



**BOARD OF DIRECTORS AGENDA**

**REGULAR MEETING**  
of the  
**BOARD OF DIRECTORS**  
of the  
**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
A Public Agency  
**Tuesday, February 19, 2019**  
**8:30 AM**  
**John G. Britton Auditorium**  
550 Olive Street, Santa Barbara, CA 93101

**1. CALL TO ORDER**

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

Dave Davis (Chair), David Tabor (Vice Chair), Bill Shelor (Secretary), Olivia Rodriguez (Director), Dick Weinberg (Director), Chuck McQuary (Director), Paula Perotte (Director).

**3. REPORT REGARDING POSTING OF AGENDA**

**CONSENT CALENDAR**

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

The Board of Directors will be asked to waive the reading of and approve the draft minutes for the meeting of February 12, 2019.

**5. CASH REPORT - (ATTACHMENT - ACTION MAY BE TAKEN)**

The Board of Directors will be asked to review and approve the Cash Reports from January 29, 2019, through February 11, 2019.

**THIS CONCLUDES THE CONSENT CALENDAR**

**6. PUBLIC COMMENT**

Members of the public may address the Board of Directors on items within the 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 that includes both a description of the subject you wish to address and, if applicable, the agenda item number for which you would like to comment. Additional public comment will be allowed during each agenda item, including closed session items. Forms are available at [www.sbmtd.gov](http://www.sbmtd.gov) and at MTD Administrative offices.

## BOARD OF DIRECTORS AGENDA

7. **SANTA BARBARA MTD 50TH ANNIVERSARY - (INFORMATIONAL)**  
Staff will recommend that the Board of Directors receive an update on MTD's 50<sup>th</sup> Anniversary celebrations in 2019.
8. **LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) RESOLUTION - (ATTACHMENTS - ACTION MAY BE TAKEN)**  
Staff will recommend that the Board adopt Resolution 2019-01 authorizing General Manager Jerry Estrada to execute all required documents for an application to the California Department of Transportation (Caltrans) for FY 2019 California cap-and-trade funds from the Low Carbon Transit Operations Program (LCTOP), agreeing to comply with all conditions and requirements set forth in the Certification and Assurances, authorizing the allocation request, and authorizing the submittal to Caltrans of the project "SBMTD Microtransit Pilot."
9. **GENERAL MANAGER'S EMPLOYMENT AGREEMENT - (ATTACHMENT - ACTION MAY BE TAKEN)**  
The Board will be asked to approve and authorize the Board Chair and Secretary to execute the Agreement of Employment for Jerry Estrada to continue to serve as General Manager of the Santa Barbara Metropolitan Transit District.
10. **GENERAL MANAGER'S REPORT - (INFORMATIONAL)**  
The General Manager will provide an update on district activities.
11. **OTHER BUSINESS AND REPORTS - (INFORMATIONAL)**  
The Board will report on other related public transit issues and committee meetings.

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

12. **RECESS TO CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATORS (GOV. CODE SECTIONS 54957(B)(1); 54957.6) - (ACTION MAY BE TAKEN)**  
Unrepresented employees' performance review.

Agency-designated representatives: MTD General Manager and Human Resource and Risk Manager.

13. **ADJOURNMENT**

**AMERICANS 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.



**BOARD OF DIRECTORS DRAFT MINUTES**

**SPECIAL MEETING**  
of the  
**BOARD OF DIRECTORS**  
of the  
**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
A Public Agency  
**Tuesday, February 12, 2019**  
**8:30 AM**  
**John G. Britton Auditorium**  
550 Olive Street, Santa Barbara, CA 93101

1. **CALL TO ORDER**  
Chair Dave Davis called the meeting to order at 8:30 AM.
2. **ROLL CALL OF THE BOARD MEMBERS**  
Chair Davis reported that all members were present with the exception of Director Paula Perotte.
3. **REPORT REGARDING POSTING OF AGENDA**  
Christina Perry, Administrative Assistant Lead, reported that the agenda was posted on Wednesday, February 6, 2019, at MTD's Administrative office, mailed and emailed to those on the agenda list, and posted on MTD's website.

**CONSENT CALENDAR**

4. **APPROVAL OF PRIOR MINUTES - (ATTACHMENT - ACTION MAY BE TAKEN)**  
The Board of Directors was asked to waive the reading of and approve the draft minutes for the meeting of January 15, 2019.  
  
Director Dick Weinberg moved to approve the minutes; Director Olivia Rodriguez seconded the motion. The motion passed with an abstention from Secretary Bill Shelor.
5. **CASH REPORT - (ATTACHMENTS - ACTION MAY BE TAKEN)**  
The Board of Directors was asked to review and approve the Cash Report from January 8, 2019, through January 28, 2019.  
  
Vice Chair Dave Tabor moved to approve the cash report; Director Rodriguez seconded the motion. The motion passed unanimously.

**THIS CONCLUDES THE CONSENT CALENDAR**

6. **PUBLIC COMMENT**  
No comments were made.

**BOARD OF DIRECTORS DRAFT MINUTES**

- 7. DOWNTOWN SHUTTLE FUNK ZONE ROUTING - (ATTACHMENT - ACTION MAY BE TAKEN)**  
Interim Planning and Marketing Manager Hillary Blackerby recommended that the Board of Directors approve the proposed new routing for the Downtown Shuttle for implementation prior to summer service.

Director Rodriguez moved to approve the new Downtown Shuttle routing; Director Weinberg seconded the motion. The motion passed unanimously.
- 8. FINANCIAL UPDATE FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 - (ATTACHMENT - INFORMATIONAL)**  
Assistant Controller Thais Sayat presented the financial results for the first half of Fiscal Year 2018-19 and answered the Board's questions.

General Manager Jerry Estrada thanked Ms. Sayat and the Accounting Department for their efforts.
- 9. FISCAL YEAR 2018-19 BUDGET REVISION - (ATTACHMENT - ACTION MAY BE TAKEN)**  
Assistant General Manager and Controller Brad Davis recommended that the Board approve the attached midyear operating and capital budget revision for the current fiscal year.

Member of the public Lee Moldaver addressed the Board to advocate for budget consideration and reinstallation of a covered bus shelter at Hollister Avenue and Turnpike Road.

Director Chuck McQuary moved to approve the budget revision; Vice Chair Tabor seconded the motion. The motion passed unanimously.
- 10. BOARD COMMITTEE ASSIGNMENTS - (ATTACHMENT - ACTION MAY BE TAKEN)**  
General Manager Jerry Estrada requested that the Board of Directors re-consider Committee assignments for 2019.

Director Weinberg agreed to replace Director Perotte on the Finance and Human Resources / Risk Committee. Director McQuary agreed to replace Director Weinberg on the Fleet and Facilities Committee.

Director Rodriguez moved to approve the modified committee assignments; Vice Chair Tabor seconded the motion. The motion passed unanimously.
- 11. GENERAL MANAGER'S REPORT UPDATE - (INFORMATIONAL)**  
General Manager Estrada provided the Board with an update regarding the following matters: MTD 50th Anniversary, new Gillig buses, Transit Center renovation, and FTA Section 5307 apportionment.
- 12. OTHER BUSINESS AND REPORTS - (ATTACHMENT - ACTION MAY BE TAKEN)**  
Chair Davis welcomed Santa Barbara City District 3 Councilmember Oscar Gutierrez, who will act as City Council Liason.

**BOARD OF DIRECTORS DRAFT MINUTES**

The Board praised Ms. Blackerby and the Marketing Department for their recently released Report to the Community.

**13. ADJOURNMENT**

Chair Davis adjourned the meeting at 9:24 AM.

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**Santa Barbara Metropolitan Transit District**  
**Cash Report**  
**Board Meeting of February 19, 2019**  
**For the Period January 29, 2019 through February 11, 2019**

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**MONEY MARKET**

**Beginning Balance January 29, 2019** **\$5,452,585.82**

Accounts Receivable	2,434,089.59
Passenger Fares	160,502.23
Prop 1B Cap Revenue	82,757.79
LCTOP Transfer	7,957.08
Interest Income	2,984.05
Measure A Transfer	1,913.17
Prepays & Advertising	1,804.20
Miscellaneous Income	183.40

**Total Deposits** **2,692,191.51**

Miscellaneous Transfers	(1,239.78)
Bank & Credit Card Fees	(6,525.42)
401(k)/Pension Transfer	(33,786.09)
Workers' Compensation	(77,579.37)
Payroll Taxes	(164,732.03)
Payroll	(378,802.44)
Accounts Payable	(1,942,454.63)

**Total Disbursements** **(2,605,119.76)**

**Ending Balance** **\$5,539,657.57**

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**CASH INVESTMENTS**

LAIF Account	\$8,554,374.44
Money Market Account	5,539,657.57

**Total Cash Balance** **\$14,094,032.01**

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**SELF INSURED LIABILITY ACCOUNTS**

WC / Liability Reserves	(\$4,126,759.57)
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**Working Capital** **\$9,967,272.44**

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

<b>Date</b>	<b>Company</b>	<b>Description</b>	<b>Amount</b>
1/31/2019	S.B. Veterans Day Half Marathon	Special Event- Marathon	-490.08
1/31/2019	S.B. Veterans Day Half Marathon	Special Event- Marathon	490.08
2/1/2019	ASTI Holding Company, LLC	Overpass Property Lease - Feb '19	16,678.46
2/1/2019	Gem Faire, Inc	Advertising on Buses	3,260.00
2/4/2019	City of SB - Public Works Director	Downtown Shuttle - Jan '19	101,709.17
2/5/2019	Department of Rehabilitation	Passes/Passports Sales	820.00
2/5/2019	Local Transportation Fund	SB 325 - Jan '19	685,672.14
2/5/2019	Measure A, Section 3 LSTI	Measure A Funds - Jan '19	187,222.02
2/7/2019	Goodwin & Thyne Properties	Advertising on Buses	2,340.00
2/8/2019	Montecito Bank & Trust	Advertising on Buses	3,281.00
2/8/2019	Montecito Bank & Trust	Advertising on Buses	3,281.00
2/11/2019	Federal Transit Administration	FTA Capital Assistance - FY19	1,413,921.00
2/11/2019	OMG Media Reconciliation	Advertising on Buses	15,904.80
<b>Total Accounts Receivable Paid During Period</b>			<b>\$2,434,089.59</b>

**Santa Barbara Metropolitan Transit District  
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
120150	2/1/2019	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	420.43	
120151	2/1/2019	STATE OF CALIFORNIA	PAYROLL RELATED	957.68	
120152	2/1/2019	GARRETT KAUFMAN	TOOL ALLOWANCE	1,100.00	
120153	2/1/2019	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	2,455.45	
120154	2/1/2019	MARCELO PACHECO	DMV REIMBURSEMENT	45.00	
120155	2/1/2019	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	260.00	
120156	2/1/2019	SMOG-IT	SERVICE VEHICLE SMOGS	333.40	
120157	2/1/2019	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	75.00	
120158	2/1/2019	SO. CAL. EDISON CO.	UTILITIES	3,680.19	
120159	2/1/2019	STATE BOARD OF EQUALIZATION	PAYROLL RELATED	250.00	
120160	2/1/2019	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	863.20	
120161	2/1/2019	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	22,249.80	
120162	2/4/2019	BYD MOTORS LLC	PURCHASE OF EBUSES	1,543,033.49	V
120163	2/7/2019	ABC BUS COMPANIES INC	BUS PARTS	177.94	
120164	2/7/2019	AMERICAN MOVING PARTS, LLC	BUS PARTS	351.36	
120165	2/7/2019	ASBURY ENVIRONMENTAL	WASTE OIL RECYCLER	65.00	
120166	2/7/2019	AXLE TECH INTERNATIONAL D	BUS PARTS & REPAIRS	833.38	
120167	2/7/2019	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	334.99	
120168	2/7/2019	BNS ELECTRONICS, INC.	SANTA YNEZ SITE RENTAL	296.16	
120169	2/7/2019	BRIMAR INDUSTRIES	SIGNS FOR SHOP	216.09	
120170	2/7/2019	BYD MOTORS LLC	PURCHASE OF EBUSES	1,465,881.81	
120171	2/7/2019	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	320.46	
120172	2/7/2019	MANUEL CASTANON	DMV REIMBURSEMENT	56.00	
120173	2/7/2019	MIKE CARDONA	TRAVEL & PER DIEM	51.71	
120174	2/7/2019	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	326.25	
120175	2/7/2019	CENTRAL CITY ABS, INC.	BUS SUPPLIES	446.18	
120176	2/7/2019	CITY OF SANTA BARBARA	CSR PARKING PERMITS	40.00	
120177	2/7/2019	CENTRAL COAST CIRCULATION, L	BUS BOOK DISTRIBUTION	575.00	
120178	2/7/2019	COMMUNITY RADIO, INC.	GIB. SITE RENTAL	265.98	
120179	2/7/2019	CINTAS CORPORATION	FIRST AID SUPPLIES	46.37	
120180	2/7/2019	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	446.36	
120181	2/7/2019	CROCKER REFRIGERATION & AIR	HVAC MAINTENANCE	1,363.96	
120182	2/7/2019	CUMMINS PACIFIC, LLC	BUS PARTS & REPAIRS	4,708.67	
120183	2/7/2019	COUNTY OF S.B.PUBLIC WORKS D	WASTE DISPOSAL	191.64	
120184	2/7/2019	DANIELS TIRE SERVICE	VENDOR BUS REPAIRS	170.00	
120185	2/7/2019	DENMUN OFFICE SOLUTIONS DB	IT CONTRACT SERVICES	3,315.00	
120186	2/7/2019	DESTINATION CREATIVE GROUP L	ADVERTISING-SB VISITOR MAGAZINE	450.00	
120187	2/7/2019	DIESEL FORWARD, INC.	BUS PARTS	6,125.47	



Check #	Date	Company	Description	Amount	Voids
120188	2/7/2019	DIGITAL PRINTING SYSTEMS, INC.	BUS INSPECTION FORMS	2,797.55	
120189	2/7/2019	DOCUPRODUCTS CORPORATION	COPIER MAINTENANCE/SUPPLIES	666.93	
120190	2/7/2019	DOWNTOWN ORGANIZATION, INC.	EVENT SPONSORSHIP	1,000.00	
120191	2/7/2019	ELECTRONIC DATA MAGNETICS, I	BUS PASS PRINTING	1,848.75	
120192	2/7/2019	GIBBS INTERNATIONAL INC	BUS PARTS	1,864.20	
120193	2/7/2019	GILLIG LLC	BUS PARTS	14,087.81	
120194	2/7/2019	GRAINGER, INC.	SHOP/B&G SUPPLIES	795.78	
120195	2/7/2019	GRAYBAR ELECTRIC COMPANY, I	REPAIRS & SUPPLIES T1 BLDG/GRDS	978.75	
120196	2/7/2019	GUARDIAN-APPLETON (DENTAL I	DENTAL INSURANCE	4,492.22	
120197	2/7/2019	GUARDIAN-APPLETON (LIFE INS)	LIFE INSURANCE	1,048.30	
120198	2/7/2019	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	275.11	
120199	2/7/2019	IRON HORSE AUTO BODY OF SB D	SERVICE VEHICLE REPAIRS	2,139.96	
120200	2/7/2019	JANICARE DBA	JANITORIAL SERVICES	10,382.00	
120201	2/7/2019	JANEK CORP	BUS PARTS	543.75	
120202	2/7/2019	JOY EQUIPMENT PROTECTION, IN	SERVICING FIRE EXTINGUISHERS	4,443.76	
120203	2/7/2019	LARA'S AUTO REPAIR DBA	BUS REPAIRS	1,569.55	
120204	2/7/2019	LABOR ALLIANCE MANAGED TRU	UNION DENTAL INSURANCE	10,970.00	
120205	2/7/2019	LENZ PEST CONTROL DBA	FUMIGATION SERVICES	40.00	
120206	2/7/2019	LORI'S MOBILE NOTARY&FINGERP	MOBILE NOTARY	239.00	
120207	2/7/2019	MC CORMIX CORP. (OIL)	LUBRICANTS	4,649.26	
120208	2/7/2019	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	2,781.31	
120209	2/7/2019	MEDICAL EYE SERVICES, INC.	VISION INSURANCE	585.60	
120210	2/7/2019	MIKE CUEVAS GARDENING SERVI	LANDSCAPE MAINTENANCE SERVICE	695.00	
120211	2/7/2019	MISSION LINEN SUPPLY, INC	UNIFORM & LINEN SERVICE	7,192.26	
120212	2/7/2019	MURPHY ELECTRIC MAINTENANC	ELECTRICAL REPAIRS/INSTALLATION	153.59	
120213	2/7/2019	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	367.51	
120214	2/7/2019	MOLINA MANUFACTURING DB	REFURBISH BUS SEATS	639.24	
120215	2/7/2019	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	1,175.95	
120216	2/7/2019	NEWEGG, INC	IT EQUIPMENT & SUPPLIES	775.24	
120217	2/7/2019	NFI PARTS DBA	BUS PARTS	210.11	
120218	2/7/2019	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	594.93	
120219	2/7/2019	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	355.60	
120220	2/7/2019	O'CONNOR PEST CONTROL DBA	FUMIGATION	77.00	
120221	2/7/2019	O'REILLY AUTO PARTS DBA	BUS PARTS	51.10	
120222	2/7/2019	PERMACOLOR POWDER COATING	POWDER COAT SPARE EV TIRES	538.75	
120223	2/7/2019	PETTY CASH- PERRY, CHRISTINA	MISC. PURCHASES	333.85	
120224	2/7/2019	RILEY'S FLOWERS DBA	SYMPATHY/GET WELL BOUQUETS	100.05	
120225	2/7/2019	SB LOCKSMITHS, INC.	B&G REPAIR & SUPPLIES	81.11	
120226	2/7/2019	SANTA BARBARA NEWSPRESS D	BUS SCHEDULE GUIDES	9,823.10	
120227	2/7/2019	SILVAS OIL CO., INC.	LUBRICANTS	422.60	
120228	2/7/2019	SPECIAL DISTRICT RISK MGMT	MEDICAL HEALTH INSURANCE	52,011.84	

Check #	Date	Company	Description	Amount	Voids
120229	2/7/2019	SANTA BARBARA, CITY OF	ALARM REGISTRATION FEE	40.00	
120230	2/7/2019	SANTA BARBARA TROPHY	DRIVER NAME PLATES	41.76	
120231	2/7/2019	SELECT STAFFING DBA	CONTRACT SERVICES	1,556.48	
120232	2/7/2019	SM TIRE, CORP.	BUS TIRE MOUNTING	950.47	
120233	2/7/2019	SO. CAL. EDISON CO.	UTILITIES	14,806.93	
120234	2/7/2019	SPECIALTY TOOL & BOLT, LTD	SHOP SUPPLIES	37.26	
120235	2/7/2019	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	284.00	
120236	2/7/2019	SB CITY OF-REFUSE/WATER	UTILITIES	3,556.90	
120237	2/7/2019	SB COUNTY AIR POLLUTION	PERMIT FEE	443.35	
120238	2/7/2019	SUZANNE ELLEDGE PLANNING &	CALLE REAL PERMIT SERVICES	172.15	
120239	2/7/2019	TELCOM, INC.	VENTURA REPEATER SERVICES	501.93	
120240	2/7/2019	TEAMSTERS MISC SECURITY TRUS	UNION MEDICAL INSURANCE	196,406.00	
120241	2/7/2019	TRI-COUNTY AUTO GLASS	REPLACE BUS WINDOWS	350.00	
120242	2/7/2019	TRANSIT TALENT LLC DBA	EMPLOYMENT ADS	285.00	
120243	2/7/2019	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	44,505.34	
120244	2/7/2019	J.C. M. AND ASSOCIATES INC.	UNIFORMS	1,834.70	
120245	2/7/2019	U.S. BANK CORP. PAYMENT SYSTE	CREDIT CARD PURCHASES	2,195.13	
120246	2/7/2019	VALLEY POWER SYSTEMS, INC.	BUS PARTS	6,250.66	
120247	2/7/2019	VALLEY POWER SYSTEMS, INC.	BUS PARTS	1,951.49	
120248	2/7/2019	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	746.44	
120249	2/7/2019	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	1,572.11	
120250	2/7/2019	YELLOW (YRC) TRANSPORTATION	FREIGHT CHARGES	422.18	
				<b>3,485,488.12</b>	
				<b>Current Cash Report Voided Checks:</b>	1,543,033.49
				<b>Prior Cash Report Voided Checks:</b>	0.00
				<b>Grand Total:</b>	<b>\$1,942,454.63</b>



<b>BOARD OF DIRECTORS REPORT</b>
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<b>MEETING DATE:</b>	FEBRUARY 19, 2019	<b>AGENDA ITEM: #7</b>
<b>DEPARTMENT:</b>	MARKETING	
<b>TYPE:</b>	INFORMATIONAL ITEM	
<b>PREPARED BY:</b>	HILLARY BLACKERBY	_____
		<i>Signature</i>
<b>REVIEWED BY:</b>	GENERAL MANAGER	_____
		<i>Signature</i>
<b>SUBJECT:</b>	SANTA BARBARA MTD 50 <sup>TH</sup> ANNIVERSARY	

**RECOMMENDATION:**

Staff recommends that the Board of Directors receive an update on MTD's 50<sup>th</sup> Anniversary celebrations in 2019.

**DISCUSSION:**

Santa Barbara MTD began revenue service on February 1, 1969, with 12 buses serving 6 routes.

In order to commemorate this major milestone, MTD staff is planning a special webpage, an event, video, community activations, and extensive social media outreach to share the story of our first 50 years and our plans for the next 50 years.



**BOARD OF DIRECTORS REPORT**

**MEETING DATE:** FEBRUARY 19, 2019 **AGENDA ITEM: #8**  
**DEPARTMENT:** PLANNING  
**TYPE:** ACTION ITEM  
**PREPARED BY:** HILLARY BLACKERBY \_\_\_\_\_  
*Signature*  
**REVIEWED BY:** GENERAL MANAGER \_\_\_\_\_  
*Signature*  
**SUBJECT:** LOW CARBON TRANSIT OPERATIONS PROGRAM RESOLUTION

**RECOMMENDATION:**

Staff recommends that the Board adopt Resolution 2019-01 authorizing General Manager Jerry Estrada to execute all required documents for an application to the California Department of Transportation (Caltrans) for FY 2019 California cap-and-trade funds from the Low Carbon Transit Operations Program (LCTOP), agreeing to comply with all conditions and requirements set forth in the Certification and Assurances, authorizing the allocation request, and authorizing the submittal to Caltrans of the project "SBMTD Microtransit Pilot."

**DISCUSSION:**

**Funding Program**

California cap-and-trade auction proceeds are appropriated to several programs, including the LCTOP, which is administered by Caltrans and the California Air Resources Board. All projects funded with auction proceeds must demonstrate greenhouse gas reduction. LCTOP provides formula funds to transit agencies such as MTD based on the agency's percentage of statewide fare revenue, and to regional transportation planning agencies such as the Santa Barbara County Association of Governments (SBCAG) based on the area's percentage of statewide population.

Staff proposes to submit an application to apply the available FY 2019 LCTOP funds towards an upcoming microtransit pilot project. Applications are due to Caltrans by March 28.

The SBCAG share of FY 2019 LCTOP funds totals \$837,448, and MTD requested 50 percent of the total (\$418,724). Santa Maria and Lompoc each proposed a project, and SBCAG proposed two projects. The recommendation to the SBCAG Board is to allocate \$318,966 to MTD (approximately 38 percent of the total). The remaining funds are recommended for allocation to Santa Maria, Lompoc, and SBCAG. The SBCAG Board will be asked to approve these recommendations at its March 21 meeting.

Staff also proposes to apply the \$173,712 in MTD farebox revenue share of LCTOP funds to this project. Thus, staff proposes to apply, in total, \$492,678 in LCTOP funds to this project (\$318,966 from SBCAG and \$173,712 from MTD direct funds).

**Microtransit Pilot**

Microtransit is a flexible, on-demand, curb-to-curb public transportation service, operated with smaller vehicles instead of large transit buses. Several agencies around the country and within California have launched or are about to launch microtransit pilots such as OCTA, SacRT, AC Transit, and Capital Metro (Austin, TX).

The microtransit software provider TransLoc defines microtransit as “a flexible and dynamic demand-driven mode of transportation services that helps optimize vehicle usage, reduce costs, and, ultimately, improve the overall rider experience.”

Microtransit provides on-demand rides to riders within a specified zone or area. Riders would be able to order a ride in two ways: from a smartphone application or by calling the Transit Center. Those using the smartphone app will input their starting and ending destinations and will be given an estimated time of arrival for their vehicle. Those calling in will schedule a ride over the phone with a Customer Service Representative.

While MTD would supply the operators, vehicles, and dispatch support, the pilot would get planning and software support and consulting from TransLoc, which is owned by Ford Smart Mobility. The total cost of a pilot (minus drivers, vehicles, and MTD staff time) is \$25,000, which includes use-case consulting, predictive analytics/simulation, implementation services, marketing support, and a 6-month software trial for up to 10 vehicles.

**Service Zones**

Zones under consideration include the following (with possibilities of more):

- A. Goleta (area around Calle Real with Cathedral Oaks to the north, Highway 101 to the South, Patterson to the East and Los Carneros to the west with a branch into campus at the UCSB North Hall bus loop)
- B. City of Carpinteria
- C. Mesa neighborhood/SBCC/Downtown Transit Center
- D. Santa Barbara's Waterfront

**Vehicles**

Microtransit features smaller vehicles than fixed-route transit to enable access to neighborhood streets and curbside service. Vehicles would be ADA accessible with a wheelchair space. The vehicles would be wrapped with MTD specific branding. Staff is currently assessing fleet availability and while the electric vehicle market for this size of vehicle is nascent, vehicles appropriate for microtransit are currently on the market and in production. Several hybrid or non-electric vehicle options for this application currently exist. Further analysis will elucidate our fleet needs, but for purposes of estimation, we assume 3 vehicles for one zone (2 in operation and 1 spare).

**Next Steps**

If MTD proceeds with this Microtransit pilot, the next steps would be engaging with TransLoc to assist with the use case analysis, simulation, planning, testing, and execution of the pilot. Vehicles would also need to be procured and training and marketing would come as part of this process. It may be possible to launch the initial pilot at the same time as our August 2019 service changes. Staff recommends a one-year pilot to be able to experience the full calendar cycle.

## BOARD OF DIRECTORS REPORT

### ATTACHMENTS:

- LCTOP Authorized Agent Form
- LCTOP Certifications and Assurances
- LCTOP Allocation Form
- MTD Board Resolution 2019-01



**FY 2018-2019 LCTOP  
Authorized Agent**

**AS THE**      **Chief Executive Officer**  
 \_\_\_\_\_  
 (Chief Executive Officer/Director/President/Secretary)

**OF THE**      **Santa Barbara Metropolitan Transit District**  
 \_\_\_\_\_  
 (Name of County/City/Transit Organization)

I hereby authorize the following individual(s) to execute for and on behalf of the named Regional Entity/Transit Operator, any actions necessary for the purpose of obtaining Low Carbon Transit Operations Program (LCTOP) funds provided by the California Department of Transportation, Division of Rail and Mass Transportation. I understand that if there is a change in the authorized agent, the project sponsor must submit a new form. This form is required even when the authorized agent is the executive authority himself. I understand the Board must provide a resolution approving the Authorized Agent. The Board Resolution appointing the Authorized Agent is attached.

Assistant General Manager Brad Davis      OR  
 (Name and Title of Authorized Agent)

Manager of Government Relations & Compliance Steve Maas      OR  
 (Name and Title of Authorized Agent)

Assistant Controller Thais Sayat      OR  
 (Name and Title of Authorized Agent)

\_\_\_\_\_  
 (Name and Title of Authorized Agent)      OR

Jerry Estrada      General Manager  
 (Print Name)      (Title)

\_\_\_\_\_  
 (Signature)

Approved this      19      day of      **February**      ,      2019



## FY 2018-2019 LCTOP Certifications and Assurances

**Lead Agency:** Santa Barbara Metropolitan Transit District

**Project Title:** SBMTD Microtransit Pilot

**Prepared by:** Steve Maas

The California Department of Transportation (Caltrans) has adopted the following Certifications and Assurances for the Low Carbon Transit Operations Program (LCTOP). As a condition of the receipt of LCTOP funds, Lead Agency must comply with these terms and conditions.

### **A. General**

1. The Lead Agency agrees to abide by the current LCTOP Guidelines and applicable legal requirements.
2. The Lead Agency must submit to Caltrans a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

### **B. Project Administration**

1. The Lead Agency certifies that required environmental documentation is complete before requesting an allocation of LCTOP funds. The Lead Agency assures that projects approved for LCTOP funding comply with Public Resources Code § 21100 and § 21150.
2. The Lead Agency certifies that a dedicated bank account for LCTOP funds only will be established within 30 days of receipt of LCTOP funds.
3. The Lead Agency certifies that when LCTOP funds are used for a transit capital project, that the project will be completed and remain in operation for its useful life.
4. The Lead Agency certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
5. The Lead Agency certifies that they will notify Caltrans of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
6. The Lead Agency must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
7. Any interest the Lead Agency earns on LCTOP funds must be used only on approved LCTOP projects.
8. The Lead Agency must notify Caltrans of any changes to the approved project with a Corrective Action Plan (CAP).





## FY 2018-2019 LCTOP

### Certifications and Assurances

9. Under extraordinary circumstances, a Lead Agency may terminate a project prior to completion. In the event the Lead Agency terminates a project prior to completion, the Lead Agency must (1) contact Caltrans in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.

#### C. Reporting

1. The Lead Agency must submit the following LCTOP reports:
  - a. Semi-Annual Progress Reports by May 15th and November 15th each year.
  - b. A Final Report within six months of project completion.
  - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of LCTOP funds. A copy of the audit report must be submitted to Caltrans within six months of the close of the year (December 31) each year in which LCTOP funds have been received or expended.
  - d. Project Outcome Reporting as defined by CARB Funding Guidelines.
2. Other Reporting Requirements: CARB is developing Funding Guidelines that will include reporting requirements for all State agencies that receive appropriations from the Greenhouse Gas Reduction Fund. Caltrans and project sponsors will need to submit reporting information in accordance with CARB's Funding Guidelines, including reporting on greenhouse gas reductions and benefits to disadvantaged communities.

#### D. Cost Principles

1. The Lead Agency agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
2. The Lead Agency agrees, and will assure that its contractors and subcontractors will be obligated to agree, that:
  - a. Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allow ability of individual project cost items and
  - b. Those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with



## FY 2018-2019 LCTOP Certifications and Assurances

Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

3. Any project cost for which the Lead Agency has received funds that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 2 CFR, Part 200, are subject to repayment by the Lead Agency to the State of California (State). All projects must reduce greenhouse gas emissions, as required under Public Resources Code section 75230, and any project that fails to reduce greenhouse gases shall also have its project costs subject to repayment by the Lead Agency to the State. Should the Lead Agency fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the Lead Agency from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

### **A. Record Retention**

1. The Lead Agency agrees and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the Lead Agency, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP) and enable the determination of incurred costs at interim points of completion. All accounting records and other supporting papers of the Lead Agency, its contractors and subcontractors connected with LCTOP funding shall be maintained for a minimum of three (3) years after the "Project Closeout" report or final Phase 2 report is submitted (per ARB Funding Guidelines, Vol. 3, page 3.A-16), and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the Lead Agency, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the Lead Agency pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the Lead Agency's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
2. For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the Lead Agency's contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited



## FY 2018-2019 LCTOP

to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the Lead Agency shall furnish copies thereof if requested.

3. The Lead Agency, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

### F. Special Situations

Caltrans may perform an audit and/or request detailed project information of the project sponsor's LCTOP funded projects at Caltrans' discretion at any time prior to the completion of the LCTOP.

I certify all of these conditions will be met.

Jerry Estrada

*(Print Authorized Agent)*

General Manager

*(Title)*

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Date)*



## FY 2018-2019 LCTOP Allocation

<b>Lead Agency:</b>	Santa Barbara Metropolitan Transit District
<b>Project Title:</b>	SBMTD Microtransit Pilot
<b>Regional Entity:</b>	Santa Barbara County Association of Governments
<b>County:</b>	Santa Barbara

**Lead Agency:** I certify the scope, cost, schedule, and benefits as identified in the attached Allocation Request (Request) and attachments are true and accurate and demonstrate a fully funded operable project. I understand the Request is subject to any additional restrictions, limitations or conditions that may be enacted by the State Legislature, including the State's budgetary process and/or auction receipts. In the event the project cannot be completed as originally scoped, scheduled and estimated, or the project is terminated prior to completion, Lead Agency shall, at its own expense, ensure that the project is in a safe and operable condition for the public. I understand this project will be monitored by the California Department of Transportation - Division of Rail and Mass Transportation.

<b>Authorized Agent:</b>	Jerry Estrada
<b>Title:</b>	General Manager
<b>Lead Agency:</b>	Santa Barbara Metropolitan Transit District

<b>Signature:</b>	
<b>PUC Funds Type:</b>	99313 \$ 0
<b>PUC Funds Type:</b>	99314 \$ 173,712

**Contributing Sponsor(s):** The contributing sponsor is an entity that passes funds to the Lead Agency to support a project. The contributing sponsor could be the regional entity (PUC 99313) passing their funds to a recipient agency within their region or a recipient agency (PUC 99314) passing their funds through to either a regional entity or a recipient agency within their region. The contributing sponsor(s) must also sign and state the amount and type of LCTOP funds (PUC Sections 99313 and 99314) they are contributing the project. Sign below or attach a separate officially signed letter providing that information. If there is more than one contributing sponsor, please submit additional page, or a letter from the additional Contributing Sponsors.

<b>Authorized Agent:</b>	Marjie Kirn
<b>Title:</b>	Executive Director
<b>Lead Agency:</b>	Santa Barbara County Association of Governments

<b>Signature:</b>	
<b>PUC Funds Type:</b>	99313 \$ 318,966
<b>PUC Funds Type:</b>	99314 \$ 0



**FY 2018-2019 LCTOP**  
**Santa Barbara Metropolitan Transit District**

**RESOLUTION #2019-01**

AUTHORIZATION FOR THE EXECUTION OF THE  
CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS  
FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)  
FOR THE FOLLOWING PROJECT(S):  
SBMTD MICROTRANSIT PILOT \$492,678

**WHEREAS**, the Santa Barbara Metropolitan Transit District (District) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

**WHEREAS**, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

**WHEREAS**, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

**WHEREAS**, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

**WHEREAS**, the District wishes to delegate authorization to execute these documents and any amendments thereto to General Manager Jerry Estrada; and

**WHEREAS**, the District wishes to implement the following LCTOP project(s) listed above.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the District that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

**NOW THEREFORE, BE IT FURTHER RESOLVED** by the Board of Directors of the District that General Manager Jerry Estrada be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the District that it hereby authorizes the submittal of the following project nomination(s) and allocation request(s) to the Department in FY 2018-19 LCTOP funds:

Project Name: SBMTD Microtransit Pilot

Amount of LCTOP funds requested: \$492,678

Short description of project: A one-year pilot of a microtransit on-demand van service

Benefit to a Priority Population: The project will serve AB 1550 Low-Income Communities located within the District's borders

Contributing Sponsor: Santa Barbara County Association of Governments



**FY 2018-2019 LCTOP**

**PASSED AND ADOPTED** by the Board of Directors of the Santa Barbara Metropolitan Transit District this 19th day of February, 2019, by the following vote:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Chair, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors



<b>BOARD OF DIRECTORS REPORT</b>
----------------------------------

**MEETING DATE:** FEBRUARY 19, 2019 **AGENDA ITEM: #9**  
**DEPARTMENT:** ADMINISTRATION  
**TYPE:** ACTION ITEM  
**PREPARED BY:** JERRY ESTRADA \_\_\_\_\_  
*Signature*  
**REVIEWED BY:** GENERAL MANAGER \_\_\_\_\_  
*Signature*  
**SUBJECT:** GENERAL MANAGER'S EMPLOYMENT AGREEMENT

**RECOMMENDATIONS:**

The Board will be asked to approve and authorize the Board Chair and Secretary to execute the Agreement of Employment for Jerry Estrada to continue to serve as General Manager of the Santa Barbara Metropolitan Transit District.

**DISCUSSION:**

The attached Agreement of Employment contains provisions for salary, benefits and allowances.

**ATTACHMENT:**

- General Manager's Employment Agreement

## GENERAL MANAGER EMPLOYMENT AGREEMENT

This General Manager Employment Agreement (“Agreement”) is made and entered into in the County of Santa Barbara, on February 19, 2019, by and between Santa Barbara Metropolitan Transit District (“MTD”) and Jerry Estrada (“Estrada”).

WHEREAS, the Santa Barbara Metropolitan Transit Act of 1965 (“Act”) requires that the Board of Directors of MTD (“Board”) appoint an individual to serve as General Manager; and

WHEREAS, the Act established certain powers, duties, and requirements with respect to the position of General Manager; and

WHEREAS, the Board desires to continue to have Estrada serve as the General Manager for MTD based upon his experience and qualifications; and

WHEREAS, Estrada represents that he continues to possess the qualifications, skills and experience to satisfactorily perform the duties of General Manager for MTD.

NOW, THEREFORE, in consideration of the covenants contained herein, MTD and Estrada hereby agree as follows:

1. **Incorporation of Recitals.**

The above recitals are agreed to by the parties and are incorporated herein as material terms of this Agreement.

2. **Term of Employment.**

Pursuant to the terms and conditions of this Agreement, Estrada will continue employment with MTD as an at-will employee for no definite period of time. Although Estrada serves at the pleasure of the Board, this Agreement will continue indefinitely, unless terminated



as provided for herein. It is acknowledged and agreed by Estrada that MTD has made no implied or express oral or written assurances of continued employment.

**3. Place of Employment.**

Unless the parties agree otherwise in writing, Estrada shall perform the services required pursuant to this Agreement at MTD's offices, located at 550 Olive Street, Santa Barbara, CA 93101. The duties of the position of General Manager may, however, require Estrada to travel temporarily to other locations on MTD business.

**4. Duties and Powers of General Manager.**

Subject to the control of the Board, the duties and powers of the General Manager of MTD are as follows:

- (a) To manage the acquisition, construction, maintenance and operation of the facilities of MTD;
- (b) To administer the business affairs of MTD;
- (c) To ensure all ordinances of MTD are enforced and that MTD complies with all applicable rules, regulations and laws;
- (d) To administer the personnel system adopted by the Board and, except for officers appointed by the Board, to appoint, hire, discipline or remove employees subject to the rules and regulations adopted by the Board;
- (e) To attend all meetings of the Board and submit regular reports to the Board on the affairs of MTD;
- (f) To keep the Board apprised of the needs of MTD;
- (g) To devote his entire work time to the business and operation of MTD; and
- (h) To perform such other and additional duties as the Board may require which are consistent with the position of General Manager.

**5. Covenant Not to Compete During Employment.**

During the term of this Agreement, Estrada shall not, directly or indirectly, whether as partner, employee, creditor, shareholder, or otherwise, promote, participate, or engage in any activity or other business that is in any way competitive with the business or operation of MTD.

**6. Post-Employment Restrictions.**

Following the end of his employment with MTD, Estrada will avoid post-employment conflicts of interest consistent with the requirements and restriction of Section 14.2 of MTD's Conflict of Interest Code and Sections 87400, et seq. of the Government Code's Political Reform Act of 1974, as amended.

**7. Base Salary.**

- (a) MTD agrees to compensate Estrada for services performed pursuant to this Agreement at a gross, annual base salary of \$170,000 per year, effective January 1, 2019, to be paid in 26 bi-weekly installments, subject to appropriate withholding and payroll taxes.
- (b) Henceforth, the Board may, by resolution or minute action, decide to change Estrada's Base Salary without the need to formally amend his Employment Agreement of February 19, 2019.

**8. Additional Employment Benefits.**

During the term of this Agreement, Estrada shall also be entitled to receive the following:

- (a) All benefits and rights afforded top management employees of MTD, including, but not limited to, those included in MTD's "Benefit Package for Full-Time Salaried Staff Members," as approved by MTD. As indicated in the Staff Employee Handbook, the Board reserves the right to

- unilaterally and in its sole discretion change, increase or decrease all benefits afforded MTD's top management employees, including Estrada;
- (b) MTD shall provide Estrada with either a \$500 car allowance per month or 24-hour use of a non-revenue MTD vehicle for MTD business and/or for personal use, so long as he complies with any and all administrative regulations and directives, including, but not limited to, service and maintenance standards and reporting of accidents. Estrada agrees to pay any taxes for the personal use of any MTD vehicle in accordance with IRS requirements;
  - (c) Term life insurance in the amount of \$50,000, consistent with other executive staff members;
  - (d) A cellular telephone for MTD business or, at Estrada's option, a \$50 per month cellular telephone allowance;
  - (e) Travel and subsistence expenses for MTD business travel, meetings, and professional development as MTD's General Manager, and to adequately pursue necessary official functions for MTD;
  - (f) If Estrada participates in MTD's 401k plan, MTD shall contribute 10% of Estrada's annual salary into his existing IRC 401(k) account in accordance with the requirements and terms of MTD's 401k plan document, which governs that plan;
  - (g) MTD will pay Supplemental Executive Deferred Compensation annually in the employee's name in the amount of \$15,000. MTD will make such annual lump sum payments in January of each calendar year, commencing in 2019;

- (h) Reimbursement for reasonable and necessary business expenses incurred in accordance with the policies and procedure established from time to time by MTD with respect to MTD's other top management employees. Estrada shall submit timely claims for such expenses in the form and manner required by MTD.

9. **Retirement Benefits**

Upon retirement (or termination *without* cause) and in recognition of Estrada's 30-years of service to MTD in May 2019, Estrada will be granted the following benefits subject to the following conditions:

- (a) Upon reaching the age of 65, Estrada will receive reimbursement for medical insurance for him and his spouse during Estrada's lifetime. MTD will reimburse Estrada an amount not to exceed \$285 per month in total. Estrada will be responsible for deductibles, co-payments and Medicare Part B premiums.
- (b) At the time of his retirement (or termination *without* cause), Estrada may convert his accumulated unused sick leave hours to cash, at the rate of 2 hours of leave to one of pay, up to a cap payout of 1,100 paid sick leave hours.

10. **Termination by MTD.**

- (a) MTD may unilaterally terminate Estrada's employment, with or without cause. No cause for termination need exist, because Estrada acknowledges and agrees he serves at the pleasure of the Board as an at-will employee. However, termination by MTD shall require a majority vote of the full governing board of MTD.

- (b) Termination *without* Cause and Severance. Should MTD choose to end Estrada's employment without cause (1) MTD shall provide Estrada with at least sixty (60) days written notice prior to the effective date of the termination of this Agreement and/or Estrada's employment and (2) MTD shall pay Estrada severance in the amount of nine (9) months' base salary (excluding any potential deferred compensation or the value of any other benefits) in exchange for, and on express condition that, Estrada simultaneously executes a general release and waiver of all potential claims (to be prepared by MTD's General Counsel) that Estrada may have against MTD.
- (c) Termination for Cause. MTD reserves the right to terminate this agreement immediately, at any time and without advance notice, for cause or employee malfeasance, including, without limitation, a material breach or habitual neglect of duties under this Agreement, conviction of a felony, commission of an act of moral turpitude, including an intentional act of dishonesty, fraud or misrepresentation. Notification of termination under this provision shall be in writing, effective immediately, and any such termination will not entitle Estrada to (1) any potential severance, as described in paragraph 10(b), above, or otherwise, or (2) the potential retirement benefits described in paragraph 9(a) and (b).

**11. Termination by Estrada.**

Estrada agrees to provide a minimum of sixty (60) days written notice to MTD in advance of his resignation or retirement.

**12. Disability**

If Estrada is permanently disabled or is otherwise unable to perform his essential duties, with or without accommodation, because of sickness, accident, or injury beyond any accrued vacation and/or sick leave period, MTD shall have the option to terminate this Agreement. Any such termination shall be considered to be for cause, and, therefore, will not entitle Estrada to any potential severance, as described in paragraph 10(b), above, or otherwise, or potential retirement benefits as described in paragraph 9(a) and (b), or otherwise.

**13. Entire Agreement.**

This Agreement contains the entire agreement between the parties concerning Estrada's employment, is fully integrated, and supersedes all prior proposals, understandings, commitments, practices and/or oral, implied or written agreements between the parties, including all prior employment agreements with Estrada.

**14. Amendment.**

The parties agree that this Agreement may be amended only by a writing signed by both MTD and Estrada.

**15. Choice of Law.**

The formation, construction, and performance of this Agreement shall be construed in accordance with the laws of California.

**16. Severability.**

If any part or provision of this Agreement is held invalid or unenforceable, the parties agree to attempt in good faith to reform it to make it valid/enforceable consistent with the objective intent of the parties, if reasonably possible. In any event, the remainder of this Agreement shall nevertheless remain in full force and effect. If any part or provision of this

Agreement is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

**17. Bonding.**

MTD shall pay the full cost of any fidelity or other bonds that may be required under any law or ordinance.

**18. Ownership of Materials.**

Upon termination of this Agreement for any reason, Estrada agrees to deliver promptly to MTD all property, materials and documents belonging to MTD, in whatever form they may exist.

**19. Notices.**

Any notice to MTD may be delivered personally or by U.S. mail addressed to the Board of Directors, Santa Barbara Metropolitan Transit District, 550 Olive Street, Santa Barbara, CA 93103, Attn: Chairperson. Any notice to Estrada may be delivered personally or by U.S. mail addressed to Jerry Estrada, General Manager, Santa Barbara Metropolitan Transit District, 550 Olive Street, Santa Barbara, CA 93103.

**20. No Assignment.**

This Agreement is for personal services by Estrada and may not be assigned.

**21. Heirs and Executors.**

This Agreement shall be binding upon and inure to the benefit of Estrada's heirs and executor(s).

**22. Interpretation of Agreement.**

The parties agree that no provision, regardless of potential ambiguity, shall be interpreted for or against either party, regardless of reason, and that each party to this Agreement has

participated in its drafting and had the opportunity to review this final version with separate legal counsel of their choice.

**23. Alternative Dispute Resolution.**

The parties recognize that differences may arise during or following Estrada’s employment with MTD. Consistent with MTD’s Staff Employee Handbook, both parties hereby agree to waive his/its right to a jury or court trial and/or litigation and, instead, agree to alternative dispute resolution to resolve all potential claims between them, including employment-related claims. If the dispute(s) is not resolved through negotiation, the parties agree to attempt in good faith to resolve all disputes/claims between them by mediation administered by Judicial Arbitration and Mediation Services, Inc. (“JAMS”) pursuant to JAMS International Mediation Rules, with the exception of the cost of the mediation, which will be borne primarily by MTD consistent with California law. If mediation fails, and arbitration becomes necessary, the Federal Arbitration Act (“FAA”) will govern that arbitration, which will be *binding* and held pursuant to the employment law procedures at either JAMS or the American Arbitration Association (“AAA”), with the designation of the arbitration organization to be selected by the party who or that did not initiate the disputed claim(s).

DATED: \_\_\_\_\_

SANTA BARBARA METROPOLITAN  
TRANSIT DISTRICT

\_\_\_\_\_  
Dave Davis, Chairperson

*[Signatures continue on following page]*



DATED: \_\_\_\_\_

JERRY ESTRADA

\_\_\_\_\_  
Jerry Estrada

DATED: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Bill Shelor, Secretary

To: MTD Board of Directors  
From: Jerry Estrada, General Manager  
Date: February 19, 2019  
Subject: General Manager's Report

### **Operations, Fleet & Facilities**

As a result of a significant rainstorm, there were many detours and closures implemented throughout our system on Saturday, February 2. The Operations Department, seeing the models and dynamics of those storms, put extra supervision in place very early that morning. A diesel bus was staged in Carpinteria, in case flooding or evacuations necessitated its use. Saturday's storm was dynamic, with different streets and intersections being closed and/or flooded during the day. Even with Highway 101 closed, Operations did not experience any workforce shortage. As the flooding and street closures subsided, Road Supervision opened up those different areas for affected lines. All did a fantastic job, and were flexible and accommodating.

Operations is holding mandated VTT (Verification of Transit Training) sessions the week of February 25. These educational training classes are held four different days of a designated week, at varying times, to accommodate employees' different work schedules. VTT certification is required of all that hold a Class B license with passenger endorsements, such as bus operators.

This week Santa Barbara has a couple of cruise ships visiting our area. It is the cruise ship visitation season, and, as usual, depending on the cruise line, MTD will add additional shuttles and supervision for the influx of visitors within the waterfront/State Street area.

On February 1, 2019, MTD took delivery of the 13<sup>th</sup> BYD bus; the 14<sup>th</sup> and final BYD bus is scheduled for delivery by the end of this month. As of this week, twelve BYD buses on site are up and running. The new BYD bus, Bus 41, is in the process of its new bus delivery inspection as well as awaiting radio installation.

Buses 639 (2016 Gillig), 640, and 641 (2017 Gilligs) have recently come back from Cummins following warranty work. On Thursday, February 7<sup>th</sup> a Cummins technician and engineer were on-site to further troubleshoot four of our 2007 30' Gillig's. All have faults that both MTD and Cummins have been unable to resolve thus far. By the end of the day, MTD mechanics (along with the Cummins personnel) successfully repaired one of the four buses. A hidden adjustment on the turbo was discovered and should allow MTD staff to repair the remaining bus with this same fault.

All 10 of the new 40-ft. Gillig buses have been delivered. Bus 643 was the first bus delivered and is expected to be ready for revenue service by Tuesday, February 12<sup>th</sup>.

### **Administration**

Planning staff is finalizing the Draft Service Plan for August of 2019. The draft plan will be presented to the Board of Directors in March and will be presented in community meetings in April.

Staff met with SBCAG staff to present a draft proposal for an MTD Traffic Management Plan (TMP) mitigation for the upcoming Highway 101 High Occupancy Vehicle (HOV) lane project. Staff will continue to coordinate with SBCAG and Caltrans regarding the proposal.

HR & Risk Manager Mary Gregg, along with Operations Manager Bill Morris, recently attended a Labor Law and Labor Arbitration Conference held at the Los Angeles Convention Center. The conference was put on by the Labor Arbitration Institute, which conducts education conferences throughout the country. This was a one day event for both management and labor, focused on the latest developments in arbitration rules of evidence with discussion of recent cases and evidentiary ruling, review of the principles which arbitrators apply in contract disputes and contract interpretation, and laws on medical and recreational marijuana affecting the workplace.

Staff attended a meeting of the Santa Barbara County Association of Governments' (SBCAG's) Technical Transportation Advisory Committee (TTAC) on November 8. TTAC recommended that the SBCAG Board adopt the FY 2019/20 Measure A revenue estimates, the FY 2017/18 State Transit Assistance (STA) apportionments, and the 2019 Unmet Transit Needs findings. TTAC also received a presentation on the Measure A Strategic Plan Financial Memorandum.

McGowan Guntermann has informed MTD that they will be unable to carry out the current fiscal year audit due to the retirement of Scott Davis. After many successful years of auditing and reporting on the integrity of the District's finances to the Board of Directors and general public, the firm has decided that it will no longer serve the public sector. Given the fast approaching end of the fiscal year, staff is working to engage an auditor as quickly as possible. While a competitive qualifications-based process is desirable, it may be necessary to hire a qualified firm on an emergency sole source basis for this year and delay the competitive process until this fall.

As previously reported, the upcoming 4G modem upgrade in MTD's buses will accommodate the later addition of other Wi-Fi and cellular services, including onboard public Wi-Fi internet access. A new dedicated antenna will be required for adding the new services to ensure no disruption to the GPS/AVL signal and to separate the networks for security purposes. Clever Devices provided a \$65,000 proposal to carry out the antenna purchase and installation work that would take place at the same time as the modem upgrade, providing substantial cost savings. Following a price analysis to determine that the offer was fair and reasonable, MTD accepted the proposal.

The renewable diesel fuel solicitation remains on schedule with price bids due on February 20. Ten of the new higher capacity video drives for the onboard camera systems have been received and are being installed.