



REGULAR MEETING
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS
a Public Agency
Tuesday, July 20, 2021
8:30 AM
VIA TELECONFERENCE

IMPORTANT NOTICE REGARDING THIS BOARD MEETING:

This virtual meeting is being conducted utilizing teleconferencing and electronic means pursuant to State of California Executive Order N-29-20 issued by Governor Gavin Newsom on March 17, 2020, regarding the COVID-19 pandemic. The public may only view a livestream of the meeting online at: <http://tinyurl.com/sbmtdyoutube>

Public Participation

To make a general public comment or to comment on a specific agenda item, the following methods are available: Email, Phone, and Zoom webinar.

All comments will be limited to 3 minutes per speaker.

1. Email:

- Submit public comment to clerk@sbmtd.gov *before 12 p.m.* on the Monday prior to the Board meeting for advance distribution to the Board of Directors.
- Public comment emails submitted to clerk@sbmtd.gov *during* the meeting will be recognized *if* the email is received prior to or during the item to be addressed.
- **In ALL emailed Public Comments, please include:**
 - (A) The agenda item(s) to be addressed
 - (B) If you would like your comment read into the record
 - (C) Public Comment text

2. Phone: Call the Zoom webinar line 10 minutes prior to the 8:30 a.m. meeting start time:

- Toll-Free Dial-in: **(669) 900-6833.**
 - When prompted, enter Meeting ID **937 6914 1447** and then #.
 - When prompted for a password, dial **597180** and then #.
- When the item you wish to address is announced, dial *9 to request to comment.

Please mute your phone until called to speak. If you do not have a mute button, you may mute by dialing *6. You can unmute by pressing the same keys (*6). When the chair calls for public comment, the clerk will announce you and will unmute your microphone.

3. Zoom webinar & computer audio: View the webinar at the following link at 8:30 a.m.:

<https://zoom.us/j/93769141447?pwd=UGs3KzRCOFRzWXg4c1ZMc1p6N0pnZz09>

To give public comment via the Zoom webinar, click the "Raise Hand" button only when the item you wish to speak on has begun. When the chair calls for public comment, the clerk will announce you and will unmute your microphone. The public will not be able to share their video or screen.

BOARD OF DIRECTORS AGENDA

BOARD MEMBERS WILL JOIN VIA TELECONFERENCE

ITEMS TO BE CONSIDERED:

1. **CALL TO ORDER**
2. **ROLL CALL OF THE BOARD MEMBERS**
Dave Davis (Chair), David Tabor (Vice Chair), Bill Shelor (Secretary), Chuck McQuary (Director), Paula Perotte (Director), Jenn Lemberger (Director).
3. **REPORT REGARDING POSTING OF AGENDA**
4. **OATH OF OFFICE - (ACTION MAY BE TAKEN)**
Newly appointed Board member Arjun Sarkar will be sworn in as Director for the Santa Barbara Metropolitan Transit District.

CONSENT CALENDAR

5. **APPROVAL OF PRIOR MINUTES - (ACTION MAY BE TAKEN)**
The Board of Directors will be asked to approve the draft minutes for the meeting of June 15, 2021.
6. **CASH REPORT - (ACTION MAY BE TAKEN)**
The Board of Directors will be asked to review and approve the Cash Report from the following dates: June 5, 2021, through June 25, 2021; and June 26, 2021, through July 9, 2021.

THIS CONCLUDES THE CONSENT CALENDAR

7. **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, see the above instructions on giving remote public comment. Additional public comment will be allowed during each agenda item, including closed session items.
8. **CAPITAL FINANCING OPTIONS PRESENTATION - (ATTACHMENTS - INFORMATIONAL)**
Staff will provide a presentation regarding capital financing options available to the District as a potential means for funding capital projects. The District has engaged the services of KNN Public Finance for reviewing such capital financing options and KNN will provide the Board with a presentation on the results of their review.
9. **ACCEPTANCE OF STANTEC ARCHITECTURE PROPOSAL-DESIGN AND CONSTRUCTION SUPPORT FOR RECOMMISSIONING OF TERMINAL 2 - (ACTION MAY BE TAKEN)**
Staff will request that the Board give the General Manager authority to proceed with a Task Order (no. 5) with Stantec Architecture Inc. for design and construction support services for facility improvements necessary for Phase 1 of the Recommissioning of MTD Terminal 2.

BOARD OF DIRECTORS AGENDA

10. **FTA FY 2021 TRIENNIAL REVIEW OF MTD - (ATTACHMENT - INFORMATIONAL)**
Staff will provide a report regarding the recent Triennial Review of MTD conducted by the FTA.
 11. **MTD FY 2022 - FY 2024 OVERALL GOAL FOR DBE PARTICIPATION - (ATTACHMENT - ACTION MAY BE TAKEN)**
Staff will request that the Board approve MTD's draft "FY 2022 - FY 2024 Overall Goal for Disadvantaged Business Enterprise Participation in Federal Transit Administration Assisted Programs."
 12. **GENERAL MANAGER'S REPORT - (INFORMATIONAL)**
The General Manager will provide an update on district activities.
 13. **RECESS TO CLOSED SESSION: REAL PROPERTY NEGOTIATIONS (GOVERNMENT CODE §54956.8) - (ACTION MAY BE TAKEN)**

Property: 4678 Calle Real / 149 North San Antonio Road

Agency Negotiators: General Manager Jerry Estrada; District Outside Counsel, Graham Lyons

Negotiating Parties: Chandler Partners; Con/Am Group

Under Negotiation: Price and terms of payment.
 14. **RECESS TO CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATOR(S) (GOVERNMENT CODE SECTIONS 54957(B)(1); 54957.6) - (ACTION MAY BE TAKEN)**

Agency-designated representatives: MTD General Manager Jerry Estrada.

Unrepresented employees' performance review.
- PUBLIC COMMENT RELATED TO CLOSED SESSION ITEM(S) WILL BE ALLOWED BEFORE THE RECESS**
15. **OTHER BUSINESS AND REPORTS - (INFORMATIONAL)**
The Board will report on other related public transit issues and committee meetings.
 16. **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 MEETING DRAFT MINUTES

REGULAR MEETING
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, June 15, 2021
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 Jen Lemberger.

3. REPORT REGARDING POSTING OF AGENDA

Christina Perry, Clerk of the Board and Administrative Assistant, reported that the agenda was posted on Friday, June 11, 2021, 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 - (ACTION MAY BE TAKEN)

The Board of Directors was asked to approve the draft minutes for the meeting of June 1, 2021.

5. CASH REPORT - (ACTION MAY BE TAKEN)

The Board of Directors was asked to review and approve the Cash Report from the following dates: May 22, 2021, through June 4, 2021.

Director Chuck McQuary moved to approve the consent calendar. Director Paula Perotte seconded the motion. Chair Davis opened a roll call vote and the motion passed 5-0.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

No public comments were made.

BOARD OF DIRECTORS DRAFT MINUTES

7. UPDATE REGARDING COVID-19 RELATED REQUIREMENTS AND MTD's DECLARATION OF FISCAL AND PUBLIC HEALTH EMERGENCY DUE TO COVID-19 PANDEMIC - (INFORMATIONAL)

General Manager Jerry Estrada and Interim Chief Operating Officer / Chief Safety Officer Mary Gregg provided an update on actions relating to the state of emergency declared by MTD due to the Covid-19 pandemic.

8. GENERAL MANAGER'S REPORT - (INFORMATIONAL)

General Manager Estrada provided an update on district activities and recognized the service of Art Rodriguez upon his retirement from MTD.

9. RECESS TO CLOSED SESSION: REAL PROPERTY NEGOTIATIONS (GOVERNMENT CODE §54956.8) - (ACTION MAY BE TAKEN)

Property: 4678 Calle Real / 149 North San Antonio Road

Agency Negotiators: General Manager Jerry Estrada; District Outside Counsel, Graham Lyons

Negotiating Parties: Chandler Partners; Con/Am Group

Under Negotiation: Price and terms of payment.

No public comments were made prior to recess. Chair Davis recessed to Closed Session at 9:05 AM.

The Board reconvened at 9:23 AM. The Board authorized General Manager Estrada to extend the Exclusive Negotiating Agreement (ENA) with Chandler Partners and Con / Am Group for an additional 45 days.

10. OTHER BUSINESS AND REPORTS - (INFORMATIONAL)

The meeting of July 6, 2021, was tentatively cancelled.

11. ADJOURNMENT

Chair Davis adjourned the meeting at 9:24 AM.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of July 20, 2021
For the Period June 5, 2021 through June 25, 2021

MONEY MARKET

Beginning Balance June 5, 2021 **\$1,040,601.42**

Accounts Receivable	6,613,891.67
FTA Operating Assistance	484,390.00
Passenger Fares	189,528.69
Property Tax Revenue	91,342.05
Miscellaneous Income	8,991.01
Prepays & Advertising	1,328.40
Interest Income	1,009.58
Measure A Transfer	.00
Total Deposits	7,390,481.40

Miscellaneous Transfers	(893.19)
Bank & Credit Card Fees	(3,157.16)
401(k)/Pension Transfer	(38,975.42)
Workers' Compensation	(49,888.79)
Payroll Taxes	(144,675.69)
Payroll	(322,453.43)
Accounts Payable	(793,459.49)
Total Disbursements	(1,353,503.17)

Ending Balance **\$7,077,579.65**

CASH INVESTMENTS

LAIF Account	\$5,875,274.18
Money Market Account	7,077,579.65

Total Cash Balance **\$12,952,853.83**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$4,867,394.07)
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Working Capital **\$8,085,459.76**

Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts Receivable

Date	Company	Description	Amount
6/7/2021	Hiltachk Marketing Group/SB Airport	Advertising on Buses	3,854.70
6/7/2021	Local Transportation Fund	SB 325 - May 2021	747,232.76
6/7/2021	Measure A, Section 3 LSTI	Measure A Funds - May 2021	215,877.56
6/8/2021	Federal Transit Administration	FTA Operating Assistance	484,390.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	493,059.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	493,059.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	493,059.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	493,059.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	493,059.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	493,059.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	432,375.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	484,390.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	484,390.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	299,141.00
6/8/2021	Federal Transit Administration	FTA Operating Assistance	484,390.00
6/8/2021	Hiltachk Marketing Group/SB Airport	Advertising on Buses	7,709.40
6/8/2021	True Media LLC/Cottage Health	Advertising on Buses	1,054.80
6/9/2021	Cottage Hospital	Passes/Token Sales	393.75
6/15/2021	True Media LLC/Cottage Health	Advertising on Buses	500.00
6/16/2021	Cottage Hospital	Passes/Token Sales	157.50
6/16/2021	Moonlight Graphics/Mktg	Advertising on Buses	4,237.20
6/18/2021	Montecito Bank & Trust	Advertising on Buses	2,722.00
6/18/2021	Montecito Bank & Trust	Advertising on Buses	2,722.00
Total Accounts Receivable Paid During Period			\$6,613,891.67

Santa Barbara Metropolitan Transit District
Accounts Payable

Check #	Date	Company	Description	Amount	Voids
126679	5/21/2021	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	55.02	V
126800	6/10/2021	AMERICAN MOVING PARTS, LLC	BUS PARTS	968.12	
126801	6/10/2021	HENRY ANDREWS	RETIREE HEALTH REIMBURSEMENT	285.00	
126802	6/10/2021	APPLEONE EMPLOYMENT SERVIC	CONTRACT EMPLOYMENT	3,019.20	
126803	6/10/2021	ALL PHASE ELECTRIC SUPPLY D	B&G SUPPLIES	407.99	
126804	6/10/2021	AUTOZONE STORES LLC	BUS PARTS	447.25	
126805	6/10/2021	BODE CORPORATION	BUS PARTS	552.00	
126806	6/10/2021	JAMES BRACKETT	RETIREE HEALTH REIMBURSEMENT	178.00	
126807	6/10/2021	ROBERT BURNHAM	RETIREE HEALTH REIMB/SDRMA REF	285.00	
126808	6/10/2021	GILBERT CALLES	RETIREE HEALTH REIMBURSEMENT	178.00	
126809	6/10/2021	CENTRAL COAST CIRCULATION, L	BUS BOOK DISTRIBUTION	627.00	
126810	6/10/2021	STAN CISOWSKI	RETIREE HEALTH REIMBURSEMENT	285.00	
126811	6/10/2021	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	609.05	
126812	6/10/2021	CUMMINS SALES & SERVICE dba	BUS PARTS & REPAIRS	464.44	
126813	6/10/2021	NANCY CURTIS	RETIREE HEALTH REIMBURSEMENT	215.75	
126814	6/10/2021	DAVID DAVIS JR.	DIRECTOR FEES	60.00	
126815	6/10/2021	DIESEL FORWARD, INC.	BUS PARTS	414.60	
126816	6/10/2021	FEDERAL HOSE MANUFACTURING	BUS PARTS	221.32	
126817	6/10/2021	FEDEX dba	FREIGHT CHARGES	290.33	
126818	6/10/2021	FLEET SERVICES, INC.	BUS PARTS	402.59	
126819	6/10/2021	FAIRVIEW CHEVRON/TOM PRICE	SMOG TESTING	114.00	
126820	6/10/2021	FRONTIER CALIFORNIA INC.	TELEPHONE SERVICE	100.98	
126821	6/10/2021	GIBBS INTERNATIONAL INC	BUS PARTS	1,262.93	
126822	6/10/2021	GILLIG LLC	BUS PARTS	2,992.17	
126823	6/10/2021	GARY GLEASON	RETIREE HEALTH REIMBURSEMENT	247.95	
126824	6/10/2021	GOGETTERS, LLC DBA	COURIER SERVICES	220.00	
126825	6/10/2021	GOLD COAST TRANSPORT REFRIG	BUS A/C MAINTENANCE	1,208.88	
126826	6/10/2021	GOODYEAR TIRE & RUBBER CO	BUS TIRE LEASE	240.71	
126827	6/10/2021	JILL GRISHAM	RETIREE HEALTH REIMB/SDRMA REF	283.92	
126828	6/10/2021	JIM HAGGERTY	RETIREE HEALTH REIMBURSEMENT	552.46	
126829	6/10/2021	ALI HABIBI	RETIREE HEALTH REIMBURSEMENT	285.00	
126830	6/10/2021	STEPHEN HAHN	BUS PARTS REIMBURSEMENT	74.86	
126831	6/10/2021	HAYWARD LUMBER	B&G SUPPLIES	3.20	
126832	6/10/2021	RAUL HERNANDEZ	DMV/VTT REIMBURSEMENT	59.00	
126833	6/10/2021	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	112.41	
126834	6/10/2021	JAY DANIEL ROBERTSON	RETIREE HEALTH REIMBURSEMENT	285.00	
126835	6/10/2021	JAVIER JIMENEZ	RETIREE HEALTH REIMBURSEMENT	178.00	
126836	6/10/2021	LOUIS JONES	RETIREE HEALTH REIMBURSEMENT	223.00	

Check #	Date	Company	Description	Amount	Voids
126837	6/10/2021	JOY EQUIPMENT PROTECTION, IN	SERVICING FIRE EXTINGUISHERS	388.44	
126838	6/10/2021	KNN PUBLIC FINANCE LLC	CONSULTING SERVICES	6,290.00	
126839	6/10/2021	LINDA LEE LACKEY	RETIREE HEALTH REIMBURSEMENT	855.00	
126840	6/10/2021	JENNIFER LEMBERGER	DIRECTOR FEES	60.00	
126841	6/10/2021	MC CORMIX CORP. (OIL)	LUBRICANTS	2,847.02	
126842	6/10/2021	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,218.88	
126843	6/10/2021	CHUCK MCQUARY	DIRECTOR FEES	60.00	
126844	6/10/2021	MIKE CUEVAS GARDENING SERVI	LANDSCAPE MAINTENANCE SERVICE	1,810.00	
126845	6/10/2021	MILPAS RENTAL INC.	EQUIPMENT RENTAL	619.32	
126846	6/10/2021	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	100.05	
126847	6/10/2021	MOLINA MANUFACTURING D	REFURBISH BUS SEATS	5,399.30	
126848	6/10/2021	MOUNTAIN SPRING WATER	SHOP & OFFICE SUPPLIES	902.00	
126849	6/10/2021	MULLEN & HENZELL	CALLE REAL PROJECT SERVICES	37,271.36	
126850	6/10/2021	NEW PIG CORP.	BUS CLEANING SUPPLIES	1,523.57	
126851	6/10/2021	NEWARK ELEMENT14	BUS PARTS	1,994.30	
126852	6/10/2021	PREVOST CAR (US) INC.	BUS PARTS	20.40	
126853	6/10/2021	O'REILLY AUTO PARTS DBA	BUS PARTS	171.52	
126854	6/10/2021	PAULA A. PEROTTE	DIRECTOR FEES	60.00	
126855	6/10/2021	PB-RESERVE ACCOUNT	PREPAID POSTAGE	1,500.00	
126856	6/10/2021	CAREY POINDEXTER	RETIREE HEALTH REIMBURSEMENT	285.00	
126857	6/10/2021	PRECISION WELDING DBA	BUS REPAIRS	1,733.19	
126858	6/10/2021	REGIONAL GOVERNMENT SERVIC	PERSONNEL RECRUITMENT	6,123.30	
126859	6/10/2021	AL ROMERO SR.	RETIREE HEALTH REIMBURSEMENT	89.00	
126860	6/10/2021	SILVAS OIL CO., INC.	LUBRICANTS	744.61	
126861	6/10/2021	WILLIAM JOHN SHELOR	DIRECTOR FEES	60.00	
126862	6/10/2021	SO. CAL. EDISON CO.	UTILITIES	1,349.64	
126863	6/10/2021	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	134.39	
126864	6/10/2021	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	1,072.88	
126865	6/10/2021	DAVID W. TUCKER	DMV/VTT REIMBURSEMENT	59.00	
126866	6/10/2021	DAVID T. TABOR	DIRECTOR FEES	60.00	
126867	6/10/2021	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	17,174.83	
126868	6/10/2021	UCSB ECONOMIC FORECAST PROJ	CORPORATE LEVEL SPONSORSHIP	1,050.00	
126869	6/10/2021	VALLEY POWER SYSTEMS, INC.	BUS PARTS	188.69	
126870	6/10/2021	JOHN J. VASQUEZ	RETIREE HEALTH REIMBURSEMENT	229.48	
126871	6/10/2021	ALEXANDER YOUNG	RETIREE HEALTH REIMBURSEMENT	229.19	
126872	6/18/2021	ABC BUS COMPANIES INC	BUS PARTS	1,697.51	
126873	6/18/2021	ALLIED ELECTRONICS, INC.	BUS PARTS	124.19	
126874	6/18/2021	ASBURY ENVIRONMENTAL SERVI	WASTE OIL RECYCLER	160.00	
126875	6/18/2021	AUTOZONE STORES LLC	BUS PARTS	511.24	
126876	6/18/2021	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	3,120.74	
126877	6/18/2021	JOSE CASILLAS	DMV/VTT REIMBURSEMENT	59.00	

Check #	Date	Company	Description	Amount	Voids
126878	6/18/2021	COMPLETE COACH WORKS	DRIVER BARRIERS	44,396.81	
126879	6/18/2021	CUMMINS SALES & SERVICE dba	BUS PARTS & REPAIRS	951.66	
126880	6/18/2021	DIESEL FORWARD, INC.	BUS PARTS	694.04	
126881	6/18/2021	DIVERSIFIED TRANSPORTATION S	FREIGHT CHARGES	338.90	
126882	6/18/2021	DOCUPRODUCTS CORPORATION	COPIER MAINTENANCE/SUPPLIES	230.26	
126883	6/18/2021	EASY LIFT TRANSPORTATION, IN	MONTHLY ADA SUBSIDY	83,463.33	
126884	6/18/2021	FEDEX dba	FREIGHT CHARGES	125.06	
126885	6/18/2021	FLEET SERVICES, INC.	BUS PARTS	311.03	
126886	6/18/2021	STATE OF CALIFORNIA	PAYROLL RELATED	127.32	
126887	6/18/2021	GIBBS INTERNATIONAL INC	BUS PARTS	1,519.78	
126888	6/18/2021	GILLIG LLC	BUS PARTS	1,625.57	
126889	6/18/2021	GOLD COAST TRANSPORT REFRIG	BUS A/C MAINTENANCE	837.56	
126890	6/18/2021	GUARDIAN-APPLETON (DENTAL I	DENTAL INSURANCE	4,975.42	
126891	6/18/2021	GUARDIAN-APPLETON (LIFE INS)	LIFE INSURANCE	729.35	
126892	6/18/2021	HAYWARD LUMBER	B&G SUPPLIES	315.86	
126893	6/18/2021	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	69.18	
126894	6/18/2021	LANSPEED DBA	IT SERVICES	3,031.25	
126895	6/18/2021	LABOR ALLIANCE MANAGED TRU	UNION DENTAL INSURANCE	10,180.00	
126896	6/18/2021	MC CORMIX CORP. (OIL)	LUBRICANTS	1,181.89	
126897	6/18/2021	MIKE CUEVAS GARDENING SERVI	LANDSCAPE MAINTENANCE SERVICE	1,235.00	
126898	6/18/2021	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	139.55	
126899	6/18/2021	NATIONAL DRIVE	PAYROLL DEDUCTION	26.00	
126900	6/18/2021	NEWEGG BUSINESS, INC	IT EQUIPMENT & SUPPLIES	5,634.42	
126901	6/18/2021	NFI PARTS DBA	BUS PARTS	922.88	
126902	6/18/2021	PREVOST CAR (US) INC.	BUS PARTS	65.05	
126903	6/18/2021	LETICIA RAMIREZ	PAYROLL RELATED	600.00	
126904	6/18/2021	RINCON BROADCASTING DBA	MEDIA ADVERTISING	1,000.00	
126905	6/18/2021	SAFETY-KLEEN CORPORATION	SHOP SUPPLIES	376.04	
126906	6/18/2021	SANSUM CLINIC	MEDICAL EXAMS	235.00	
126907	6/18/2021	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	260.00	
126908	6/18/2021	SPECIAL DISTRICT RISK MGMT	HEALTH INSURANCE	66,190.89	
126909	6/18/2021	SM TIRE, CORP.	BUS TIRE MOUNTING	672.50	
126910	6/18/2021	SOAP MAN DISTRIBUTIN DBA	CLEANING SUPPLIES	141.21	
126911	6/18/2021	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	96.88	
126912	6/18/2021	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	120.00	
126913	6/18/2021	TDS SERVICE CORP. DBA TRANSI	BUS PARTS REPAIRS	495.00	
126914	6/18/2021	TEAMSTERS MISC SECURITY TRU	UNION MEDICAL INSURANCE	198,332.00	
126915	6/18/2021	TEAMSTERS PENSION TRUST	UNION PENSION	86,513.06	
126916	6/18/2021	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	9,499.90	
126917	6/18/2021	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	33,990.83	
126918	6/18/2021	UNITED WAY OF SB	PAYROLL DEDUCTION	40.00	

Check #	Date	Company	Description	Amount	Voids
126919	6/18/2021	VALLEY POWER SYSTEMS, INC.	BUS PARTS	377.15	
126920	6/18/2021	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	3,075.20	
126921	6/18/2021	VISIT SANTA BARBARA	MEMBERSHIP DUES	475.00	
126922	6/18/2021	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	567.20	
126923	6/18/2021	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	64.00	
126924	6/24/2021	ABC BUS COMPANIES INC	BUS PARTS	386.63	
126925	6/24/2021	AMERICAN MOVING PARTS, LLC	BUS PARTS	1,523.80	
126926	6/24/2021	APPLEONE EMPLOYMENT SERVIC	CONTRACT EMPLOYMENT	2,415.36	
126927	6/24/2021	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	104.40	
126928	6/24/2021	CELTIS VENTURES, INC.	MARKETING SERVICES	1,472.50	
126929	6/24/2021	CUMMINS SALES & SERVICE dba	BUS PARTS & REPAIRS	1,845.71	
126930	6/24/2021	EVERSHADE LLC DBA	STEAM CLEANING TC/EXPRESS ZONE	3,850.00	
126931	6/24/2021	FEDEX dba	FREIGHT CHARGES	244.79	
126932	6/24/2021	FRONTIER CALIFORNIA INC.	TELEPHONE SERVICE	2,060.80	
126933	6/24/2021	GIBBS INTERNATIONAL INC	BUS PARTS	1,950.00	
126934	6/24/2021	GILLIG LLC	BUS PARTS	8,928.68	
126935	6/24/2021	GRAPHICINK	PRINTING SERVICES	160.40	
126936	6/24/2021	GRAINGER, INC.	SHOP/B&G SUPPLIES	28.06	
126937	6/24/2021	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	53.09	
126938	6/24/2021	HR AUTOGLASS DBA	BUS PARTS/REPAIRS	250.00	
126939	6/24/2021	LIFT-U DIV.	BUS PARTS	161.26	
126940	6/24/2021	MARBORG INDUSTRIES (INC)	UTILITIES & RENTAL FEES	213.75	
126941	6/24/2021	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,281.68	
126942	6/24/2021	MCMaster-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	101.63	
126943	6/24/2021	MARCELO PACHECO	TOOL ALLOWANCE	1,100.00	
126944	6/24/2021	NATIONAL INTERSTATE INS INC.	LIABILITY INSURANCE	48,382.30	
126945	6/24/2021	NFI PARTS DBA	BUS PARTS	2,349.84	
126946	6/24/2021	O'REILLY AUTO PARTS DBA	BUS PARTS	15.20	
126947	6/24/2021	PITNEY BOWES INC	POSTAGE METER QTRLY CHARGES	146.81	
126948	6/24/2021	POWERSTRIDE BATTERY CO.	BATTERIES	898.33	
126949	6/24/2021	SB LOCKSMITHS, INC.	B&G SUPPLIES	24.26	
126950	6/24/2021	SM TIRE, CORP.	BUS TIRE MOUNTING	608.59	
126951	6/24/2021	SO. CAL. EDISON CO.	UTILITIES	6,907.28	
126952	6/24/2021	SOCALGAS	UTILITIES	219.44	
126953	6/24/2021	SOV SECURITY DBA	VIDEO SYSTEM SOFTWARE LICENSE	2,508.53	
126954	6/24/2021	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	555.55	
126955	6/24/2021	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	120.00	
126956	6/24/2021	SB CITY OF-REFUSE/WATER	UTILITIES	551.45	
126957	6/24/2021	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	16,999.32	
126958	6/24/2021	UNITED PARCEL SERVICE, INC.	FREIGHT CHARGES	374.41	
126959	6/24/2021	VALLEY POWER SYSTEMS, INC.	BUS PARTS	347.15	

Check #	Date	Company	Description	Amount	Voids
126960	6/24/2021	WAXIE SANITARY SUPPLY	DBA JANITORIAL SUPPLIES	422.33	
				793,514.51	
			Current Cash Report Voided Checks:	0.00	
			Prior Cash Report Voided Checks:	55.02	
			Grand Total:	\$793,459.49	

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of July 20, 2021
For the Period June 26, 2021 through July 9, 2021

MONEY MARKET

Beginning Balance June 26, 2021 **\$7,077,579.65**

SB-325 (LTF)	724,569.44
Measure A Transfer	201,299.56
Passenger Fares	82,352.60
Property Tax Revenue	47,074.95
Prepays & Advertising	9,624.00
Accounts Receivable	1,731.60
Miscellaneous Income	17.68
Prop 1B Cap Revenue	.22
Total Deposits	1,066,670.05

Miscellaneous Transfers	(545.97)
401(k)/Pension Transfer	(39,019.82)
Payroll Taxes	(141,500.73)
Payroll	(324,008.15)
Accounts Payable	(341,531.22)
Total Disbursements	(846,605.89)

Ending Balance **\$7,297,643.81**

CASH INVESTMENTS

LAIF Account	\$5,875,274.18
Money Market Account	7,297,643.81

Total Cash Balance **\$13,172,917.99**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$4,734,482.45)
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Working Capital **\$8,438,432.54**

Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts Receivable

Date	Company	Description	Amount
6/29/2021	Wells Marketing, LLC	Advertising on Buses	1,731.60
Total Accounts Receivable Paid During Period			\$1,731.60

Santa Barbara Metropolitan Transit District
Accounts Payable

Check #	Date	Company	Description	Amount	Voids
126961	7/2/2021	ABC BUS COMPANIES INC	BUS PARTS	2,879.26	
126962	7/2/2021	AMERICAN MOVING PARTS, LLC	BUS PARTS	41.59	
126963	7/2/2021	CAPITOL HARDWARE & BUILDING	B&G SUPPLIES	33.77	
126964	7/2/2021	CINTAS CORPORATION	FIRST AID SUPPLIES	222.61	
126965	7/2/2021	COSTCO WHOLESALE MEMBERSH	MEMBERSHIP	120.00	
126966	7/2/2021	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	155.41	
126967	7/2/2021	CUMMINS SALES & SERVICE dba	BUS PARTS & REPAIRS	2,671.95	
126968	7/2/2021	DENMUN OFFICE SOLUTIONS DB	IT CONTRACT SERVICES	4,930.00	
126969	7/2/2021	DIESEL FORWARD, INC.	BUS PARTS	997.68	
126970	7/2/2021	ESP LOCKSMITH DBA	B&G REPAIRS & SUPPLIES	381.31	
126971	7/2/2021	FEDEX dba	FREIGHT CHARGES	323.77	
126972	7/2/2021	FLEET SERVICES, INC.	BUS PARTS	443.68	
126973	7/2/2021	STATE OF CALIFORNIA	PAYROLL RELATED	200.00	
126974	7/2/2021	GIBBS INTERNATIONAL INC	BUS PARTS	203.61	
126975	7/2/2021	GILLIG LLC	BUS PARTS	1,485.66	
126976	7/2/2021	GOLD COAST TRANSPORT REFRIG	BUS A/C MAINTENANCE	1,056.31	
126977	7/2/2021	GUARDIAN-APPLETON (DENTAL I	DENTAL INSURANCE	4,975.42	
126978	7/2/2021	GUARDIAN-APPLETON (LIFE INS)	LIFE INSURANCE	1,119.07	
126979	7/2/2021	STEPHEN HAHN	SERVICE VEHICLE PARTS REIMBURSE	52.07	
126980	7/2/2021	IRON HORSE AUTO BODY OF SB D	BUS REPAIRS	921.52	
126981	7/2/2021	MARBORG INDUSTRIES (INC)	UTILITIES & RENTAL FEES	1,199.56	
126982	7/2/2021	MC CORMIX CORP. (OIL)	LUBRICANTS	6,432.67	
126983	7/2/2021	MEDICAL EYE SERVICES, INC.	VISION INSURANCE	536.80	
126984	7/2/2021	MUNOZ JANITORIAL	JANITORIAL/DISINFECTANT SERVICE	28,680.00	
126985	7/2/2021	NATIONAL AUTO BODY & PAINT I	BUS REPAIRS	2,259.60	
126986	7/2/2021	NFI PARTS DBA	BUS PARTS	373.69	
126987	7/2/2021	PREVOST CAR (US) INC.	BUS PARTS	937.36	
126988	7/2/2021	CHRISTINA PERRY	OFFICE SUPPLIES REIMBURSEMENT	50.84	
126989	7/2/2021	PETTY CASH - MORRIS, B.	MISC. PURCHASES	145.20	
126990	7/2/2021	POWERSTRIDE BATTERY CO.	BATTERIES	299.44	
126991	7/2/2021	PRECISION WELDING DBA	BUS REPAIRS	787.50	
126992	7/2/2021	LETICIA RAMIREZ	PAYROLL RELATED	600.00	
126993	7/2/2021	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	260.00	
126994	7/2/2021	SILVAS OIL CO., INC.	LUBRICANTS	777.30	
126995	7/2/2021	SM TIRE, CORP.	BUS TIRE MOUNTING	661.69	
126996	7/2/2021	SO. CAL. EDISON CO.	UTILITIES	8,476.99	
126997	7/2/2021	SPECIALTY TOOL & BOLT, LTD	SHOP SUPPLIES	40.72	
126998	7/2/2021	STANTEC ARCHITECTURE INC.	T1 EV CHARGER/T2 RECOMMISSIONIN	27,697.00	

Check #	Date	Company	Description	Amount	Voids
126999	7/2/2021	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	428.92	
127000	7/2/2021	SB CITY OF-REFUSE/WATER	UTILITIES	2,679.46	
127001	7/2/2021	THE MEDCENTER	MEDICAL EXAMS	1,714.00	
127002	7/2/2021	TANK TEAM INC.	TANK TESTS	128.00	
127003	7/2/2021	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	219.90	
127004	7/2/2021	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	17,030.12	
127005	7/2/2021	U.S. BANK CORP. PAYMENT SYST	CREDIT CARD PURCHASES	3,064.26	
127006	7/2/2021	VALLEY POWER SYSTEMS, INC.	BUS PARTS	5,829.40	
127007	7/2/2021	VALLEY POWER SYSTEMS, INC.	LUBRICANTS	1,598.19	
127008	7/2/2021	VEHICLE MAINTENANCE PROGRA	BUS PARTS	159.32	
127009	7/2/2021	VERSATILE SYSTEMS, INC.	FALL PROTECTION INSPECTION	2,000.00	
127010	7/2/2021	VOICES TRANSLATION AND INTE	TRANSLATION	150.00	
127011	7/2/2021	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	1,149.01	
127012	7/8/2021	ABC BUS COMPANIES INC	BUS PARTS	11,242.30	
127013	7/8/2021	AMERICAN MOVING PARTS, LLC	BUS PARTS	157.04	
127014	7/8/2021	HENRY ANDREWS	RETIREE HEALTH REIMBURSEMENT	285.00	
127015	7/8/2021	APPLEONE EMPLOYMENT SERVIC	CONTRACT EMPLOYMENT	1,509.60	
127016	7/8/2021	ASBURY ENVIRONMENTAL SERVI	WASTE OIL RECYCLER	95.00	
127017	7/8/2021	BATTERY RECYCLERS OF AMERIC	EV BATTERY DISPOSALS	25,356.00	
127018	7/8/2021	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	379.66	
127019	7/8/2021	JAMES BRACKETT	RETIREE HEALTH REIMBURSEMENT	178.00	
127020	7/8/2021	KARL BRETZ	RETIREE HEALTH REIMBURSEMENT	813.31	
127021	7/8/2021	ROBERT BURNHAM	RETIREE HEALTH REIMB/SDRMA REF	285.00	
127022	7/8/2021	BYD MOTORS LLC	CAPITAL LEASE PYMT/ACCIDENT REP	42,752.69	
127023	7/8/2021	GILBERT CALLES	RETIREE HEALTH REIMBURSEMENT	178.00	
127024	7/8/2021	CALIFORNIA SPECIAL DISTRICTS	2021 MEMBERSHIP DUES	1,186.00	
127025	7/8/2021	CELTIS VENTURES, INC.	MARKETING SERVICES	4,203.75	
127026	7/8/2021	STAN CISOWSKI	RETIREE HEALTH REIMBURSEMENT	285.00	
127027	7/8/2021	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	609.00	
127028	7/8/2021	CROCKER REFRIGERATION & AIR	HVAC MAINTENANCE	140.24	
127029	7/8/2021	CUMMINS SALES & SERVICE dba	BUS PARTS & REPAIRS	564.53	
127030	7/8/2021	NANCY CURTIS	RETIREE HEALTH REIMBURSEMENT	215.75	
127031	7/8/2021	DAVID DAVIS JR.	DIRECTOR FEES	120.00	
127032	7/8/2021	DUNN & BYBEE TOOL CO.	BUS PARTS	397.95	
127033	7/8/2021	DOCUPRODUCTS CORPORATION	COPIER MAINTENANCE/SUPPLIES	183.45	
127034	7/8/2021	EKOS DBA	FUELING SYSTEM SOFTWARE	1,380.00	
127035	7/8/2021	ECO-T TIRE & RETREADING, LLC	BUS TIRE MOUNTING	554.30	
127036	7/8/2021	FEDEX dba	FREIGHT CHARGES	62.29	
127037	7/8/2021	GENFARE, A DIVISION OF SPX CO	FAREBOX REPAIRS & PARTS	2,357.80	
127038	7/8/2021	GILLIG LLC	BUS PARTS	5,335.91	
127039	7/8/2021	GARY GLEASON	RETIREE HEALTH REIMBURSEMENT	247.95	

Check #	Date	Company	Description	Amount	Voids
127040	7/8/2021	GOODYEAR TIRE & RUBBER CO	BUS TIRE LEASE	11,032.50	
127041	7/8/2021	GRAPHICINK	PRINTING SERVICES	810.71	
127042	7/8/2021	JILL GRISHAM	RETIREE HEALTH REIMB/SDRMA REF	283.92	
127043	7/8/2021	JIM HAGGERTY	RETIREE HEALTH REIMBURSEMENT	285.00	
127044	7/8/2021	ALI HABIBI	RETIREE HEALTH REIMBURSEMENT	285.00	
127045	7/8/2021	ROBERT HARTMAN, JR.	RETIREE HEALTH REIMBURSEMENT	437.54	
127046	7/8/2021	HAYWARD LUMBER	FAREBOX SUPPLIES	138.03	
127047	7/8/2021	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	243.17	
127048	7/8/2021	JAY DANIEL ROBERTSON	RETIREE HEALTH REIMBURSEMENT	285.00	
127049	7/8/2021	JAVIER JIMENEZ	RETIREE HEALTH REIMBURSEMENT	178.00	
127050	7/8/2021	LOUIS JONES	RETIREE HEALTH REIMBURSEMENT	223.00	
127051	7/8/2021	KIMBALL MIDWEST	SHOP SUPPLIES	608.95	
127052	7/8/2021	MONTE KIMZEY	RETIREE HEALTH REIMBURSEMENT	294.00	
127053	7/8/2021	JENNIFER LEMBERGER	DIRECTOR FEES	60.00	
127054	7/8/2021	MARBORG INDUSTRIES (INC)	UTILITIES & RENTAL FEES	1,389.53	
127055	7/8/2021	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,477.29	
127056	7/8/2021	CHUCK MCQUARY	DIRECTOR FEES	120.00	
127057	7/8/2021	MISSION LINEN SUPPLY, INC	UNIFORM & LINEN SERVICE	4,495.39	
127058	7/8/2021	NEWEGG BUSINESS, INC	IT EQUIPMENT & SUPPLIES	1,103.93	
127059	7/8/2021	CARLOS ORNELAS	RETIREE HEALTH REIMBURSEMENT	200.00	
127060	7/8/2021	PAULA A. PEROTTE	DIRECTOR FEES	120.00	
127061	7/8/2021	PACIFIC POWER GROUP	BUS PARTS	19.22	
127062	7/8/2021	CAREY POINDEXTER	RETIREE HEALTH REIMBURSEMENT	285.00	
127063	7/8/2021	AL ROMERO SR.	RETIREE HEALTH REIMBURSEMENT	89.00	
127064	7/8/2021	SANSUM CLINIC	MEDICAL EXAMS	1,135.00	
127065	7/8/2021	SANTA BARBARA FASTENERS, IN	FAREBOX SUPPLIES	99.78	
127066	7/8/2021	SB INDEPENDENT INC.	MEDIA AD	499.00	
127067	7/8/2021	WILLIAM JOHN SHELOR	DIRECTOR FEES	120.00	
127068	7/8/2021	SPECIALTY TOOL & BOLT, LTD	SHOP SUPPLIES	511.21	
127069	7/8/2021	STANTEC ARCHITECTURE INC.	T1 EV CHARGER/T2 RECOMMISSIONIN	5,654.50	
127070	7/8/2021	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	99.05	
127071	7/8/2021	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	150.00	
127072	7/8/2021	TILFORD WELDING DBA	VENDOR BUS REPAIRS	50.00	
127073	7/8/2021	TK SERVICE, INC.	BUS PARTS	928.46	
127074	7/8/2021	DAVID T. TABOR	DIRECTOR FEES	120.00	
127075	7/8/2021	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	33,976.32	
127076	7/8/2021	JOHN J. VASQUEZ	RETIREE HEALTH REIMBURSEMENT	260.48	
127077	7/8/2021	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	34.89	
127078	7/8/2021	VERITECH, INC.	BUS PARTS	1,818.00	
127079	7/8/2021	WURTH USA WEST INC.	SHOP SUPPLIES	413.01	
127080	7/8/2021	WRIGHT NATIONAL FLOOD INSUR	FLOOD INSURANCE	30,311.00	

Check #	Date	Company	Description	Amount	Voids
127081	7/8/2021	ALEXANDER YOUNG	RETIREE HEALTH REIMBURSEMENT	229.19	
				341,531.22	
			Current Cash Report Voided Checks:	0.00	
			Prior Cash Report Voided Checks:	0.00	
			Grand Total:	\$341,531.22	



BOARD REPORT

MEETING DATE: JULY 20, 2021

AGENDA ITEM: #8

DEPARTMENT: FINANCE

TYPE: INFORMATIONAL ITEM

PREPARED BY: BRAD DAVIS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: CAPITAL FINANCING OPTIONS PRESENTATION

DISCUSSION:

The Board will receive a presentation regarding capital financing options available to the District as a potential means for funding capital projects. The District has engaged the services of KNN Public Finance for reviewing such capital financing options and KNN will provide the Board with a presentation on the results of their review.

Attached is a memorandum prepared by KNN that includes a possible financing path for major improvements for Terminal 2. The costs and timeline are based on the current version of the five-year capital budget. It will serve as the basis of the presentation beyond the discussion of options.

The District has made very limited use of debt financing in the past. Federal, state and local capital grants and subsidies have largely been sufficient for funding capital needs, alleviating the need for borrowing. More recently, capital projects are being delayed for lack of capital funds. The main reason is that most capital funds are now allocated through competitive processes. As there are insufficient funds to meet all national or state transit and transportation needs, the discretionary programs are extremely competitive with only a handful of the applicants receiving an award. Attached to this report are tables showing MTD's historical applications and resulting awards of capital funding opportunities, indicating the recent lack of success for the discretionary programs.

Without the award of competitive funding or a substantial increase in formula or other subsidies, the District will be unable to meet its future capital needs for facility improvements and bus replacements, including zero-emission fleet transition goals. It is for this reason that staff is looking at long-term debt financing as a potential additional source of capital funding.

The primary methods of long-term borrowing available to MTD are through the issuance of bonds or use of federal/state loan programs. Of particular interest to MTD is the Transportation Infrastructure Finance and Innovation Act (TIFIA) federal loan program. TIFIA loans are very attractive with their flexibility and relatively lower borrowing costs. The KNN presentation will focus on the TIFIA program for MTD's financing needs.

ATTACHMENTS:

- KNN Memorandum dated June 23, 2021 regarding Terminal 2 Capital Financing Options
Tables of MTD Capital Grant History

Date: June 23, 2021

To: Santa Barbara Metropolitan Transit District
Jerry Estrada, General Manager
Bradley Davis, Director of Finance and Administration

From: KNN Public Finance
Melissa Shick and Nedko Nedev

Re: Terminal 2 Capital Improvement Needs
Discussion of Funding Approach and Financing Alternatives

The Santa Barbara Metropolitan Transit District (MTD or the District) has initiated planning efforts to address future transit operational needs through 2040. In January 2020, Stantec prepared a Facilities Master Plan for MTD comprised of three phases: i) Phase 1 – Operations Review and Future Requirements; ii) Phase 2 – Facilities Assessment; and iii) Phase 3 – Facilities Master Plan Process and Recommendations. Phase 2 of the Facilities Master Plan identifies the primary issues and concerns with MTD's existing facilities that will need to be addressed going forward. Also, as maintained by staff, the MTD's Five-Year Capital Budget Forecast details near-term projections for capital improvement needs of the District in the primary categories of: i) vehicle purchase and improvements; ii) operating facilities; iii) passenger facilities; and iv) IT, information systems, and other equipment.

As the District considers improvements to existing facilities and new facility requirements over the near-term and longer-term horizon, strategy and thought around the optimal funding approach for the capital needs will be critical to the discussion. KNN Public Finance (KNN), a municipal advisory firm, has been engaged by MTD to provide initial guidance pertaining to the funding component. While MTD may not have immediate financing needs for the anticipated projects, you have expressed interest in learning more about financing tools and alternatives should/when a borrowing be required in the future. Further, you stated specific interest in credit assistance under the United States Department of Transportation's (US DOT) Transportation Infrastructure Finance and Innovation Act (TIFIA) program. The following discussion provides a high-level overview of alternatives and approaches in establishing a borrowing/debt program for MTD in anticipation of larger scale facility capital needs. With more definition around timing, costs, and the extent of the facility improvement and construction, a detailed plan of finance would be developed.

Operating Facility Needs

Our collective review and discussion of MTD's capital and potential borrowing needs has focused on the operating facilities component of the Five-Year Capital Budget Forecast as long-term financing tools are most applicable to this capital category as opposed to bus and technology infrastructure which are often funded through operating leases. Recognizing that the unconstrained forecast encompasses various line-items of the District's projected capital needs, we have focused the discussion of borrowing approaches specific to the anticipated needs at MTD's Terminal 2 (T2) facility.

Five-Year Capital Budget Forecast (Unconstrained)
Operating Facilities Detail

	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	Total
T2 Facility Improvements	\$1,500,000	\$3,000,000	\$5,000,000	\$2,000,000	\$500,000	\$12,000,000
T1 Facility Improvements	50,000	208,000	1,500,000	3,000,000	4,000,000	\$8,758,000
Electric Bus Infrastructure	1,400,000	50,000	0	100,000	0	\$1,550,000
Facilities Master/Other Plans	35,000	0	250,000	0	250,000	\$535,000
Calle Real Development	150,000	150,000	100,000	0	0	\$400,000
Total:	\$3,135,000	\$3,408,000	\$6,850,000	\$5,100,000	\$4,750,000	\$23,243,000

Within the context of the T2 project, there are two primary phases to consider:

1. Reactivation of T2 for interim operations
 - Estimated project costs of \$12 million as reflected in the Five-Year Capital Budget Forecast summarized above.
2. Design and construction of fully electrified T2
 - MTD will seek more specific cost estimates for i) renovating the T2 building (inclusive of additional shop bays) and ii) another cost estimate for complete replacement.

As you are aware, capital requirements of transit agencies are often met by FTA capital grants in tandem with some contribution of state and local funds, if available. Given the fiscal constraints of national and California transit agencies, significant capital needs are not readily funded with available agency resources. It would be our expectation that MTD would address T2 funding needs through a combination of federal and state grant funding and MTD borrowing(s).

Borrowing Tools and Options

When considering the entire potential of T2 facility needs, MTD will need to evaluate funding resources to first address necessary improvements to reactivate the facility for operations. Initial investments made at T2 will likely be followed by larger scale capital needs at the facility. The bifurcation of the MTD's capital needs at T2 can be addressed under a phased, programmatic funding/financing approach as follows:

A) Interim Borrowing Alternatives

WHEN: Less certainty about larger scale borrowing needs, but some initial project investment is needed. This approach may also be attributable to smaller scale projects. There are several forms of interim borrowing vehicles that are typically offered by an agency's existing bank or another bank or commercial lending institution sourced through a procurement process. Types of interim financing tools include:

1. Direct Loans – Funding Provided Upfront
 - Direct loan from commercial bank or other financial institution
2. Line of Credit – Funding Drawn as Needed
 - Revolving Credit Facility – bank direct purchase
 - Commercial Paper – public issuance

B) Long-Term Borrowing Alternatives

WHEN: Timing and amount of larger scale projects is known. Typically executed when funding package is complete and project costs are known. A long-term borrowing can also be used to “take out” an interim borrowing facility.

1. Public Offering
 - “Bonds” purchased by multiple municipal bond investors
 - Public disclosure document and credit rating required
 - Term of borrowing typically 30 years or less
2. Private Placement
 - “Bonds” purchased by single bank
 - Public disclosure document and credit rating NOT required
 - Term of borrowing typically 20 years or less based on bank appetite
3. State or Federal Loan
 - California State Infrastructure Bank (I-Bank Loan)
 - Federal Department of Transportation (TIFIA Loan)
 - Public disclosure document NOT required
 - Credit rating required

The purpose of this discussion is not to formalize a plan of finance now, but to highlight the fact that there are a variety of financing tools and options with different benefits and considerations for MTD. When the time is more appropriate to pursue financing needs, we would expect to evaluate the options in detail based on project costs, timing considerations, and prevailing interest rates.

Long-Term Borrowing Alternatives

While MTD may consider interim borrowing tools and options, the cost of financing the T2 facility improvements will fundamentally be driven by the long-term borrowing structure that MTD ultimately secures. Due to this fact, we discuss the two primary long-term borrowing tools that we would expect the District to closely consider in establishing a debt program.

Issuance of Tax-Exempt Bonds

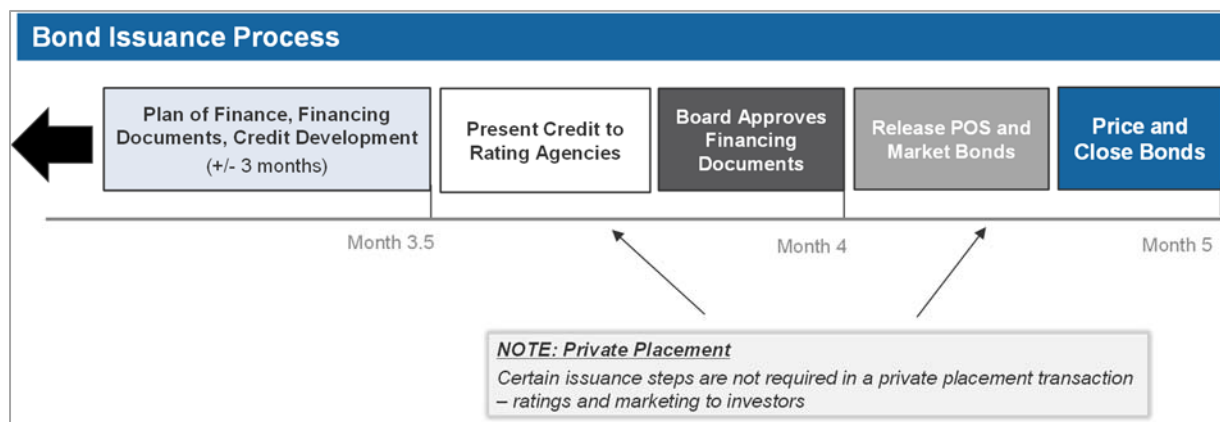
This approach has been the common mode of financing for MTD’s peer California transit agencies (regardless of agency size or project amount):

- ✓ AC Transit District
- ✓ Gold Coast Transit District
- ✓ Sacramento Regional Transit District
- ✓ San Francisco Municipal Transportation Agency
- ✓ Victor Valley Transit Authority

The tax-exempt bond market has historically provided a favorable cost of borrowing for local agencies and today’s low interest rate environment is no exception. Under a bond offering, proceeds to fund the project are provided upfront to the borrower and are spent over time based on project construction schedules. Therefore, under this approach MTD would be incurring interest on the entire borrowed amount at funding close – regardless of when the proceeds may be spent.

Due to the tax-exempt nature of the bonds and IRS regulations, upon issuance, MTD must have a reasonable expectation that bond proceeds would be spent over the course of three years. Bonds are typically structured with a 10-year call feature such that the bonds could be redeemed or refinanced in the future.

The typical process for issuing bonds in the public market would take approximately 4 – 5 months, which includes the development of the plan of finance, credit development, public credit rating(s), preparation of a public offering document (Official Statement), and the required MTD Board approvals. If MTD were to issue tax-exempt bonds through a bank private placement, the transaction/funding timeline could be closer to 3 – 4 months given the preparation of an Official Statement or credit rating would not be required.



Federal TIFIA Loan

This approach has historically been utilized by transportation issuers with large-scale projects, robust bond programs, and sizable borrowing needs. However, over the last several years, the Build America Bureau, the department within the US DOT that manages the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program, has established new programs designed to accommodate smaller borrowers through the Rural Project Initiative (RPI) and transit borrowers through Transit-Transit Oriented Development project development resources. Recent California transit borrowers that have accessed the TIFIA loan program (each also clients of KNN), include:

- ✓ Monterey-Salinas Transit District (closed October 2020)
- ✓ Napa Valley Transportation Authority (in progress)
- ✓ San Luis Obispo Regional Transit Authority (closed September 2020)



In early June, SBMTD and KNN participated in an introductory conversation with the Project Development Lead for Transit-TOD projects at the Build America Bureau. The discussion provided MTD with an important overview of the TIFIA loan program requirements and processes. Below we highlight key aspects in considering a TIFIA loan as part of the funding/financing approach for T2 and other projects of the MTD.

Key TIFIA Program Requirements

- Minimum project costs must exceed \$10 million
- Maximum loan value 33% of eligible project costs
- Borrowing must receive investment grade ratings (BBB-/Baa3) from nationally recognized credit rating agencies
- Project must meet Federal requirements (NEPA, Buy America, etc.)
- Project must be included in State's transportation planning and programming cycle
- Project must have a dedicated revenue source that is pledged to secure debt service

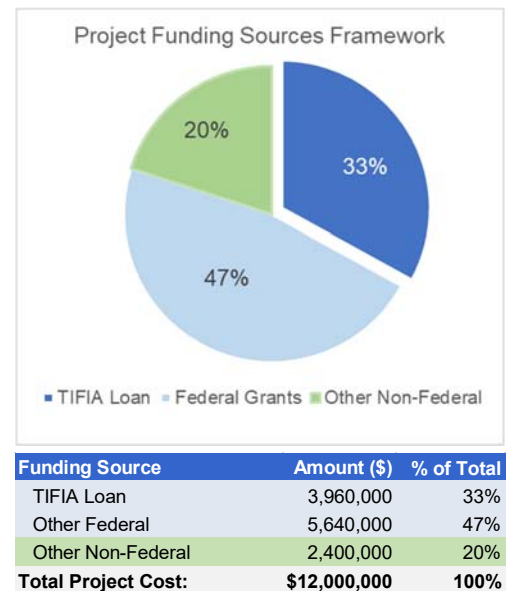
Federal Contribution Limits to Project Funding

The governing TIFIA legislation sets limits regarding the federal funding exposure to a project and the portion of project costs that the TIFIA program in particular, and Federal support overall, may fund. Specifically, the requirements are as follows:

- the final requested TIFIA Loan amount for project funding may not exceed 33% of eligible project costs for a conventional loan and 49% of eligible project costs under RPI;
- the total Federal contribution to a project (including FTA formula funds or other Federal grants) may not exceed 80% of eligible project costs; and
- the source of repayment on the TIFIA Loan may **not** include any Federal funding sources – i.e. FTA operating grant funds may not be used to pay debt service on the loan.

To the right we provide a framework for project funding sources when considering a TIFIA loan as a component of the project financing approach. The 33% limitation for conventional TIFIA loans is not an explicit statutory limit but rather a matter of current policy by US DOT staff, so it may be subject to discretion. At the size of your agency and project scope, it could be possible to request TIFIA loan funding up to the 49% threshold; however, for planning purposes, MTD should assume that the TIFIA loan would only meet 33% of total project costs. Thus, the working assumption should be that 67% of project costs would need to be funded with other sources – federal, state, local (which may include another form of borrowing). Federal support in addition to a TIFIA loan would be limited to 47% of project costs as total federal contribution to a project cannot exceed 80%. At a minimum, state and local funding for the project would need to represent 20% of overall project costs. MTD would likely pursue a TIFIA loan in connection with the second phase of the T2 project; however, utilizing the estimated costs associated with the T2 improvements of \$12 million, MTD could secure a loan of up to \$3.96 million with the balance of funding requirements being contributed with other federal or non-federal funding sources.

Based on other funding sources (federal, state, and local) that MTD ultimately secures for the T2 project, the optimal financing mix may well ultimately involve a combination of TIFIA *and* bonds, or even a private loan. Both the SLO RTA and NVTA TIFIA loans necessitated a residual



financing component – in both cases, small enough that the agencies opted to pursue a direct bank loan, rather than bonds, in conjunction with TIFIA.

TIFIA Loan Program Considerations

There are several features specific to the TIFIA loan program that are not necessarily available in the tax-exempt bond market in terms of structuring flexibility and funding efficiencies. We highlight such features below.

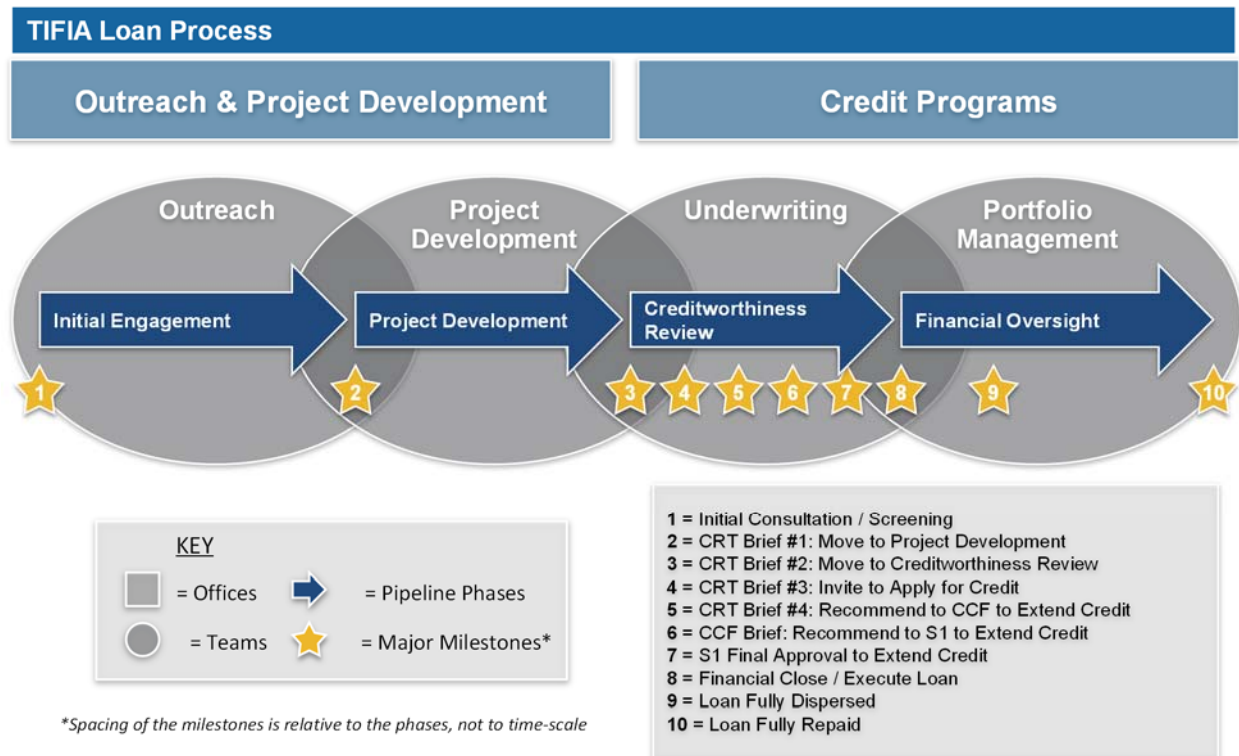
Master Credit Agreement Structure: The Build America Bureau offers a master credit agreement structure under the TIFIA loan program, which is a contingent commitment of TIFIA credit assistance for a program of related projects. Thus, under a single agreement, MTD could finance multiple related projects over time. To be eligible for a master credit agreement, each project covered by the master credit agreement must be an eligible project under the statutory requirements of the TIFIA loan program. The master credit agreements will incorporate a list of eligible projects, the maximum amount of credit assistance available and the availability period for the contingent commitment. In addition, the master credit agreement will include the terms and conditions for providing the credit assistance as well as terms and conditions that will be common across all credit instruments issued under the master credit agreement.

Term: It is very typical for large capital projects like a recommissioned T2 facility to be financed over 25-30 years, sometimes more. In certain environments, publicly sold bonds sometimes entail an interest rate penalty if the term extends beyond 30 years. TIFIA, on the other hand, allows amortization of up to 35 years beyond the projected project completion (so as many as 37-38 years from closing) at the same rate as a 30-year term. Lengthier repayment is far from a free lunch -- the tradeoff is that quicker repayment minimizes interest costs, though at the expense of higher annual payments. In our experience, the latter dynamic tends to carry the day in favor of lengthier repayment periods.

Drawdown Feature: Unlike a bond offering where you borrow all proceeds at closing (or, at best, in a phased approach across two or three issuances), and start racking up interest on the entire par amount, TIFIA loans are effectively drawdown instruments – you only pay interest on the amounts that have been disbursed.

Prepayment: TIFIA offers somewhat more flexible prepayment provisions – loans can be prepaid any time at no penalty (should MTD secure additional funding, say, through a grant) or should the project come in under budget, any unused portion can be simply extinguished. Bonds are typically callable with no penalty only after a certain period (typically, 10 years – shorter calls can be structured but at a cost), so there is greater pressure to ‘right-size’ the borrowing (tax rule compliance will also naturally dictate some discipline on this front).

Execution and Ongoing Costs and Burden: On the flipside, the various advantages the TIFIA program offers come at the expense of a somewhat more extensive, arduous (and frankly, with an element of unpredictability) execution process with, relative to bonds, more elements outside MTD’s control. In addition, TIFIA loans entail greater transaction costs, both in terms of upfront costs and effort, as well as on-going fees and administrative burden over the life of the loan.



Credit and Security Structure for Borrowing

The TIFIA program requires a dedicated revenue source that is **pledged** to secure debt service. While tax-exempt bond investors will accept a pledge of farebox revenues in addition to a payment covenant of any legally available funds of the transit agency as an acceptable security structure for a borrowing, the Build America Bureau is not amenable to this approach. As such, for MTD's peer transit agencies that have borrowed under the TIFIA program, we have devised a credit structure that relies on the strength of the Local Transportation Fund (LTF) revenue stream as the primary security for the TIFIA Loan. Because the Build America Bureau is familiar and has a number of credits within its loan portfolio secured by sales taxes, the reliance on LTF as the primary repayment source has been an acceptable credit structure. To ensure the availability of LTF for the TIFIA Loan repayment, the credit structure requires:

- A Board-approved direction to deposit LTF revenues from the regional planning organization to the Collateral Agent (or Trustee) to ensure the required balances in the Loan repayment accounts are satisfied prior to distribution to the transit agency.
- IF, a pledge of LTF could be legally available, then the repayment structure is largely simplified.
- HOWEVER, if LTF cannot legally be pledged, then the Build America Bureau also requires a pledge of farebox revenues with such revenues also necessary to be deposited with the Collateral Agent. Because running farebox revenues through Collateral Agent could be onerous and unduly tie up revenues of your organization, KNN has devised a framework whereby farebox revenues are only transferred to the Collateral Agent to the extent there is a deficiency in any of the TIFIA Loan repayment accounts.

Ultimately, the debt service obligations under the TIFIA loan or any other form of borrowing will need to be absorbed within the MTD budget and MTD must ensure that funds are budgeted, allocated, and appropriated to meet annual debt service requirements.

Conclusion and Next Steps

MTD is taking all the appropriate steps in preparing for potential borrowing needs in the future. Recognizing that project scope and cost is still under development, initial organization around borrowing needs and options will provide future efficiencies when borrowing needs are more imminent. As MTD continues to move forward through the project planning phase, it would be well served by retaining a municipal advisor and special finance counsel to provide financial and legal advisory during the planning phases to keep the project funding requirements on course. If a TIFIA loan does end up serving as a component of the overall funding sources, note that the TIFIA process does take time –upwards of 12 months potentially – so starting early on this process would benefit the overall project delivery timeline.

We look forward to our continued dialogue and partnership with MTD on these efforts. It has been a pleasure working with you and becoming familiar with your organization.

Attachment:

Comparison of Tax-Exempt Bonds and TIFIA Loan Borrowing Alternatives

Attachment: Comparison of Tax-Exempt Bonds and TIFIA Loan Borrowing Alternatives

	Public Market Bond Issuance	TIFIA Loan TIFIA-Rural Project Initiative Loan
Security Pledge	Pledge of Farebox Revenues Payment with any legally available Revenues FTA and Federal Funds INCLUDED	Pledge of Farebox Revenues Payment with any legally available Revenues FTA and Federal Funds EXCLUDED from Revenues
Borrowing Amount	Limited only by SBMTD borrowing capacity	TIFIA Loan: 33% of eligible project costs TIFIA-RPI Loan: 49% of eligible project costs
Ratings	Ratings from one or two nationally recognized credit rating agency, depending on issuance par size	Ratings from at least two nationally recognized credit rating agencies (only one rating required if less than \$75 million)
Maximum Term	--Typically a 30-year term from issuance --Could be structured longer if economic and optimal to the issuer	--No later than 35 years after the date of substantial completion of the project
Loan/Bond Proceeds	Delivered upfront and must be spent within 3-years (IRS spenddown rules)	Drawn upon as needed up to a 5-year period
Interest Rate	Based on weighted average life of bonds Example: --Bond Term: 30-YR --Bond Rate: Based on weighted average life of yields across maturities (1-YR through 30-YR)	Based on final maturity of TIFIA Loan Example: --Loan Final Maturity: 30-YR --TIFIA Rate: (30-YR SLGS rate) + 1bps --TIFIA-RPI Rate: (30-YR SLGS rate)*50% +1bps
Interest Payments	--Based on entire borrowing amount --Begins accruing at issuance	--Based on drawn loan funds --Begins to accrue immediately upon disbursement of funds
Principal Repayment	Principal repayments can commence anytime - structure driven by borrower financing objectives	Scheduled principal repayments must commence no later than five years after the date of substantial completion of the project
Prepayment Terms	Prepayable after 10-years (typically - could be shorter)	Prepayable anytime without penalty

Santa Barbara Metropolitan Transit District
Applications for Capital Funds - Competitive

Source & Year	Amount	Successful?	Project Description
<i>FTA - Section 5339(b) Buses & Bus Facilities - Competitive</i>			
● FY 2016	\$5,680,905	Y	Partial funding for 10 diesel & 4 electric 40-ft. buses
● FY 2017	\$11,592,192	N	Partial funding for 15 40-ft. & 11 30-ft. diesel buses
● FY 2018	\$5,542,000	N	Partial funding for 8 diesel & 2 electric 40-ft. buses
● FY 2019	\$12,729,883	N	Partial funding for 8 40-ft. electric & 11 30-ft. diesel buses
● FY 2020	\$11,319,950	N	Partial funding for 6 40-ft. electric & 11 30-ft. diesel buses
<i>FTA - Section 5339(c) Low or No Emission - Competitive</i>			
● FY 2014	\$961,500	N	Partial funding for remanufacture of 5 electric buses
● FY 2015	\$2,219,500	N	Partial funding for 3 35-ft. & 2 30-ft. electric buses
● FY 2019	\$6,188,454	N	Partial funding for 8 40-ft. electric buses
● FY 2020	\$4,069,749	N	Partial funding for 4 40-ft. electric buses
● FY 2021	\$2,650,899	N	Partial funding for 3 35-ft. electric buses
<i>CA - California Energy Commission - Competitive</i>			
● FY 2015	\$2,049,896	N	Funding for 4 30-ft. electric buses
● FY 2021	\$185,000	Y	Blueprint for MD/HD ZEB Infrastructure
<i>CA - Transit and Intercity Rail Capital Program (TIRCP)</i>			
● FY 2018	\$1,500,000	Y	Partnered with SBCAG for facility improvement funds
● FY 2020	\$62,134,000	N	Ambitious vehicle, facility & service application
<i>CA - Volkswagen Mitigation</i>			
● FY 2021	\$540,000	Y	Partial funding for 3 40-ft. electric buses
<i>CA - Hybrid and Zero-Emission Truck and Bus Voucher (HVIP)</i>			
● FY 2016	\$1,444,000	Y	Partial funding for 14 30-ft. electric buses
● FY 2021	\$138,000	Y	Partial funding for 1 40-ft. electric buses
<i>CA - Clean Vehicle Rebate Project</i>			
● FY 2020	\$35,000	Y	Partial funding for 14 electric service vehicles
<i>SBC - APCD Clean Air Grants</i>			
● 2019 Infrastructure Program	\$36,870	Y	Partial funding for 14 light-duty charging ports
● 2019 On-Road Vehicle Program	\$150,000	Y	Partial funding for 1 40-ft. electric bus
<i>Southern California Edison</i>			
● FY 2020 Charge Ready LD Program	n/a	Y	Full funding for T1 electrical infrastructure upgrade (14 ports)
● FY 2021 Charge Ready HD Program	n/a	Y	Full funding for T1 electrical infrastructure upgrade (14 ports)

Santa Barbara Metropolitan Transit District
Applications for Capital Funds - Formula

Source & Year	Amount	Successful?	Project Description
<i>FTA - Section 5339(a) Buses & Bus Facilities - Formula</i>			
● FY 2013	\$586,774	Y	Partial funding for 2 40-ft. diesel buses & 4 ADA gas vans
● FY 2014, FY 2015 & FY 2016	\$1,246,910	Y	Partial funding for 4 30-ft. electric buses
● FY 2017	\$403,489	Y	Partial funding for 10 40-ft. diesel buses
● FY 2018, FY 2019, FY 2020 & FY 2021	\$2,062,423	Y	Partial funding for fleet renewal campaign
<i>CA - Low Carbon Transit Operations Program (LCTOP)</i>			
● FY 2015	\$101,680	Y	Line 1 & 2 Peak-Period Frequency Improvement
● FY 2016	\$311,403	Y	Line 1 & 2 Peak-Period Frequency Improvement & Smartcard
● FY 2017	\$154,541	Y	SBMTD Ridership Development Marketing Plan
● FY 2018	\$252,590	Y	Partial funding for 4 40-ft. electric buses
● FY 2019	\$492,678	Y	Microtransit service pilot
● FY 2020	\$778,053	Y	Microtransit service pilot
● FY 2021	\$136,912	Y	T1 electrification infrastructure upgrade
<i>CA - State of Good Repair (SGR)</i>			
● FY 2018, FY 2019, FY 2020 & FY 2021	\$1,102,076	Y	Partial funding for 10 diesel & 4 electric 40-ft. buses
● FY 2022, FY 2023, FY 2024 & FY 2025	\$1,200,000	Y	MTD Facility Modernization Project – Phase 1



BOARD OF DIRECTORS REPORT

MEETING DATE: JULY 20, 2021

AGENDA ITEM: #9

DEPARTMENT: CAPITAL PROJECTS

TYPE: ACTION ITEM

PREPARED BY: DAVID RZEPINSKI

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: ACCEPTANCE OF STANTEC ARCHITECTURE PROPOSAL-DESIGN AND CONSTRUCTION SUPPORT FOR RECOMMISSIONING OF TERMINAL 2

RECOMMENDATION:

Staff requests that the Board give the General Manager authority to proceed with a Task Order (no. 5) with Stantec Architecture Inc. for design and construction support services for facility improvements necessary for Phase 1 of the Recommissioning of MTD Terminal 2.

The Task Order is applied as part of the previously approved Agreement between MTD and Stantec Architecture Inc. for On-Call Architectural and Engineering Services. The scope of the services for this Task Order includes project initiation, development of schematic designs, development of construction documents and assistance with the City of Goleta with plan check, assistance with securing a qualified construction contractor(s), and support during the construction for a fixed price of \$498,199.10. The current year budget for Phase 1 of the Terminal 2 Recommissioning is \$3.2 million. The multiyear project is estimated to cost \$5.5 million.

DISCUSSION:

Project Description—Securing the design and construction support services of Stantec Architecture, Inc., assists with the larger project of recommissioning MTD's Terminal 2 operations and maintenance facility, which was shut down in 2004. Since that time MTD's operations, fleet, and services have expanded and the hybrid and all electric bus fleet's technology become more sophisticated creating space constraint at Terminal 1. The recommissioning of Terminal 2 will improve system wide operational efficiency by reducing vehicle deadhead hours and miles as well as provide relief to Terminal 1 by shifting the operations and maintenance of approximately 10-20 buses.

After performing seismic, structural and visual surveying inspections of Terminal 2, facility improvements have been identified that would allow Terminal 2 to reopen in a cost efficient, safe, and phased manner. Stantec Architecture, Inc, would design and develop a cost analysis for the initial Phase 1 recommissioning construction effort. The Phase 1 identified improvements include: installation of a temporary above ground fuel storage system; new perimeter fencing, a new bus entry and exit driveway, new landscaping, IT communications and security systems, new electrical, new lighting, refurbished fare vault and canopy, refurbished bus wash building,

BOARD OF DIRECTORS REPORT

refurbished bus parking canopies, refurbishments to the existing maintenance and office building, and other general site improvements.

PROJECT BUDGET & FUNDING:

The Stantec Architecture, Inc., T2 Recommissioning design and construction support services project cost is included as part of the FY22 T2 Facility Improvements budget which will be funded with STA, TIRCP, and SGR funds.

CONTRACT EXECUTION:

If the Board gives the General Manager authority to proceed with a Task Order to the Agreement with Stantec Architecture Inc., staff will issue a "Notification to Proceed" indicating MTD's intent to begin Phase 1 facility improvements as part of the Terminal 2 Recommissioning.

Once Stantec Architecture Inc. commences with the project, it is expected to take approximately 14 weeks to complete the first three of five tasks. The remaining two tasks, which include assistance with securing a construction contractor and construction support could take an additional 8-12 months upon construction contract award, barring any unforeseen complications.



BOARD OF DIRECTORS REPORT

MEETING DATE: JULY 20, 2021

AGENDA ITEM: #10

DEPARTMENT: COMPLIANCE

TYPE: INFORMATIONAL ITEM

PREPARED BY: STEVE MAAS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: FTA FISCAL YEAR 2021 TRIENNIAL REVIEW OF MTD

RECOMMENDATION:

Staff request that the Board receive a report regarding the recent Triennial Review of MTD conducted by the FTA.

DISCUSSION:

The Triennial Review is one of the Federal Transit Administration's (FTA) management tools for examining recipient performance and adherence to current FTA requirements and policies. The Triennial Review, which was mandated by Congress in 1982, examines how recipients of FTA Urbanized Area Formula Program funds (Section 5307) meet statutory and administrative requirements. In addition to helping evaluate grantees, the review gives FTA an opportunity to provide technical assistance on FTA requirements and aids FTA in reporting to the USDOT Secretary, Congress, other oversight agencies, and the transit community on the Urbanized Area Formula Program.

The FTA recently completed its most recent Triennial Review of MTD. The review was originally scheduled to be completed in the spring of 2020, but was delayed for one year due to the COVID-19 pandemic. As stated in the Draft Report (attached), the FTA found no deficiencies in MTD's practices.

The Triennial Review requires the collection of a great deal of information and the submittal of this information to the reviewer prior to the reviewer's meetings with MTD staff. Each MTD department provides information, and each department contributes to maintaining MTD's exemplary record of compliance with FTA's myriad of requirements.

Typically, the reviewer would visit the agency in person; however, due to the pandemic, the meetings for this review were virtual. General Manager Estrada and Grants & Compliance Manager Maas participated in two virtual meetings with the reviewer and FTA staff.

FTA organizes their requirements into the following 21 categories:

1. Legal

BOARD OF DIRECTORS REPORT

2. Financial Management and Capacity
3. Technical Capacity - Award Management
4. Technical Capacity - Program Management and Subrecipient Oversight
5. Technical Capacity - Project Management
6. Transit Asset Management
7. Satisfactory Continuing Control
8. Maintenance
9. Procurement
10. Disadvantaged Business Enterprise
11. Title VI
12. Americans with Disabilities Act - General
13. Americans with Disabilities Act - Complementary Paratransit
14. Equal Employment Opportunity
15. School Bus (n/a for MTD)
16. Charter Bus (n/a for MTD)
17. Drug-Free Workplace Act
18. Drug and Alcohol Program
19. Section 5307 Program Requirements
20. Section 5310 Program Requirements (n/a for MTD)
21. Section 5311 Program Requirements (n/a for MTD)

For this Triennial Review, Items 20 and 21 did not apply to MTD as the agency does not currently receive funding from those programs. Items 15 and 16 also did not apply, as MTD currently offers neither charter bus nor school bus service (MTD's booster services, referred to as "school trippers" by FTA, are not classified as school bus service).

It is expected that the population of the Santa Barbara urbanized area (UZA), as enumerated by the 2020 Census, will have exceeded 200,000 persons. The Santa Barbara UZA will then be classified as a large UZA. If so, MTD will be responsible for complying with additional FTA requirements beyond those the agency is currently subject to, including:

1. More frequent reporting requirements for some FTA awards.
2. Resident Inspectors required when purchasing 10 or more buses (rather than 20 as now).
3. The most significant changes occur in Title VI (non-discrimination). Additional requirements include :
 - a. Demographic analyses of the transit provider's service area. This shall include demographic maps and charts completed since submission of the last Title VI Program that contains demographic information and service profiles.
 - b. Data regarding customer ridership demographics and travel patterns, collected from passenger surveys.
 - c. Results of the monitoring program of service standards and policies and any action taken, including documentation (e.g., a resolution, copy of meeting minutes, or similar documentation) to verify the Board's consideration, awareness, and approval of the monitoring results.

BOARD OF DIRECTORS REPORT

- d. A description of the public engagement process for setting the major service change policy, disparate impact policy, and disproportionate burden policy.
- e. A copy of a Board resolution demonstrating the Board's consideration, awareness, and approval of the major service change policy and disparate impact policy.
- f. Results of equity analyses for any major service changes and/or fare changes implemented since the last Title VI Program submission.
- g. A resolution demonstrating the Board's consideration, awareness, and approval of the equity analysis for any service or fare changes.

Additionally, in a large UZA the relationship between FTA and the UZA is different than that with a small UZA. Currently, MTD is a "Direct Recipient," which allows the agency to receive funds directly from FTA. The state (Caltrans) is the "Designated Recipient" for all small UZAs in California, and must approve requests for FTA funds by a Direct Recipient serving a small UZA.

If the Santa Barbara UZA becomes a large UZA, a Designated Recipient must be identified in accordance with the planning process under Title 49 of the United States Code, Sections 5303, 5304, and 5306. Possible choices as a Designated Recipient include Direct Recipients, the area Metropolitan Planning Organization (MPO), or the State. In the Santa Barbara UZA, those choices would be MTD (the sole Direct Recipient), SBCAG (the MPO), or Caltrans (the State).

A Designated Recipient for a large UZA is responsible for receiving and apportioning funds from FTA formula programs, including applying for and managing the award and overseeing subrecipients of the funds.

ATTACHMENT:

- Draft Report of the Fiscal Year 2021 Triennial Review of the Santa Barbara Metropolitan Transit District.



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION IX
Arizona, California,
Hawaii, Nevada, Guam,
American Samoa,
Northern Mariana Islands

90 7th Street
Suite 15-300
San Francisco, CA 94103-6701
415-734-9490

888 South Figueroa Street
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Los Angeles, CA 90017-5467
213-202-3950

July 8, 2021

Mr. Dave Davis
Chair, SBMTD Board of Directors
1226 W. Valerio St.
Santa Barbara, CA 93101

RE: Federal Transit Administration
Fiscal Year 2021 Triennial Review –
Final Report

Dear Mr. Davis:

I am pleased to provide you with a copy of this Federal Transit Administration (FTA) report as required by 49 U.S.C. Chapter 53 and other federal requirements. The enclosed final report documents the FTA's Triennial Review of the Santa Barbara Metropolitan Transit District (SBMTD) of Santa Barbara, California. Although not an audit, the Triennial Review is the FTA's assessment of SBMTD's compliance with federal requirements, determined by examining a sample of award management and program implementation practices. As such, the Triennial Review is not intended as, nor does it constitute, a comprehensive and final review of compliance with award requirements.

The Triennial Review focused on SBMTD's compliance in 21 areas. No deficiencies were found with FTA requirements in any areas. We commend SBMTD on this outstanding review.

Given the delay in completing the FY 2020 reviews until FY 2021 and the significant amount of additional federal financial support provided through CARES Act, FTA developed the [Public Health Emergency Supplement](#) to the [FY 2020 Comprehensive Review Contractors' Manual](#) to assist in the evaluation of how recipients have used CARES Act and Emergency Relief funding. This supplement details the specific flexibilities and administrative relief provided by FTA for the use of these funds.

Regulations and Guidance

As SBMTD moves forward with its transit program, FTA would like to provide a look-ahead for future oversight activities related to new and/or updated requirements, below.

Public Transportation Agency Safety Plan (PTASP) Regulation

The PTASP regulation requires all operators of public transportation systems that are recipients and subrecipients of FTA's Urbanized Area Formula Grants (Section 5307) to develop safety plans that include the processes and procedures to implement Safety Management Systems (SMS). FTA has deferred applicability of this requirement for operators that only receive funds through FTA's Enhanced Mobility of Seniors and Individuals with Disabilities Formula Program (Section 5310) and/or Rural Area Formula Program (Section 5311).

As part of the Annual Certifications and Assurances, transit operators must certify they have a safety plan in place for meeting the requirements of the rule by July 20, 2020. However, in response to the COVID-19 public health emergency, on December 11, 2020, FTA issued a Notice of Enforcement Discretion, effectively extending the PTASP compliance deadline to July 21, 2021. All plans will be reviewed starting October 1, 2021, through FTA's oversight process. For guidance and updates to assist in the preparation and implementation of the PTASP Final Rule, please visit FTA's website at www.transit.dot.gov/PTASP.

Random Drug Testing Rate Increase

On October 17, 2018, FTA published a Dear Colleague letter "2019 Random Drug Testing Increase." In its letter, FTA notified recipients that effective January 1, 2019 and as mandated by its drug and alcohol regulation at 49 C.F.R. 655.45, the random drug testing rate will change. FTA increased the minimum rate of random drug testing from 25 percent to 50 percent of covered employees, for employers subject to FTA's drug and alcohol regulation. This increased random drug testing rate results from an uptick in the proportion of violations identified through random drug testing.

The 50 percent random drug testing rate applies to entities receiving federal assistance under 49 U.S.C. 5307, 5309, 5311 or 5339, including recipients, subrecipients, and safety-sensitive contractors. The required minimum rate for random alcohol testing is unaffected and remains at 10 percent.

Thank you for your cooperation and assistance during this Triennial Review. If you need any technical assistance or have any questions, please do not hesitate to contact Ms. Stacy Alameida, Transportation Program Specialist, at (213) 202-2953, or by email at stacy.alameida@dot.gov.

Kudos on the effort by all staff to conclude this review with no findings and no repeat findings.

Sincerely,

Ray Tellis
Regional Administrator

Enclosure

FINAL REPORT

**FISCAL YEAR 2021
TRIENNIAL REVIEW**

of

**Santa Barbara Metropolitan Transit District
(SBMTD)
Santa Barbara, California
ID: 1673**

Performed for:

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
REGION IX**

Prepared By:

RLS & Associates, Inc.

**Scoping Meeting Date: February 12, 2020
Virtual Site Visit Date: May 3-7, 2021
Final Report Date: July 8, 2021**

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I. Executive Summary

This report documents the Federal Transit Administration's (FTA) Triennial Review of the Santa Barbara Metropolitan Transit District (SBMTD) of Santa Barbara, California. FTA wants to ensure that awards are administered in accordance with the requirements of Federal Public Transportation Law 49 U.S.C. Chapter 53. The review was performed by RLS & Associates, Inc. During the virtual site visit, administrative and statutory requirements were discussed and documents were reviewed.

The Triennial Review focused on SBMTD's compliance in 21 areas. There were no deficiencies.

II. Review Background and Process

1. Background

The United States Code, Chapter 53 of Title 49 (49 U.S.C. 5307(f)(2)) requires that “At least once every 3 years, the Secretary shall review and evaluate completely the performance of a recipient in carrying out the recipient’s program, specifically referring to compliance with statutory and administrative requirements...” This Triennial Review was performed in accordance with FTA procedures (published in FTA Order 9010.1B, April 5, 1993).

The Triennial Review includes a review of the recipient’s compliance in 21 areas. The basic requirements for each of these areas are summarized in Section IV.

This report presents the findings from the Triennial Review of SBMTD. The review concentrated on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of award funds. The specific documents reviewed and referenced in this report are available at the FTA’s regional office or the recipient’s office.

2. Process

The Triennial Review process includes a pre-review assessment and scoping meeting with the FTA Region IX Los Angeles Office and a virtual site visit. The review scoping meeting was conducted on February 12, 2020. Necessary files retained by the regional office were sent to the reviewer electronically. A recipient information request was sent to SBMTD on October 30, 2019 indicating a review would be conducted during Fiscal Year 2020. In March 2020, all work on reviews was halted due to the Public Health Emergency. A subsequent recipient information request was sent to SBMTD on October 15, 2020 advising that a virtual site visit would be taking place and indicating additional information that would be needed and issues that would be discussed. The virtual site visit to SBMTD occurred on May 3-7, 2021.

The virtual site visit portion of the review began with an entrance conference, at which the purpose of the Triennial Review and the review process were discussed. The remaining time was spent discussing administrative and statutory requirements and reviewing documents. In addition, the reviewers evaluated how SBMTD has used CARES Act and ER funding and the impacts of the COVID-19 Public Health Emergency on the agency by discussing a series of questions included in the supplement to the FFY 2020 Contractors’ Manual. Additional documentation was requested for the Financial Management and Capacity and Procurement areas only. The reviewer examined a sample of maintenance records for FTA-funded vehicles and equipment.

Upon completion of the review, FTA and the reviewer provided a summary of preliminary findings to SBMTD at an exit conference. Section VI of this report lists the individuals participating in the review.

3. Metrics

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are:

- *Not Deficient*: An area is considered not deficient if, during the review, nothing came to light that would indicate the requirements within the area reviewed were not met.
- *Deficient*: An area is considered deficient if any of the requirements within the area reviewed were not met.
- *Not Applicable*: An area can be deemed not applicable if, after an initial assessment, the recipient does not conduct activities for which the requirements of the respective area would be applicable.

III. Recipient Description

1. Organization

SBMTD provides transit service in the southern area of Santa Barbara County, between the Ventura County border to the east and Winchester Canyon at the western edge of Goleta. The service area encompasses the cities of Santa Barbara, Goleta, and Carpinteria and the unincorporated communities of Montecito, Summerland, and Isla Vista. A seven-member Board of Directors governs SBMTD. Two members are appointed by the County Board of Supervisors, two by the Santa Barbara City Council, one by the Goleta City Council, and one by the Carpinteria City Council. The seventh member, an at-large director, is appointed by the other six members of the Board. The population of SBMTD's service area is approximately 199,688 persons.

SBMTD directly operates fixed-route service and contracts for ADA complementary paratransit with Easy Lift Transportation, Inc., a non-profit organization that is the designated Consolidated Transportation Service Agency for South Santa Barbara County.

Prior to the COVID-19 pandemic, SBMTD operated a network of 24 regular routes consisting of local service; seaside and downtown electric shuttle routes; and school trippers, identified on maps and schedules as Booster Routes. Beginning in March 2020, several routes, primarily serving educational institutions, were suspended. SBMTD intends to reinstate most of those routes following the end of the pandemic.

Fixed-route services are provided weekdays from 5:25 a.m. Monday through 12:30 a.m. Saturday. Weekend service resumes Saturdays at 6:00 a.m. and operates until 11:20 p.m. Sunday service is operated from 6:15 a.m. to 10:20 p.m. Easy Lift service operates during the same days and hours as the regular fixed routes.

The basic adult fare for bus service is \$1.75. A reduced fare of \$0.85 is offered to senior citizens, Medicare cardholders, and persons with disabilities during all hours. The fare for Easy Lift ADA paratransit service is \$3.50. Fares on the Seaside Shuttle and the Downtown-Waterfront Shuttle are \$0.50, with a \$0.25 half-fare. Day passes and discounted ten-ride or 30-day passes are also available.

SBMTD operates a fleet of 112 buses, 62 of which have FTA interest. The regular fixed-route fleet consists of diesel transit coaches, diesel-electric hybrid coaches, and battery-electric shuttle buses. Easy Lift operates 25 vehicles for ADA complementary paratransit service. Four of those vehicles were procured through the FTA Section 5339(a) program and are owned by SBMTD. Others have an FTA interest but were funded through Caltrans under the FTA Section 5310 program with no SBMTD involvement. SBMTD transferred five FTA-funded buses to the City of Santa Maria with FTA approval. During the COVID-19 pandemic, the current peak requirement was reduced to 74 vehicles due to the suspension of several routes; however, the peak requirement is expected to return to 94 following the end of the pandemic and the reinstatement of full service. SBMTD requested and FTA approved a spare ratio waiver in response to this situation.

SBMTD services are oriented primarily around the downtown Transit Center located at 1020 Chapala Street in Santa Barbara. The maintenance and operations terminal along with the administrative offices are located at 550 Olive Street in Santa Barbara. SBMTD also owns Terminal 2 at 5353 Overpass Road in Goleta. This property formerly served as SBMTD's primary bus garage but had been leased to a private company for storage under an FTA-approved excess real property agreement. SBMTD is in the process of reactivating this facility for transit use. All facilities have FTA interest.

2. Award and Project Activity

Below is a list of SBMTD's open awards at the time of the review.

Award Number	Award Amount	Year Executed	Description
CA-2018-037	6084394	2018	FY 2016 Section 5339(b) Bus Acquisition
CA-2020-100	16390496	2020	SBMTD Section 5307 CARES Act Operating Assistance

Projects Completed

In the past few years, SBMTD completed the following noteworthy projects (FTA funded projects are in bold):

- **40' Diesel Bus (10 replacement)**
- **30' Electric Bus (14 replacement) - 8 FTA funded**
- **ADA Paratransit Vans (4 replacements - through Caltrans)**
- ADA Paratransit Van (replacement)
- Automatic Vehicle Location Project
- Electronic Farebox/Smartcard Project
- Transit Center Renovation
- Facilities Master Plan and Power Modeling Study
- Electric Service Vehicle (14 replacement)
- Electric Service Vehicle Charging Infrastructure
- Five-Year Marketing Plan.

Ongoing Projects

SBMTD is currently implementing the following noteworthy projects:

- **40' Electric Bus (4 replacement)**
- **Revenue Fleet Refurbishment/Overhaul**
- **Enhancement to Line 28 serving UCSB**
- **Amtrak Connecting Service (First/Last Mile)**
- **New Microtransit Service**
- Microtransit Service Electric Vans (3 expansion)
- Electric Heavy-Duty Charging Infrastructure
- Bus Stop Shelter Additions/Replacements/Refurbishments.

Future Projects

SBMTD plans to pursue the following noteworthy projects in the next three to five years:

- Modernization of Terminal 1
- Reactivation of Terminal 2 as a second bus yard
- Revenue Fleet Replacements
- Photovoltaic System for Facilities
- New SBCC-Carpinteria Express Service (Hwy 101 Mitigation).

IV. Results of the Review

1. Legal

Basic Requirement: The recipient must promptly notify the FTA of legal matters, include clauses in its third party and subrecipient agreements, and additionally notify the U.S. DOT Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Recipients must comply with restrictions on lobbying requirements.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Legal.

2. Financial Management and Capacity

Basic Requirement: The recipient must have financial policies and procedures; an organizational structure that defines, assigns and delegates authority; and financial management systems in place to match, manage, and charge only allowable cost to the award. The recipient must conduct required single audits and provide financial oversight of subrecipients.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Financial Management and Capacity.

3. Technical Capacity – Award Management

Basic Requirement: The recipient must report progress of projects in awards to the FTA timely.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Technical Capacity – Award Management.

4. Technical Capacity – Program Management and Subrecipient Oversight

Basic Requirement: The recipient must follow the public involvement process for transportation plans; develop and submit a State Management/Program Management Plan to the FTA for approval; report in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) on subawards; and ensure subrecipients comply with the terms of the award.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Technical Capacity – Program Management and Subrecipient Oversight. SBMTD has no subrecipients.

5. Technical Capacity – Project Management

Basic Requirement: The recipient must be able to implement FTA-funded projects in accordance with the award application, FTA Master Agreement, and all applicable laws and regulations, using sound management practices; and prepare force account plans.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Technical Capacity – Project Management.

6. Transit Asset Management

Basic Requirement: Recipients must comply with 49 CFR Part 625 to ensure public transportation providers develop and implement transit asset management (TAM) plans.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Transit Asset Management.

7. Satisfactory Continuing Control

Basic Requirement: The recipient must ensure that FTA-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Satisfactory and Continuing Control.

8. Maintenance

Basic Requirement: Recipients must keep federally funded vehicles, equipment, and facilities in good operating condition. Recipients must keep ADA accessibility features on all vehicles, equipment, and facilities in good operating order.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Maintenance.

9. Procurement

Basic Requirement: The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, and conform to applicable Federal law and the standards identified in 2 CFR Part 200. State recipients can use the state's overall policies and procedures. When applied to Federal procurements, those policies and procedures must still be compliant with all Federal requirements as applied to non-state recipients. The flexibility afforded by 2 CFR Part 200 should not be misconstrued as absolving a state from Federal requirements. For example, FTA does not require each State DOT to have policies and procedures separate from the state education department.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Procurement.

10. Disadvantaged Business Enterprise (DBE)

Basic Requirement: Recipients must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of USDOT assisted contracts. Recipients also must create a level playing field on which DBEs can compete fairly for US DOT-assisted contracts.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the US DOT requirements for DBE.

11. Title VI

Basic Requirement: The recipient must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance without regard to whether specific projects or services are federally funded. The recipient must ensure that all transit services and related benefits are distributed in an equitable manner.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Title VI.

12. Americans with Disabilities Act (ADA) – General

Basic Requirement: Titles II and III of the ADA of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the US DOT requirements for ADA – General.

13. ADA – Complementary Paratransit

Basic Requirement: Under 49 CFR 37.121(a), each public entity operating a fixed-route system shall provide paratransit or other special service to individuals with disabilities that is comparable to the level of service provided to individuals without disabilities who use the fixed route system. “Comparability” is determined by 49 CFR 37.123-37.133. Requirements for complementary paratransit do not apply to commuter bus, commuter rail, or intercity rail systems.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with US DOT requirements for ADA – Complementary Paratransit.

14. Equal Employment Opportunity

Basic Requirement: The recipient must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age, or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program, or activity receiving Federal financial assistance under the Federal transit laws. (Note: Equal Employment Opportunity Commission’s regulation only identifies/recognizes religion and not creed as one of the protected groups.)

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Equal Employment Opportunity.

15. School Bus

Basic Requirement: Recipients are prohibited from providing school bus service in competition with private school bus operators unless the service qualifies and is approved by the FTA Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for School Bus.

16. Charter Bus

Basic Requirement: Recipients are prohibited from using FTA-funded equipment and facilities to provide charter service if a registered private charter operator expresses interest in providing the service. Recipients are allowed to operate community-based charter services pursuant to certain regulatory exceptions.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Charter Bus.

17. Drug Free Workplace Act

Basic Requirement: Recipients are required to maintain a drug free workplace for all award-related employees; report any convictions occurring in the workplace timely; and have an ongoing drug-free awareness program.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Drug-Free Workplace Act.

18. Drug and Alcohol Program

Basic Requirement: Recipients receiving Section 5307, 5309, 5311, or 5339 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees.

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Drug and Alcohol Program.

19. Section 5307 Program Requirements

Basic Requirement: For fixed-route service supported with Section 5307 assistance, fares charged seniors, persons with disabilities or an individual presenting a Medicare card during off peak hours will not be more than one half the peak hour fares.

Recipients are expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction.

Recipients shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a program of projects (POP).

Finding: During this Triennial Review of SBMTD, no deficiencies were found with the FTA requirements for Section 5307 Program Requirements.

20. Section 5310 Program Requirements

Basic Requirement: Recipients must expend funds on eligible projects that meet the specific needs of seniors and individuals with disabilities. Projects selected for funding under the Section 5310 program must be included in a locally developed, coordinated public transit-human services transportation plan. Recipients must approve all leases of Section 5310-funded vehicles and ensure that leases include required terms and conditions. Either the recipient or subrecipient must hold title to the leased vehicles.

Finding: This section applies only to recipients that receive Section 5310 funds directly from FTA; therefore, the related requirements are not applicable to the review of SBMTD.

21. Section 5311 Program Requirements

Basic Requirement: Recipients must expend funds on eligible projects to support rural public transportation services and intercity bus transportation.

Finding: This section applies only to recipients that receive Section 5311 funds directly from FTA; therefore, the related requirements are not applicable to the review of SBMTD.

V. Summary of Findings

Review Area	Finding	Deficiency Code(s)	Corrective Action(s)	Response Due Date(s)	Date Closed
1. Legal	ND				
2. Financial Management and Capacity	ND				
3. Technical Capacity – Award Management	ND				
4. Technical Capacity – Program Management and Subrecipient Oversight	ND				
5. Technical Capacity – Project Management	ND				
6. Transit Asset Management	ND				
7. Satisfactory Continuing Control	ND				
8. Maintenance	ND				
9. Procurement	ND				
10. Disadvantaged Business Enterprise	ND				
11. Title VI	ND				
12. Americans with Disabilities Act (ADA) – General	ND				
13. ADA – Complementary Paratransit	ND				
14. Equal Employment Opportunity	ND				
15. School Bus	ND				
16. Charter Bus	ND				
17. Drug-Free Workplace	ND				
18. Drug and Alcohol Program	ND				
19. Section 5307 Program Requirements	ND				
20. Section 5310 Program Requirements	NA				
21. Section 5311 Program Requirements	NA				

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are: Deficient (D)/Not Deficient (ND)/Not Applicable (NA)

VI. Attendees

Name	Title	Phone Number	E-mail Address
<i>Santa Barbara Metropolitan Transit District</i>			
Jerry Estrada	General Manager	805-963-3364 x232	jestrada@sbmtd.gov.org
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Brad Davis	Director of Finance and Administration	805-963-3364 x201	bdavis@sbmtd.gov.org
<i>FTA Region IX</i>			
Ray Tellis	Regional Administrator	415-734-9490	Ray.Tellis@dot.gov
Charlene Lee Lorenzo	Director, Region IX Los Angeles Office	213-202-3952	Charlene.Leelorenzo@dot.gov
Stacy Alameida	Transportation Program Specialist	213-202-3953	Stacy.Alameida@dot.gov
Nicholas Sun	Regional Civil Rights Officer	312.705.1267	Nicholas.Sun@dot.gov
<i>RLS & Associates, Inc.</i>			
Robbie Sarles	President	937-299-5007	rsarles@rlsandassoc.com
Nancy L. Coburn	Reviewer	216-570-2719	nancylcoburn@gmail.com

VII. Appendices



BOARD OF DIRECTORS REPORT

MEETING DATE: JULY 20, 2021

AGENDA ITEM: #11

DEPARTMENT: COMPLIANCE

TYPE: ACTION ITEM

PREPARED BY: STEVE MAAS

Signature

REVIEWED BY: GENERAL MANAGER

Signature

SUBJECT: MTD FY 2022 - FY 2024 OVERALL GOAL FOR DBE PARTICIPATION

RECOMMENDATION:

Staff requests that the Board approve MTD's draft "FY 2022 - FY 2024 Overall Goal for Disadvantaged Business Enterprise Participation in Federal Transit Administration Assisted Programs."

DISCUSSION:

MTD is required to submit an overall goal for Disadvantaged Business Enterprise (DBE) participation to the Federal Transit Administration (FTA) every three years. (The FTA defines a DBE as a for-profit small business concern that is at least 51 percent owned by one or more individuals who are members of a group that is historically both socially and economically disadvantaged.) For FY 2022 - FY 2024, based on the analysis detailed in the attached report, staff proposes an annual goal for DBE participation of 2.32 percent of the FTA operating assistance that is available for contracting (approximately \$65,500 of more than \$2.8 million of FTA operating assistance available for contracting in FY 2022). In addition, MTD's adopted FY 2022 budget includes one FTA-funded capital project, a contactless fare payment system, which is relevant to the DBE goal-setting process (FTA-funded revenue vehicle purchases are not relevant to this process).

As recommended by FTA, the operating assistance goal is based on the most recent information available regarding the total number of firms and the number of certified DBE firms that are available as potential contractors for various categories of work. The total number of firms is determined based on US Census County Business Patterns, categorized by North American Industry Classification System codes (NAICS Codes). The number of certified DBE firms is determined using the California Unified Certification Program (CUCP) to find certified DBE firms in the same NAICS categories.

The draft DBE overall goal document was posted on MTD's website on June 30, and on July 19 staff will hold a Zoom webinar that will be open to all interested parties. Staff will update the Board regarding any comments received prior to the Board meeting. The overall goal document must be submitted to FTA by August 1, 2021.

BOARD OF DIRECTORS REPORT

ATTACHMENT:

- MTD's draft "FY 2022 - FY 2024 Overall Goal for Disadvantaged Business Enterprise Participation in Federal Transit Administration Assisted Programs."

FY 2022 - FY 2024

Overall Goal for Disadvantaged Business Enterprise Participation in Federal Transit Administration Assisted Programs

Prepared by the

Santa Barbara Metropolitan Transit District
550 Olive Street, Santa Barbara, CA 93101
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June 30, 2021



Disadvantaged Business Enterprise (DBE)

FY 2022 - FY 2024 Triennial Overall DBE Goal for FTA-Assisted Programs

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Disadvantaged Business Enterprise (DBE)

FY 2022 - FY 2024 Triennial Overall DBE Goal for FTA-Assisted Programs

INTRODUCTION

The Santa Barbara Metropolitan Transit District (MTD) has prepared this FY 2022 - FY 2024 triennial overall Disadvantaged Business Enterprise (DBE) goal for projects assisted by the U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA), in compliance with Code of Federal Regulations (CFR) Title 49--Transportation, Subtitle A--Office of the Secretary of Transportation, Part 26--Participation By Disadvantaged Business Enterprises In Department Of Transportation Financial Assistance Programs, Subpart C--Goals, Good Faith Efforts, and Counting, Section 26.45--How do recipients set overall goals.

The purpose of the DBE goal-setting process is to level the playing field so that DBEs can compete fairly for USDOT-assisted contracts. The program is narrowly-tailored in accordance with applicable law.

BACKGROUND

As a condition of receiving funding from FTA, MTD annually signs an assurance that it will comply with FTA's DBE requirements. In accordance with Title 49 CFR Part 26 provisions, MTD is required to develop and submit a Triennial Overall DBE Goal for its FTA-assisted projects. This document presents MTD's Overall DBE Goal and Methodology for FY 2022 - FY 2024.

FTA-ASSISTED CONTRACTING PROGRAM

MTD currently utilizes its FTA Section 5307 funding for operations. Thus, all of MTD's operating expenditures are federalized. MTD's FY 2022 budget estimates Section 5207 funding to total \$5,812,679. MTD also has budgeted an additional \$6,285,796 in COVID-19 relief funding for FY 2022. Thus, FTA operating assistance for FY 2022 is budgeted at a total of \$12,098,475. This represents 43.0 percent of MTD's FY 2022 operating budget. The percentage of MTD's operating funding from the Section 5307 program and COVID-19 relief is not expected to change significantly in FY 2023 or FY 2024. Thus, it is assumed that 43.0 percent of every MTD operating expenditure will be from FTA funds for the entire three-year period.

Table 1 below lists the operating expenditures that comprise potential contracting opportunities in FY 2022. These contracting opportunities comprise 23.3 percent of MTD's operating budget. The table includes both the total amount budgeted and the FTA share (i.e., 43.0 percent of the total) of each potential contracting opportunity. As shown in the table, nearly \$6.6 million in total funds, including more than \$2.8 million in FTA funds, are potentially available for contracting opportunities. This amount is not expected to vary significantly in FY 2023 or FY 2024.

TABLE 1: MTD FY 2022 Operating Budget Contracting Opportunities

<u>OPERATIONS</u>	<u>TOTAL COST</u>	<u>FTA SHARE</u>
<i>Drivers</i>		
Uniforms	\$20,000	\$8,591
<i>Hiring & Training</i>		
Medical Exams & License Fees	\$30,000	\$12,886
Employment Advertising	\$10,000	\$4,295
Training, Travel & Meetings	\$5,000	\$2,148
<i>Risk & Safety</i>		
Public Liability - Professional Services	\$169,886	\$72,972
Public Liability - Insurance	\$539,995	\$231,948
Workers Comp - Professional Services	\$303,881	\$130,528
Workers Comp - Insurance	\$185,250	\$79,572
Workers Comp - Misc Risk & Safety	\$20,000	\$8,591
<i>Transportation Subsidies</i>		
ADA Complementary Paratransit	\$1,376,274	\$591,161
<u>MAINTENANCE</u>		
<i>Mechanics</i>		
Uniforms	\$18,000	\$7,732
<i>Cleaners & Fuelers</i>		
Uniforms	\$6,864	\$2,948
Medical Exams & License Fees	\$3,000	\$1,289
<i>Supervision</i>		
Training, Travel & Meetings	\$10,000	\$4,295
<i>Vehicle Consumables</i>		
Fuel & Lubrication	\$1,318,085	\$566,166
Tire Lease	\$152,447	\$65,482
Tire Mounting	\$12,000	\$5,154
<i>Vehicle Parts & Supplies</i>		
Subtotal (All)	\$713,300	\$306,389
<i>Vendor Bus Repairs</i>		
Subtotal (All)	\$60,000	\$25,772
<i>Risk & Safety</i>		
Workers Comp - Professional Services	\$15,994	\$6,870
Workers Comp - Insurance	\$9,750	\$4,188
<u>PASSENGER ACCOMMODATIONS</u>		
<i>Passenger Facilities</i>		
Bldgs & Grds - Subtotal (All)	\$107,894	\$46,344
<i>Transit Development</i>		
Training, Travel & Meetings	\$3,000	\$1,289
Planning Services & Supplies	\$120,000	\$51,544
<i>Marketing & Community Relations</i>		
Media Ad Placement	\$16,000	\$6,873
Brochures, Publications, & Promotions	\$155,000	\$66,578
Market Research	\$2,500	\$1,074
Training, Travel & Meetings	\$3,000	\$1,289
<i>Fare Revenue Collection</i>		
Outside Services - Subtotal (All)	\$71,800	\$30,841
<u>GENERAL OVERHEAD</u>		
<i>Finance</i>		
Financial Audit Services	\$44,200	\$18,986
<i>Utilities</i>		
Telephone & Data Communication	\$95,000	\$40,806
Two-Way Radios	\$15,000	\$6,443
<i>Operating Facilities</i>		
Service Vehicles - Subtotal (All)	\$53,400	\$22,937
Bldgs & Grds - Contract Maintenance	\$127,680	\$54,843
Bldgs & Grds - Other	\$158,706	\$68,170
<i>District Administration</i>		
Admin Services - Public Officials Insurance	\$106,687	\$45,826
Admin Services - Legal Counsel	\$80,000	\$34,363
Admin Services - Pension Admin	\$3,000	\$1,289
Admin Services - Licenses & Equipment Maintenance	\$250,000	\$107,384
Admin Services - Miscellaneous Services	\$100,000	\$42,954
Admin Services - Office & Computer Supplies	\$35,000	\$15,034
Admin Services - Conferences, Meetings & Training	\$5,000	\$2,148
Admin Services - Bus Ad Revenue Program	\$0	\$0
Admin Services - Misc	\$30,000	\$12,886
GRAND TOTAL CONTRACTING OPPORTUNITIES	\$6,562,593	\$2,818,877

As shown in Table 2, MTD anticipates the use of FTA funds for one capital project, a contactless fare payment system, which is applicable to the overall DBE goal during the triennial period. (MTD also anticipates the use of FTA funds for revenue vehicle purchases. Pursuant to FTA regulations, transit revenue vehicle purchases are not included in this calculation of MTD's overall DBE annual goal.)

TABLE 2: MTD FY 2022 Capital Projects

Capital Projects	Total Cost	FTA Share*
Revenue Vehicles	\$19,741,726	n/a
Other Capital Projects	\$7,906,000	\$1,500,000
<i>Total Capital Projects</i>	<i>\$27,647,726</i>	<i>\$1,500,000</i>

*Excluding revenue vehicles.

MTD's total contracting opportunities that are applicable to the overall DBE goal-setting process are presented in Table 3. As the table shows, in FY 2022 MTD expects to have a total of \$4,318,877 of FTA funds in FTA-assisted contracting opportunities.

TABLE 3: MTD FY 2022 Contracting Opportunities Summary

Line Item	FTA Share
Federal Operating Contracting Opportunities	\$2,818,877
Federal Capital Contracting Opportunity	\$1,500,000
<i>Total Federal Contracting Opportunities</i>	<i>\$4,318,877</i>

GOAL METHODOLOGY

Step 1: Determination and Weighting of a Base Figure

MTD does not have any subrecipients. MTD followed an approved federal methodology to determine the Base Figure for the relative availability of DBEs to all comparable firms (DBE and Non-DBE) available to bid on MTD's FTA-assisted potential contracting opportunities. Table 4 presents the North American Industry Classification System (NAICS) codes for the various potential contracting opportunities shown in Table 1 above. Table 4 also presents the number of all firms, the number of DBE firms certified by the California Unified Certification Program (CUCP), and the percent of all firms that are CUCP-certified DBE firms for those NAICS codes.

TABLE 4: Total Firms & California Unified Certification Program (CUCP) DBE Firms by NAICS Code

NAICS Codes	Description	Number of Firms ¹		Percent DBE
		All Firms	DBE Firms	
441310	Automotive Parts & Accessories Stores	2,097	4	0.19%
441320	Tire Dealers	1,211	4	0.33%
443142	Electronics Stores	1,756	3	0.17%
444130	Hardware Stores	746	5	0.67%
453210	Office Supplies & Stationery Stores	475	8	1.68%
454310	Fuel Dealers	64	0	0.00%
485991	Special Needs Transportation	236	9	3.81%
517110	Wired Telecommunications Carriers	1,610	7	0.43%
517210	Wireless Telecommunications Carriers (except Satellite)	2,067	1	0.05%
522110	Commercial Banking	5,007	0	0.00%
524210	Insurance Agencies & Brokerages	9,922	21	0.21%
524291	Claims Adjusting	198	8	4.04%
524292	Third Party Admin. of Insurance & Pension Funds	356	4	1.12%
541110	Offices of Lawyers	18,037	27	0.15%
541430	Graphic Design Services	2,367	164	6.93%
541611	Admin. Management Consulting Services	7,757	852	10.98%
541850	Outdoor Advertising	225	30	13.33%
541860	Direct Mail Advertising	190	26	13.68%
541890	Other Services Related to Advertising	523	50	9.56%
561311	Employment Placement Agencies	882	31	3.51%
561439	Other Business Service Centers (including Copy Shops)	602	14	2.33%
561499	All Other Business Support Services	270	51	18.89%
561720	Janitorial Services	3,341	99	2.96%
561730	Landscaping	4,353	60	1.38%
561790	Other Services to Buildings & Dwellings	853	46	5.39%
611420	Computer Training	95	64	67.37%
611430	Professional & Management Development Training	428	175	40.89%
621999	All Other Misc. Ambulatory Health Care Services	301	5	1.66%
811121	Automotive Body, Paint, & Interior Repair & Maintenance	2,962	9	0.30%
811122	Automotive Glass Replacement Shops	295	1	0.34%
811212	Computer & Office Machine Repair & Maintenance	445	20	4.49%
811213	Communication Equipment Repair & Maintenance	92	8	8.70%
812331	Linen Supply	81	2	2.47%
	Total/Base Figure	69,844	1,808	2.59%

Note 1: All firms from 2017 County Business Patterns (US Census Bureau); DBE firms from 2021 CUCP (Caltrans).

The methodology included accessing the 2017 U.S. Census Bureau County Business Patterns NAICS codes database (for all firms) and the 2021 CUCP-certified DBE database (for DBE firms) in the categories of work defined in Table 1 for MTD's market area. For all firms, the market area comprises the following California counties: Los Angeles, Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz, and Ventura. For DBE firms, the market area comprised all CUCP-certified DBE firms that indicated an interest in working in Santa Barbara County. This methodology resulted in a Base Figure that 2.59 percent of all available firms in the MTD market area are certified by the CUCP as DBE firms.

MTD next weighted the Base Figure using the "Weighted Base Figure Worksheet" provided by FTA. Table 5 below shows the results of the weighting process. As shown, the Weighted Base Figure resulting from this methodology is 2.32 percent.

Step 2: Adjusting the Base Figure

Following the establishment and weighting of the Base Figure, MTD reviewed and assessed other evidence that could potentially affect the relative availability of DBEs within the market area. This is in accordance with the prescribed narrow-tailoring provisions set forth under 49 CFR Part 26.45.

Past DBE Goal Attainment

Historical DBE participation attainments provide demonstrable evidence of DBE availability and capacity to perform. Thus, MTD calculated past DBE participation attainments for the three most recent completed federal fiscal years:

- FFY 2018 - 2.16%
- FFY 2019 - 0.65%
- FFY 2020 - 0.54%

In the first six months of FFY 2021, MTD achieved 0.40%. MTD continues to believe that the Weighted Base Figure of 2.32 percent is achievable with the continuation of the agency's enhanced effort to encourage DBE firms to become certified by the CUCP and bid on MTD projects. Thus, MTD believes that it is not appropriate to revise the Base Figure based on past DBE goal attainment.

Evidence from Disparity Studies

MTD is not aware of any disparity studies conducted within our jurisdiction. However, the Los Angeles County Metropolitan Transportation Authority (Metro) conducted a disparity study in 2012 (the "Metro 2012 DBE Program Disparity Study"). MTD currently uses a strictly race-neutral DBE program. If MTD continues to fail to reach its DBE overall goal, the agency will re-evaluate its DBE program to determine whether contract goals are necessary to achieve the overall goal.

TABLE 5: Weighted Base Figure

NAICS Codes	Description	Weight	Availability	Weighted Base Figure
441310	Automotive Parts & Accessories Stores	0.10869	0.00191	0.0002
441320	Tire Dealers	0.02506	0.00330	0.0001
443142	Electronics Stores	0.00000	0.00171	0.0000
444130	Hardware Stores	0.00000	0.00670	0.0000
453210	Office Supplies & Stationery Stores	0.00533	0.01684	0.0001
454310	Fuel Dealers	0.20085	0.00000	n/a
485991	Special Needs Transportation	0.20971	0.03814	0.0080
517110	Wired Telecommunications Carriers	0.01448	0.00435	0.0001
517210	Wireless Telecommunications Carriers (except Satellite)	0.00229	0.00048	0.0000
522110	Commercial Banking	0.01094	0.00000	n/a
524210	Insurance Agencies & Brokerages	0.12825	0.00212	0.0003
524291	Claims Adjusting	0.00000	0.04040	0.0000
524292	Third Party Admin. of Insurance & Pension Funds	0.07813	0.01124	0.0009
541110	Offices of Lawyers	0.01219	0.00150	0.0000
541430	Graphic Design Services	0.02362	0.06929	0.0016
541611	Admin. Management Consulting Services	0.00674	0.10984	0.0007
541850	Outdoor Advertising	0.00000	0.13333	0.0000
541860	Direct Mail Advertising	0.00000	0.13684	0.0000
541890	Other Services Related to Advertising	0.00853	0.09560	0.0008
561311	Employment Placement Agencies	0.00000	0.03515	0.0000
561439	Other Business Service Centers (including Copy Shops)	0.00000	0.02326	0.0000
561499	All Other Business Support Services	0.01867	0.18889	0.0035
561720	Janitorial Services	0.00000	0.02963	0.0000
561730	Landscaping	0.01946	0.01378	0.0003
561790	Other Services to Buildings & Dwellings	0.05586	0.05393	0.0030
611420	Computer Training	0.00000	0.67368	0.0000
611430	Professional & Management Development Training	0.00396	0.40888	0.0016
621999	All Other Misc. Ambulatory Health Care Services	0.00503	0.01661	0.0001
811121	Automotive Body, Paint, & Interior Repair & Maintenance	0.01728	0.00304	0.0001
811122	Automotive Glass Replacement Shops	0.00000	0.00339	0.0000
811212	Computer & Office Machine Repair & Maintenance	0.03809	0.04494	0.0017
811213	Communication Equipment Repair & Maintenance	0.00000	0.08696	0.0000
812331	Linen Supply	0.00684	0.02469	0.0002
Total				0.0232
Percent				2.32%

If after re-evaluation MTD believes a race-conscious program is necessary, MTD, as required by the Western States decision, will gather evidence to determine if discrimination in the transportation contracting industry is present.

DBE goal of Another Recipient

MTD did not base its DBE goal on the DBE goal of another recipient.

Evidence from Related Fields

MTD is unaware of any disparities in the ability of DBEs to get the financing, bonding, and insurance required to participate in MTD's program. MTD is also unaware of any data on employment, self-employment, education, training and union apprenticeship programs that MTD can relate to the opportunities for DBEs to perform in its program.

Continuing Effects of Past Discrimination

MTD is unaware of any demonstrable evidence that is logically and directly related to continuing effects of past discrimination. Thus, MTD has no basis to adjust the base figure to alleviate the continuing effects of past discrimination.

OVERALL DBE GOAL

As discussed under Goal Methodology: Step 2 above, MTD has no basis for adjusting the base figure. Thus, MTD's final triennial overall DBE goal for FY 2022 - FY 2024 for DBE participation in FTA-assisted programs is 2.32 percent. The goal is available for all CUCP-certified DBEs on a Race Neutral basis.

If appropriate, MTD may adjust the three-year overall goal during the three-year period to which it applies, in order to reflect changed circumstances. If so, MTD will submit such an adjustment to the FTA for review and approval.

RACE-NEUTRAL IMPLEMENTATION MEASURES

MTD will employ various actions to increase future DBE participation and achieve the overall goal:

- MTD will continue to identify existing contractors that could potentially qualify for CUCP certification as DBE firms, and will encourage such firms to apply for certification. Staff will assist such firms in their application as appropriate.
- MTD will increase staff participation in outreach opportunities to firms that may qualify for DBE certification, including professional organizations and publications geared to such firms. Staff will encourage interested firms to apply for DBE certification and will assist them as appropriate.

- MTD will work with nearby transit operators to consider joint participation in DBE-oriented contracting information events.
- MTD will continue to identify strategies for increasing DBE participation if the agency continues to fail to meet its DBE goal. Such strategies may include the future implementation of a race-conscious component.

Fostering Small Business Participation

MTD's DBE program includes an element to structure contracting requirements to facilitate competition by small business concerns. The element takes all reasonable steps to eliminate obstacles to participation by small business concerns.

The small business participation element includes the following strategies:

- In multi-year design-build contracts, MTD will require bidders on the prime contract to specify elements of the contract or specific subcontracts that are of a size that small businesses, including DBEs, can reasonably perform.
- On prime contracts exceeding \$100,000, MTD will encourage the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all the work involved.
- MTD will structure applicable procurements to facilitate the ability of consortia or joint ventures consisting of small businesses, including DBEs, to compete for and perform prime contracts.
- To meet the portion of MTD's overall goal projected to be met through race-neutral measures, MTD will ensure that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.
- MTD will actively implement these program elements to foster small business participation a requirement of good faith implementation of MTD's DBE program.

PUBLIC PARTICIPATION AND FACILITATION

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business associations, and community organizations within the market area were provided an opportunity to review the triennial goal analysis and provide input.

MTD conducted the following outreach activities during the development of the overall DBE goal:

- Staff emailed DBE information to various advocacy groups representing potential DBE firms and general contracting firms for dissemination to their members.

- Staff presented MTD's DBE program through an online meeting to any stakeholders that were interested in attending.
- Staff continues to work with existing vendors that may be eligible to become certified DBE firms to encourage them to apply for certification.
- Staff continues to reach out to appropriate groups to present MTD's DBE program and solicit their input into the agency's goal-setting process.

MTD published a link on the agency's website (www.sbmtd.gov) to MTD's DBE program, including the overall goal and methodology document, for a public comment period on June 30, 2021. The document will remain posted on the website.

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: July 20, 2021
Subject: General Manager's Report

The Operations Department has started the bidding process for our next service change, effective August 16 through November 28. The process generally takes approximately 3 weeks to complete, although it can be shorter, or longer, depending upon a number of factors. We have two new Operators in Training that have started: Adrian Melendez and Ignacio Salcedo and our mandatory VTT (Verification of Transit Training) sessions are underway as well. These are compulsory continuing education classes required by California Department of Motor Vehicles. We have classes scheduled throughout this week, to accommodate all of our Operator's different work schedules. Topics that will be discussed, but not limited to are: August Service Changes, contactless payment, articulated bus retraining, blind spots, problem passengers, and other safety topics. These are two hour classes per session; Operations schedules 4 of these sessions per year, to dovetail with any upcoming service changes.

BYD driver barriers are on order and are expected to be delivered within the next few weeks. The BYD's are the only remaining fleet to be retrofitted with driver barriers. The fleet renewal campaign is moving along, CCW is in possession of the first 40' bus. The old Lithium Ion batteries from the E-Bus fleet were shipped to a recycler and successfully recycled. The weight of the batteries recycled totaled just over 40k pounds.

The Planning and Marketing Department is hard at work preparing for the August 16, 2021 service changes. Public facing materials will roll out soon announcing bus schedules for the fall.

MTD is close to launching a contactless fare payment pilot in partnership with the California Integrated Travel Project. During a 6 month pilot, buses serving the Lines 12x and 24x will be outfitted with contactless fare payment readers. This will enable riders to pay their fare by tapping a Visa or MasterCard credit or debit card (with contactless capabilities) or a smart device (phone or watch) with Apple Pay, Google Pay, Samsung Pay, or Fitbit Pay.

In addition to paying a regular cash fare in this manner, riders can also take advantage of fare capping with the ability to earn an unlimited day pass after spending \$6 and a 30 day pass after spending a cumulative \$52 in a 30 day period.

Installation of the onboard validators for the 10 buses for the contactless fare payment demonstration project has been completed as has the setup of the necessary wireless cellular communications. Full testing of the system including live transactions with credit and debit cards, and smart devices, is expected within days. Employee training is scheduled soon as well.

Once launched, MTD will be only the third public transit agency in the State of California to implement open loop fare payment technology. SBCAG's Clean Air Express will also be piloting the technology on their fleet, getting our region one step closer to a seamless transit payment experience.

Staff attended Zoom meetings of the Santa Barbara County Association of Governments' (SBCAG's) Technical Transportation Advisory Committee (TTAC) and Joint Technical Advisory Committee (JTAC) on July 1. TTAC recommended that the SBCAG Board adopt projects selected for formula funding from the FTA 5307 Program of Projects for FFY 2022 through FFY 2024, and recommended that those funds be programmed in an FTIP amendment. The amendment also includes a new MTD project and funding changes to two other MTD projects. JTAC received an update on the ongoing "Connected 2050" Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). SBCAG staff plans to bring the RTP-SCS back to JTAC in August with a recommendation that JTAC recommend that the SBCG Board approve the document.

General Manager Estrada has recently executed two FTA awards: one for more than \$1.5 million in Section 5339(a) formula capital funds towards MTD's Fleet Renewal Campaign; and the other for nearly \$15.9 million in American Rescue Plan Act of 2021 (ARPA) funds for operating assistance. MTD's Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) award for nearly \$4.5 million is in process. Additionally, MTD drew down the FY 2021 Section 5307 operating assistance funds and closed that FTA award.

Staff reviewed the draft "State Of California Best Practices for Allowing Pets on Public Transit" document prepared by the California Governor's Office of Emergency Services (CalOES). The document was prepared in response to Public Utilities Code 99166, which implements Senate Bill 397 and requires several agencies to collaborate on development of best practices for allowing pets on public transit vehicles serving areas under an evacuation order. The draft document was quite clear and reasonable, and staff had no comments.

Staff is in the process of developing a subrecipient agreement with SBCAG, which will allow MTD to pass through \$400,000 from the CRRSAA grant to SBCAG for the Clean Air Express. MTD will be responsible to the FTA to ensure that SBCAG complies with all FTA requirements.

On Monday, July 12, 2021, MTD renewed the Cyber Liability insurance coverage with a new insurance carrier, Benchmark/Cowbell underwriters, at an annual premium of \$6,803.40, for the policy term of 8/1/2021 – 8/1/2022. Benchmark/Cowbell Cyber Insurance provided a reduction of premium with the same coverage limits. Benchmark/Cowbell Cyber Insurance is an A XIII (Excellent) AM Best rated carrier.

MTD congratulates Bus Operator Richard Harrigan on his recent retirement after 35 years of service. Rich was very dedicated to his craft and could always be counted on to help the district whenever needed. We also wish Bus Operators Lorraine Brandt and Mark Kepford well in their recent retirements. Lorraine worked for the district over 14 years and was known by her

passengers for always have a smile and her customer service. Mark leaves MTD after 11 years to pursue his passion for cycling and travel.

With the end of the 2020-2021 fiscal year last June 30, the annual financial and single audits are underway. Finance staff is working on closing the year while preparing documents and other deliverables for MTD's new auditor, Vasquez & Company. With the significant improvement in the conditions related to the Covid-19 pandemic, a full bus parts inventory was safely carried out at yearend. Last year's parts inventory was cancelled by MTD due to pandemic-related safety concerns resulting in an audit finding based on being unable to verify the value of a material asset. The finding will be considered resolved and removed from this year's audit.

The agreement with Celtis for marketing services was extended for another year to continue work underway as well as to carry out new promotional activities. Given the duration of the current contract and government procurement policies regarding free and open competition, the intent is to put out a new request for proposals for marketing services following the current extension.

Work has begun on preparing solicitations for hiring a contractor for the construction work related to the SCE Charge Ready project for increased bus charging capacity at Terminal 1; and the engagement of a professional construction management consultant for anticipated future facility improvements expected to begin with Terminal 2 in Goleta.