, and any employee who has a positive drug test for marijuana, regardless of Proposition 64, will constitute violation of MTD policies and will be subject to termination of employment.