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AGENDAS ONLINE
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COMMISSION MEMBERSHIP

Caltrans (ex-officio) Tim Gubbins
City of Capitola Dennis Norton
City of Santa Cruz Don Lane
City of Scotts Valley Randy Johnson
City of Watsonville Eduardo Montesino
County of Santa Cruz Greg Caput
County of Santa Cruz Neal Coonerty
County of Santa Cruz Zach Friend
County of Santa Cruz John Leopold
County of Santa Cruz Bruce McPherson
Santa Cruz Metropolitan Transit District Dene Bustichi
Santa Cruz Metropolitan Transit District Ron Graves
Santa Cruz Metropolitan Transit District Lynn Robinson

The majority of the Commission constitutes a quorum for the transaction of business. Article 8 Transportation Development Act Claims – only City and County representatives vote Article 4 Transportation Development Act Claims, Policy Issues, and SAFE – all 12 members vote
1. Roll call

2. Oral communications

Any member of the public may address the Commission for a period not to exceed three minutes on any item within the jurisdiction of the Commission that is not already on the agenda. The Commission will listen to all communication, but in compliance with State law, may not take action on items that are not on the agenda.

Speakers are requested to sign the sign-in sheet so that their names can be accurately recorded in the minutes of the meeting.

3. Additions or deletions to consent and regular agendas

CONSENT AGENDA

All items appearing on the consent agenda are considered to be minor or non-controversial and will be acted upon in one motion if no member of the RTC or public wishes an item be removed and discussed on the regular agenda. Members of the Commission may raise questions, seek clarification or add directions to Consent Agenda items without removing the item from the Consent Agenda as long as no other Commissioner objects to the change.

MINUTES

4. Approve draft minutes of the January 24, 2013 Regional Transportation Commission meeting

5. Accept draft minutes of the January 14, 2013 Bicycle Committee meeting

6. Accept draft minutes of the January 15, 2013 Elderly and Disabled Transportation Advisory Committee (E&D TAC) meeting

7. Accept draft minutes of the January 17, 2013 Interagency Technical Advisory Committee (ITAC) meeting

POLICY ITEMS

No consent items

PROJECTS and PLANNING ITEMS

No consent items

BUDGET AND EXPENDITURES ITEMS

8. Accept status report on Transportation Development Act (TDA) revenues
9. Accept FY2011-12 Fiscal Audit of the RTC (enclosed separately for Commissioners)

ADMINISTRATION ITEMS

10. Approve Memoranda of Understanding extensions

INFORMATION/OTHER ITEMS

11. Accept monthly meeting schedule
12. Accept correspondence log
13. Accept letters from RTC committees and staff to other agencies
   a. Letter to Santa Cruz Association of Realtors regarding placement of realtor signs
14. Accept miscellaneous written comments from the public on RTC projects and transportation issues
15. Accept information items - none

REGULAR AGENDA

16. Commissioner reports – oral reports

16.1 Ratify appointments to the Budget and Administration Personnel Committee (Neal Coonerty, Commission Chair)

17. Director’s report – oral report (George Dondero, Executive Director)

18. Presentation of Certificate of Appreciation to Fiscal Officer Daniel Nikuna for 20 years of outstanding service to the RTC-oral report (George Dondero, Executive Director)

19. Caltrans report and consider action items
   a. District Director’s report
   b. Construction projects update
   c. 2013 SHOPP projects update

20. Highway 1 Soquel/Morrissey Auxiliary Lane project update (Kim Shultz, Senior Transportation Planner)
   a. Staff report
21. Project Alternatives for the Monterey Bay Sanctuary Scenic Trail Network Draft Environmental Impact Report  
(Cory Caletti, Senior Transportation Planner) 

a. Staff report  
b. Alternatives description

22. **10:00 A.M. PUBLIC HEARING:** Adoption 2013 Regional Surface Transportation Program (RSTP)  
(Rachel Moriconi, Transportation Planner) 

a. Staff report  
b. Resolution to adopt the 2013 Regional Surface Transportation Program (RSTP)  
c. Recommendations for 2013 RSTP grant cycle  
d. RSTPX budget  
e. Summary of projects and recommendations

23. Construction Management Services for Railroad Bridge Rehabilitation  
(Luis Mendez, Deputy Director)  
(staff report and attachments distributed separately)

24. Adjourn to special meeting of the Service Authority for Freeway Emergencies  

*No agenda items this month*

25. Next meetings

The next RTC meeting is scheduled for Thursday, March 7, 2013 at 9:00 a.m. at the Santa Cruz County Board of Supervisors Chambers, 701 Ocean Street, 5th Floor, Santa Cruz, CA.

The next Transportation Policy Workshop meeting is scheduled for Thursday, February 21 at 9:00 a.m. at the RTC Offices, 1523 Pacific Avenue, Santa Cruz, CA.

**HOW TO REACH US**

Santa Cruz County Regional Transportation Commission  
1523 Pacific Avenue, Santa Cruz, CA 95060  
phone: (831) 460-3200 / fax (831) 460-3215

Watsonville Office  
275 Main Street, Suite 450, Watsonville, CA 95076  
(831) 768-8012  
email: info@sccrtc.org / website: www.sccrtc.org
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- Aptos Branch Library
- Central Branch Library
- Watsonville Library
- Branciforte Library
- Scotts Valley Library

For information regarding library locations and hours, please check online at www.santacruzpl.org or www.watsonville.lib.ca.us.

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1. Roll call

The meeting was called to order at 9:06 a.m.

Members present:

Aileen Loe (ex-officio)          Dennis Norton
Don Lane                        Randy Johnson
Eduardo Montesino               Greg Caput
Neal Coonerty                   Zach Friend
John Leopold                    Bruce McPherson
Dene Bustichi                   Ron Graves
Lynn Robinson                   

Staff present:

George Dondero                  Luis Mendez
Karena Pushnik                  Rachel Moriconi
Yesenia Parra                   Jason Laning

2. Oral communications

None

3. Additions or deletions to consent and regular agendas

None

CONSENT AGENDA
(Graves, Leopold) Unanimous
MINUTES

4. Approved draft minutes of the December 6, 2012 Regional Transportation Commission meeting

5. Accepted draft minutes of the December 10, 2012 Bicycle Committee meeting

6. Accepted draft minutes of the December 20, 2012 Interagency Technical Advisory Committee (ITAC) meeting

POLICY ITEMS

No consent items

PROJECTS and PLANNING ITEMS

No consent items

BUDGET AND EXPENDITURES ITEMS

7. Accepted status report on Transportation Development Act (TDA) revenues

8. Approved Proposition 1B Transit Security Funds for Santa Cruz METRO (Resolution 10-13)

9. Approved proposed amendments to the Fiscal Year (FY) 2012-13 Budget and Work Program (Resolution 11-13)

ADMINISTRATION ITEMS

10. Approved extension of the Watsonville Office Lease contract (Resolution 12-13)

11. Approved reappointment of representative to the Coast Rail Coordinating Council (CRCC)

INFORMATION/OTHER ITEMS

12. Accepted monthly meeting schedule

13. Accepted correspondence log

14. Accepted letters from RTC committees and staff to other agencies

   a. Letter to Deborah Lynch, Caltrans Bicycle Transportation Account Coordinator, to certify 2012 City of Watsonville Trails and Bicycle Master Plan
b. Letter to Christopher J. Murphy, Director of the California Office of Traffic Safety, in support of the County of Santa Cruz Health Services Agency 2014 OTS grant

15. Accepted miscellaneous written comments from the public on RTC projects and transportation issues

16. Accepted information items

e. Sarah Rohrs, “Solano transportation needs may get funded through new state bill,” Vallejo Times-Herald, January 9, 2013

REGULAR AGENDA

17. Commissioner reports – oral reports

None

18. Welcome new Commissioners – oral report

Executive Director George Dondero welcomed new Commissioners Dennis Norton, Zach Friend, and Bruce McPherson. He said a two-hour orientation session for Commissioners will be arranged once the transit board appoints its representatives. He said there are two vacancies on the Budget and Administration/Personnel Committee, and asked that those interested in serving on the committee speak with Chair Coonerty, who will make appointments to the committee.

19. Director’s report – oral report

Executive Director George Dondero said he spent the previous week in Washington DC, where he met with staff members of U.S. Representative Anna Eshoo, U.S. Senator Barbara Boxer, and U.S. Senator Dianne Feinstein; U.S. Representative Sam Farr and members of his staff; and Federal Railroad Administration officials. Mr. Dondero said he attended the Transportation Research Board Annual Meeting where he presented a paper, which he co-authored, on the development of the Sustainable Transportation Analysis & Rating System (STARS). He also attended committee meetings on health in transportation and sustainability, and presentations on complete streets, rail
corridors sharing right-of-way with trails, and sustainability. He said RTC staff recently hosted a second meeting with representatives from Caltrans, the Resource Conservation District, the Coastal Commission and numerous other state and federal water resource agencies to collaboratively work on a project at Scott Creek regarding bridge replacement and habitat restoration. Mr. Dondero said he and Deputy Director Luis Mendez met with staff from Iowa Pacific Holdings on Wednesday, January 23rd, to discuss property management.

Commissioners expressed appreciation for the Scott Creek project meeting, asked that Mr. Dondero make available his STARS paper that he presented at the TRB Annual Meeting, expressed appreciation for staff’s efforts regarding rail property management, and discussed the 55% voter threshold proposal for transportation funding legislation.

20. Caltrans report and consider action items

Aileen Loe of Caltrans thanked Commissioner Coonerty and Executive Director George Dondero for organizing the meetings for the Scott Creek project. She said the Highway 9 grind-and-replace project was completed during the previous week. She announced that Caltrans is now accepting applications for the Transportation Planning Grant Program, which are due by the end of April. She reported that the California Transportation Commission has allocated funds for a guardrail and crash cushion project for approximately 9 miles between Santa Cruz and Waddell Creek.

Commissioner Caput asked for an update on State funding of the Safe Routes to Schools program. Ms. Loe said the program remains very popular and that the funding is subject to some reconfiguration due to MAP-21 implementation. Commissioner Robinson expressed gratitude for the median barrier project recently completed in Santa Cruz and for recent clean ups by Caltrans at problem areas around the County.

21. Highway 1 Soquel/Morrissey Auxiliary Lane project update

RTC Resident Engineer Bruce Shewchuk said there was unusually heavy rain in December, which resulted in less construction activity during that period. He said construction efforts are proceeding on the northbound retaining wall, with the final pour scheduled for next week. He said the weather outlook for January has been positive, which has resulted in efforts to make up time lost during December. He explained that the next steps include finishing the northbound retaining wall and construction of the new auxiliary lanes, after which traffic will be diverted to the new lanes while the center column of the La Fonda Overcrossing is removed and rebuilt. He said the project is in the low 50% range for completion and is making significant progress.

In response to a question from Commissioner Coonerty, Mr. Shewchuk affirmed that the expected completion date for the project is still within the
initially anticipated time frame. Deputy Director Luis Mendez clarified that completion of the La Fonda Avenue Overcrossing is projected for early summer, with completion of the entire project, including installation of landscaping, anticipated for late summer. Commissioner Coonerty said that discussion of the Contract Change Order Ad-Hoc Committee composition would be moved to the next meeting.

22. Draft 2013 Legislative Program and Legislative Updates

Senior Transportation Planner Rachel Moriconi presented staff’s proposed State and Federal Legislative Programs for 2013. She said there are very few changes from last year, and that the focus areas remain similar to past years: to preserve funds dedicated to transportation and generate new, more stable revenue sources. She said key issues in 2013 will include implementation of the federal transportation bill at the state and federal level; the next federal transportation act; and state initiatives that could result in increased funding for transportation projects, including: proposals for cap-and-trade revenues, a new state transportation bond initiative, a statewide vehicle license fee, and lowering the voter threshold for local transportation ballot measures to 55%.

Commissioners discussed what it would mean to support legislation allowing the County of Santa Cruz to pursue a sales tax measure in unincorporated areas of the county; the parameters for how cap-and-trade revenues can be used; and possible consequences of state implementation of MAP-21, including how it might affect funding for Safe Routes to Schools programs and bicycle programs.

Commissioner Leopold moved and Commissioner Lane seconded to approve staff’s recommended State and Federal Legislative Programs for 2013, to assist in analyzing the transportation impacts of legislative activities. The motion passed unanimously.

23. Article 8 Transportation Development Act (TDA) Allocation Claim from the City of Santa Cruz

Senior Transportation Planner Karena Pushnik presented the City of Santa Cruz’s Article 8 TDA Allocation Claim. She said the funds requested would be used for three projects: $20,000 for annual restriping of the city’s 30 miles of bikeways, maintenance of bikeways, and minor improvements; $1,000 to develop bicycle parking facilities at high use areas in the public right of way; and $150,000 for Phase 2 of the West Cliff Drive path paving project, to include paving and minor widening of the multi-use path from Lighthouse Field to Almar Avenue.

Responding to a question from Commissioner Johnson, Chris Schneiter, City of Santa Cruz Department of Public Works, said that the multi-use path on West Cliff Drive would be widened where possible in order to relieve congestion between pedestrians and bicyclists. Commissioner Robinson expressed
appreciation for Phase 1 of the West Cliff Drive path paving project and said she looked forward to implementation of Phase 2.

Commissioner Lane moved and Commissioner Leopold seconded to approve the City of Santa Cruz’s Article 8 Transportation Development Act Allocation Claim. A roll call vote was taken, and the motion (Resolution 13-13) passed unanimously, with Commissioners Norton, Lane, Johnson, Montesino, Caput, Coonerty, Friend, Leopold, and McPherson voting “aye.”

24. Review of items to be discussed in closed session

Commissioner Coonerty said that negotiations for lease of rail property within the Santa Cruz right of way and labor negotiations would be discussed in closed session.

25. Oral and written communications regarding closed session

None. Commissioners adjourned to closed session at 9:54 a.m.

CLOSED SESSION

26. Conference with Real Property Negotiator pursuant to Government Code 54956.8 for lease of Santa Cruz Branch Rail Line property within the Santa Cruz wye

Agency Negotiator: George Dondero and Luis Pavel Mendez
Negotiating Parties: SCCRTC, City of Santa Cruz
Under Negotiation: Price and Terms

27. Conference with Real Property Negotiator pursuant to Government Code 54956.8 for lease of Santa Cruz Branch Rail Line property within the Santa Cruz wye

Agency Negotiator: George Dondero and Luis Pavel Mendez
Negotiating Parties: SCCRTC, Golden Gate Railroad Museum
Under Negotiation: Price and Terms

28. Conference with Labor Negotiators pursuant to Government Code 54957.6

Commission Negotiators: Yesenia Parra and George Dondero

Bargaining Units: RTC Association of Middle-Management and Community of RTC Employees

OPEN SESSION

29. Report on closed session
Commissioners returned to open session at 11:08 a.m. and there was no report on closed session.

30. Adjourn to special meeting of the Service Authority for Freeway Emergencies

*No agenda items this month*

31. Meeting adjourned at 11:09 a.m. Next meetings

The next RTC meeting is scheduled for Thursday, February 7, 2013 at 9:00 a.m. at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

The next Transportation Policy Workshop meeting is scheduled for Thursday, February 21 at 9:00 a.m. at the RTC Offices, 1523 Pacific Avenue, Santa Cruz, CA.

Respectfully submitted,

Jason Laning, Staff

Attendees:

Bruce Shewchuk, Parsons Brinckerhoff
Chris Schneiter, City of Santa Cruz Department of Public Works
Virginia Johnson, Supervisor McPherson’s Office
Rahn Garcia, County Counsel
Santa Cruz County Regional Transportation Commission’s
BICYCLE COMMITTEE

Minutes – Draft
Monday, January 14, 2013
6:30 pm

RTC Office
1523 Pacific Ave
Santa Cruz, CA 95060

1. Call to Order at 6:35 pm

2. Introductions

Members Present:
Kem Akol, District 1
David Casterson, District 2, Chair
Peter Scott, District 3
Will Menchine, District 3 (Alt.)
Rick Hyman, District 5
Bill Fieberling, City of Santa Cruz
Andy Ward, City of Capitola, Vice-Chair
Leo Jed, CTSC
Piet Canin, Ecology Action/Bike-to-Work
Jim Langley, CTSC (Alt.)
Lex Rau, City of Scotts Valley

Unexcused Absences:

Excused Absences:
Holly Tyler, District 1 (Alt.)
Eric Horton, District 2 (Alt.)
Carlos Garza, City of Santa Cruz (Alt.)
Daniel Kostelec, City of Capitola (Alt.)
Gary Milburn, City of Scotts Valley (Alt.)
Myrna Sherman, City of Watsonville

Vacancies:
District 4 – Voting and Alternate
District 5 – Alternate
City of Watsonville – Alternate

Guests:
Amelia Conlen, People Power
Steve All, Member of the public
Saskia Lucas, Open Streets

3. Announcements – Cory Caletti announced that each March, a rotating set of seats on the Bicycle Committee expire and asked that members interested in continuing to serve complete an application and return it at their earliest convenience. The applications will be sent to the appropriate Commissioner for nomination to the full RTC, the body making the final appointment.

4. Oral Communications – Steve All, a member of the public who developed CycleNet, a bike route numbering proposal, asked for a show of hands of members familiar with his effort. A few Bicycle Committee members raised their hands.
5. Additions or deletions to consent and regular agendas – Bike Committee member Leo Jed indicated that he is applying for appointment to the City of Santa Cruz’s Transportation and Public Works Commission. The Commission’s appointment decision will be made in one week.

**CONSENT AGENDA**

A motion (Jed/Rau) to approve the consent agenda as amended passed unanimously.

6. Approved draft minutes of the December 10, 2012 Bicycle Committee meeting
7. Accepted Bicycle Committee roster
8. Accept summary of Bicycle Hazard Reports - None
9. Accepted 2013 schedule of meetings and tentative agenda items
10. Accepted update regarding bicycle accommodations as part of the Highway 1 Soquel/Morrissey Auxiliary Lanes Project
11. Accepted correspondence from Committee member Rick Hyman regarding proposed bike lanes Rooney Street

**REGULAR AGENDA**

12. 2014 Regional Transportation Plan (RTP) and Metropolitan Transportation Plan Project prioritization – Ginger Dykaar, RTC Transportation Planner, summarized the staff report, the need for a Regional Transportation plan and Metropolitan Transportation Plan, the process and timeline, as well as the value and methodology of project identification and prioritization. She referenced the current draft list of projects with bicycle components identified for inclusion in the 2014 RTP that was supplied as part of the staff report and also provided a replacement page for project page #17, on which a project had been incorrectly omitted. Bicycle Committee brainstormed project prioritizations and individual members recommended certain projects be amended as follows:
   - Raise the priority level for the Bike to Work program
   - General increasing of ranking to certain type of projects with high value, such as Safe Routes to School efforts
   - Raise the priority level for King St bike improvements
   - Raise the priority level for bike facilities on Seabright Ave
   - Raise the priority level for the San Lorenzo river crossing by the boardwalk
   - Increase the priority level for Sharrows and Bike Activated Traffic Signals
   - Add the Bike Smart! project that is administered by Ecology Action
   - Increase the priority level given to Mission St Bike/Truck Safety Campaign
   - Increase funding for the bicycle parking subsidy program
   - Increase the priority given to the Mar Vista bike/ped overcrossing
   - Add an Open Streets project
   - Keep the priority rating for Arana Gulch multiuse trail at priority 1
   - Raise the priority level for the Pajaro Valley High School bike/ped connector trail

The Bike Committee as a whole did not vote on these recommendations and thus, they are a reflection of individuals’ feedback. Ms. Dykaar collected the feedback for staff consideration.

13. Regional Surface Transportation Program grant preliminary recommendations - Rachel Moriconi, Senior Transportation Planner, summarized the staff report, the
Regional Surface Transportation Program (RSTP), the amount available for the current funding cycle, projects submitted for funding consideration, and staff recommendations. After discussion about the merits of some projects over others, the Bicycle Committee decided to deliberate and vote on recommendations per each project of interest. A motion (Rau/Fieberling) to recommend to the RTC that full funding be provided for the Scotts Valley Drive Slurry Seal and Restriping project failed. A motion (Hyman/Ward) to recommend providing $40K to the Ride On Folding Program passed. A motion (Ward/Canin) to recommend increasing funding for Open Streets to $50K passed. A motion (Jed/Casterson) to recommend increasing funding for the Boltage program by $15K to the full $40K requested passed. A motion (Akol/Hyman) to recommend not providing any funding to the Aptos Village Plan Improvement project passed. A motion (Fieberling/Ward) to recommend some level of funding be provided to the Soquel at Frederick St Improvement project passed. A motion (Ward/Akol) to specifically endorse funding for the Branciforte Bike and Pedestrian Bridge project passed. A motion (Hyman/Ward) to recommend no funding be provided to the Freedom Blvd project unless bicycle lanes are included passed. A motion (Fieberling/Akol) to recommend that no funding be provided to the Laurel Street Pavement Rehabilitation project passed. A motion (Akol/Fieberling) to recommend some funding for West Cliff Drive project passed with the additional request that the City of Santa Cruz Public Works staff provides an explanation for the need for curb treatments. The Bicycle Committee took no position on staff recommendations for all other projects.

14. Complete Streets Policies - Committee member Rick Hyman provided a PowerPoint presentation on Complete Streets policies, legal requirements, and details regarding the concept of providing facilities for all transportation users, including bicyclists, pedestrians, transit vehicles, and motorists. To illustrate appropriate incorporation of amenities for all transportation users and lost opportunities, Mr. Hyman summarized four projects in Santa Cruz County, including the already completed Mission Street Improvement and the Highway 1/17 Merge Lane Projects, the current Highway 1 Auxiliary Lane Project (from Morrissey Blvd to Soquel Dr), and future Highway 1 Auxiliary Lanes (from Soquel Drive to 41st Avenue). He indicated his interest in presenting the PowerPoint to other interest groups in the hopes of providing education and encouraging greater community involvement in advocating for treatments that enhance safety and mobility for all transportation users. The PowerPoint is available through Mr. Hyman or RTC staff.

15. Member updates related to Committee functions - None

16. Adjourn – 9:00 pm

**NEXT MEETING:** The next Bicycle Committee meeting is scheduled for Monday, February 11, 2013 from 6:30 pm to 9pm at the RTC office, 1523 Pacific Ave, Santa Cruz, CA.

Minutes respectfully prepared and submitted by:

Cory Caletti, Senior Transportation Planner
1. **Call to Order** at 1:37 pm

2. **Introductions**

   **Members Present:**
   - Kirk Ance, CTSA Lift Line
   - Lisa Berkowitz, CTSA (Community Bridges)
   - Debbi Brooks, Volunteer Center
   - John Daugherty, Metro Transit
   - Veronica Elsea, 3rd District
   - Sally French, Soc. Serv. Prov.-Disabled (Hope Services)
   - Clay Kempf, Social Services Provider
   - Michael Molesky, Social Services

   **Others Present:**
   - Amelia Conlen, People Power
   - Erich Friedrich, Metro Transit
   - Deborah Lane, Santa Cruz Resident
   - Leslyn Syren, Metro Transit

   **Excused Absences:**
   - Hal Anjo, Potential Bus Rider
   - Patti Lou Shevlin, 1st District

   **RTC Staff Present:**
   - Grace Blakeslee
   - Ginger Dykaar
   - Cathy Judd
   - Rachel Moriconi
   - David Pape
   - Karena Pushnik

   **Alternates Present:** None

3. **Oral Communications** - None

4. **Additions or deletions to consent and regular agendas**

   A Public Hearing notice regarding meeting dates/times for review and comment on the Santa Cruz Metropolitan Transit District’s Non-Discrimination Program.

   John Daugherty requested Item 8, Brainstorm Projects for Section 5310, 5316 and 5317 and other funding, be discussed at the end of the regular agenda to allow sufficient time to receive information about Items 7 and 9 for possible consideration as part of the brainstorming discussion.
CONSENT AGENDA

Action: The motion (French/Berkowitz) - - to approve the consent agenda - - carries with Mike Molesky and Veronica Elsea abstaining.

5. **Approved Minutes from December 11, 2012 meeting**

6. **Received Agency Updates**
   
a. Volunteer Center  
b. Community Bridges serving as the Consolidated Transportation Services Agency  
c. Santa Cruz Metropolitan Transit District (Metro)  
d. Santa Cruz County Regional Transportation Commission  
e. Private Operators

REGULAR AGENDA

7. **Recommend projects for $5 million in Regional Surface Transportation Program (RSTP) funds**

Rachel Moriconi, Senior Transportation Planner discussed the Regional Surface Transportation Program (RSTP) funds saying that over $5 million in FY12 and FY13 funds is available for programming in Santa Cruz County. Ms. Moriconi said that the RTC received applications for 19 projects totaling over $8 million, $3 million over the available amount. She summarized the projects submitted along with preliminary staff recommendations and said that in some instances project sponsors may need to reduce project scope to match reduced funding if construction bids do not come in below engineers estimates. Ms. Moriconi said that all RTC advisory committees recommendations will be presented at a public hearing at the February 7th RTC meeting.

Member discussion included:

- What happens if funding amounts are not allotted
- Whether surplus monies are returned to the county or lost
- Prioritizing projects, especially ADA accessibility for the Aptos Village Plan Improvements, *including adequate accessible sidewalks throughout the project area, especially on the south (ocean side) of Soquel Drive and crossing the railroad tracks*, and Soquel at Frederick Street Improvements, *due in part to the proximity of two major activity centers for senior and people with disabilities: Dominican Rehabilitation Center and La Posada Senior Housing*
- The likelihood/importance of restoring Metro fixed route service to Frederick Street/La Posada and surrounding neighborhood
- The extent of benefits for the Ride On Folding Bike Program

Action: The motion (Kempf/Molesky) - - for the E&D TAC to recommend two main projects: 1) **Aptos Village Project**, at the staff recommended level ($690,000), including ADA accessible sidewalks throughout the project area, especially on the south (ocean side) of Soquel Drive and crossing the railroad tracks; and 2) **improvements to the Soquel/Frederick intersection**, at 75% of the City’s request ($187,500), due to the proximity of two major activity centers for seniors and people with disabilities: Dominican Rehabilitation Center and La Posada Senior Housing, be added to the City of Santa Cruz’s other two recommended projects (Branciforte Bike/Ped Bridge and Laurel Street Pavement Rehabilitation). However, if the City of Santa Cruz has another revenue source and will advance the Soquel/Frederick project within one year, the E&D TAC supports the City and RTC staff recommendation to fund only the City’s top two projects (Laurel and Branciforte) at 90% - - carries.
Action: The motion (Elsea/Ance) - - for the E&D TAC to support the remainder of RTC staff recommendations to program the over $5 million in FY12 and FY13 funds - - carries unanimously.

8. **Brainstorm Projects for Section 5310, 5316 and 5317 and other funding (item taken out of order and is now new Item 10a)**

9. **Provide Input on 2014 Regional Transportation Plan Draft Project List Prioritization**

Ginger Dykaar, Transportation Planner discussed the 2014 Regional Transportation Plan (RTP) and 2014 Metropolitan Transportation Plan (MTP). Ms. Dykaar said there are 3 elements to prioritize projects, Policy Element, Action Element, and Funding Element and said that staff is currently in the Action Element component. Ms. Dykaar mentioned that members of the public and project sponsors have identified projects to be considered for the RTP/MTP draft project list. Ms. Dykaar said that the list will undergo various levels of review and analysis which will determine the projects included on the constrained list (project that could be implemented within foreseeable revenues through 2035) or unconstrained list (projects that could be funded if new revenues are generated). Ms. Dykaar said that all recommendations will be presented to the Commission at its February 7th meeting and that she would return to the E&D TAC in summer with the updated priority list.

Rachel Moriconi also encouraged members to submit other projects to staff.

Members discussed the project list, shifting specific project priorities, and asked Ms. Dykaar to explain why some projects show multiple RTC staff rankings. Ms. Dykaar explained that the projects showing multiple rankings are those that are part constrained and part unconstrained.

Generally, members requested consideration of the following amendments:

- MTD-P11: ADA Service Expansion – increase rank from 3 to 2
- MTD-P44: Inter-County Paratransit Connection – increase rank from 3 to 2
- RTC-P43: Senior Employment Ride Reimbursement – increase rank from 4 to 1 or 2

10. **Review Caltrans Transit Intern grant draft report on Senior Transit Use**

David Pape, RTC Intern, gave a detailed summary of the draft report titled *A Bus Use Survey of Aging and Disabled Adults Living in Santa Cruz County*. Mr. Pape said that the goal of the report was to understand current modes of travel for seniors and the changing mobility needs of older adults. Mr. Pape said that by 2030 1 in 5 adults will be 65 years of age or older. Mr. Pape will present the Draft Report to the Commission at one of its future meetings.

A motion (Elsea/French) - - to extend the E&D TAC meeting an additional 15 minutes until 3:50 - - carries unanimously.

Members discussed:

- Distributing the report to City planning departments, Seniors Council, Regional Planning agencies, Cal Act and Senior Centers
- Surveying disabled adults who are not seniors
- Include service animals on Metro
• Support for driver transition from AARP
• Use of results by Metro

Members thanked Mr. Pape for all his hard work on the project and Draft Report.

Ms. Pushnik said she will send E&D TAC members the link to the Draft Report to be considered by the Commission.

10a. **Brainstorm Projects for Section 5310, 5316 and 5317 and other funding**

Karena Pushnik said that RTC staff is recommending that the E&D TAC develop a list of specialized transportation projects to pursue using federal, state and local transportation funding. Ms. Pushnik said that fund applications are due to the RTC on March 11 and recommended that this item be considered at February E&D TAC agenda for further discussion.

Brainstorming discussion included:

- Senior volunteers to deliver meals
- Stop and shop
- Livable communities
- Destination dollars
- Senior ambassadors
- Shopper shuttle

11. **Adjourn 4:05 pm.**
DRAFT MINUTES

Thursday, January 17, 2013
1:30 p.m.
RTC, Conference Room
1523 Pacific Avenue, Santa Cruz, CA

ITAC MEMBERS PRESENT
Heather Adamson, AMBAG
Ken Anderson, City of Scotts Valley Public Works
Taylor Bateman, City of Scotts Valley Planning
Russell Chen, County Planning Proxy
Mark Dettle, City of Santa Cruz Planning Proxy
Claire Fliesler, Santa Cruz METRO
Murray Fontes, City of Watsonville Community Development Proxy
Erich Friedrich, Santa Cruz METRO
Jeanne LePage, Ecology Action
Mark McCumsey, Caltrans District 5
Maria Esther Rodriguez, City of Watsonville Public Works
Alan Romero, MBUAPCD
Steve Wiesner, County Public Works

STAFF PRESENT
Ginger Dykaar
Rachel Moriconi
Tegan Speiser

OTHER PRESENT
Amelia Conlen, People Power
Paul Hierling, AMBAG
Brandy Rider, Caltrans District 5
Reed Searle, City of SC Transportation Commission
Anais Schenk, AMBAG
Carol VanAusdal, Santa Cruz Co Association of Realtors
Majid Yamin, City of Scotts Valley Public Works

1. Call to Order – Mark Dettle was selected to chair the meeting and called the meeting to order.

2. Introductions – Self introductions were made.

3. Oral communications – Brandy Rider announced that Caltrans has issued a call for projects for Planning Grants and distributed a flyer about upcoming workshops. Rachel Moriconi reminded attendees that AMBAG will be hosting a meeting on the Land Use Initiative component of the Metropolitan Transportation Plan Sustainable Communities Strategy following the ITAC meeting.

4. Changes to consent and regular agendas – Staff distributed an updated list of Regional Surface Transportation Program (RSTP) grant applications for Item 7 that included Bicycle and Elderly and Disabled Transportation Advisory Committee (E&D TAC) recommendations.

CONSENT AGENDA (Romero/ Wiesner) approved unanimously

5. Approved minutes of the December 20, 2012 ITAC meeting
6. Status of ongoing transportation projects, programs, studies and planning documents - Verbal updates from project sponsors

Santa Cruz: Mark Dettle reported that the City Hall solar parking lot project is finishing up. The sewer line replacement project on Ocean Street from Ocean St. Extension to Water Street in the northbound lanes is scheduled for construction February through mid-May. The city plans to construct a cold in-place recycling pavement project on Soquel and River Street this spring. Bids provided options for both normal and the cold in-place option. He noted that while there is not a lot of parking near the new Santa Cruz Warriors stadium, attendees have been parking and walking from downtown and other remote lots and using bicycle parking.

Caltrans: Brandy Rider announced that the Caltrans State Rail Plan is available for review and there will be workshops on the plan in mid-February.

MBUAPCD: Alan Romero reported that the Air District had a free yard waste collection day aimed at reducing backyard burning in San Lorenzo Valley recently and will schedule additional collection days. He reported that the City of Salinas developed an adaptive traffic signal system for a seven mile corridor aimed at reducing congestion and emissions. The signal timing software was a good investment and recommended agencies look at using it in other areas.

County of Santa Cruz: Steve Wiesner reported that approximately ten locations were damaged due to the December 23, 2012 storms, each costing $300,000-750,000 to repair, further increasing the backlog of storm damage repairs in the County. Gas and water utility projects are planned which will impact traffic in several locations, including Graham Hill Road and Soquel Drive through Soquel and Aptos. The County will restart its pavement management program mid-Spring. Russell Chen reported that repairs to East Zayante at PM 2.2 will be completed mid-February. Storm damage repairs on Empire Grade at PM 15 are starting with tree removal this month and major road work in April. Work on Calabasas Road is on hold until the end of January as a gas line is relocated.

Santa Cruz METRO: Erich Friedrich reported that the Operations Building is under contract and Metro is negotiating with companies in Harvey West area to temporarily relocate operations while the building is under construction. Metro is finishing bus stop improvements and a security project that includes cameras and lighting at several locations. Bus schedule changes are planned for mid-March which includes increased and modified Highway 17 Express Bus service and extended evening service for Route 69 through Live Oak.

Watsonville: Maria Rodriguez reported that design work continues for Highway Safety Improvement Program-funded (HSIP) signal upgrades and Safe Routes to Schools (SRTS)-funded curb ramp, signage and crosswalk projects, as well as the Airport Boulevard Reconstruction project. The HSIP and SRTS projects are scheduled to go to bid in February.

Ecology Action: Jeanne LaPage reported that Ecology Action is working with several partners on school-based programs, including “walking school buses”, “Active for Me” walk to school program, Boltage bike/walk incentive and tracking program, and Complete Streets planning for Santa Cruz City Schools.

AMBAG: Heather Adamson reported that AMBAG released the revised draft population forecast for comment and is having kick-off meetings on the Land Use Initiative for the Sustainable Communities Strategy (SCS).

SCCRTC: Rachel Moriconi reported that proposals for Construction Management of Rail Line improvements are due and the RTC will advertise for construction this spring.
7. Preliminary Recommendations Regional Surface Transportation Program (RSTP)

Rachel Moriconi presented information on the Regional Surface Transportation Program (RSTP) grant cycle, including information on projects submitted for funding consideration, and staff, Bicycle Committee, and Elderly and Disabled Transportation Advisory Committee (E&D TAC) recommendations. Ms. Moriconi requested project sponsors inform her of any updates to project summaries and confirm implementation schedules. She reported that staff will recommend that the RTC allocate RSTP Exchange funds to projects that can be delivered in 2013, with funds to be exchanged for projects to be delivered in 2014 and 2015 once additional state exchange funds are available. Staff provided information about how staff recommendations were developed and the committee discussed the merits of certain projects.

City of Scotts Valley staff suggested increasing funding for the Scotts Valley Drive project by reducing or not funding various non-capital programs. Ecology Action requested additional funds for the Boltage project. City of Watsonville staff stated that adding bicycle lanes to Freedom Boulevard, as requested by the Bicycle Committee, would significantly increase the project cost and therefore was not feasible. In response to a question from Santa Cruz Metro staff, City of Santa Cruz staff confirmed that they will work with Metro to minimize impacts to bus service as part of the Laurel Street project. Metro staff stated that after reevaluating program costs that it would be possible to scale back the Ride-On Folding Bicycle project to provide fewer vouchers. Air District staff appreciated that there are many good projects and suggested that a bike share program for bus riders be considered for a future AB2766 grant. Amelia Conlen of People Power spoke in support of the Ride-On and Boltage projects. Tegan Speiser noted that the Boltage Program has been successful at reducing traffic near schools as mitigation for the Soquel/Morrissey Auxiliary Lanes project construction. Steve Wiesner stated that the staff recommendations reflect a balanced approach, with good geographic distribution, appreciated staff working with project sponsors in developing the recommendations and made a motion to approve the staff recommendations. The ITAC approved the motion (Wiesner/Rodriguez) recommending that the RTC approve funding for projects as shown in the preliminary staff recommendations, with members Fliesler, Friedrich and Romero abstaining.

8. Project Prioritization for the 2014 Regional Transportation Plan (RTP)

Ginger Dykaar, RTC Transportation Planner, summarized the staff report, the requirements for a Regional Transportation Plan and Metropolitan Transportation Plan, the process and timeline, as well as additional analysis that will be done on the project lists – including evaluation of various scenarios. She appreciated project sponsors for all the work they did to update the project list. She requested that ITAC members review and provide input on the draft project list and project rankings by January 23, 2013. Brandy Rider, Caltrans, stated that projects undergoing environmental review subject to Caltrans or FHWA oversight should be on the constrained project list to avoid project delays. Heather Adamson added that capacity increasing projects and those that will seek federal funds should be on the constrained list.

9. Regional Transportation Plan Draft Financial Element

Rachel Moriconi presented the preliminary draft Regional Transportation Plan Financial Element, which assumes revenues from a future sales tax measure and status quo funding from traditional, core transportation revenue sources. She appreciated project sponsors for providing estimates for local revenues sources which make up nearly 70% of the funds available for transportation projects in Santa Cruz County. She requested that ITAC members review the projections and provide updates to staff by January 23, 2013.

The meeting adjourned at 2:55 p.m. The next ITAC meeting is scheduled for February 21, 2013 at 1:30 PM in the SCCRTC Conference Room, 1523 Pacific Avenue, Santa Cruz, CA.

Minutes prepared by: Rachel Moriconi

S:\ITAC\2013\Jan2013\Jan13ITACmin.doc
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
TDA REVENUE REPORT
FY 2012-2013

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<th>MONTH</th>
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<th>FY12-13 ESTIMATE REVENUE</th>
<th>FY12-13 ACTUAL REVENUE</th>
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<th>CUMULATIVE % OF ACTUAL TO PROJECTION</th>
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<td>63%</td>
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Note:

\Fiscal\TDA\MonthlyReceipts\FY12-13.xlsx\FY2012
AGENDA: February 7, 2013

TO: Regional Transportation Commission
FROM: Daniel Nikuna, Fiscal Officer
RE: FY2011-12 Fiscal Audit for the SCCRTC

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission accept the SCCRTC FY2011-2012 audited financial statements (enclosed separately for Commissioners).

BACKGROUND

The Commission is required by state law to undergo an annual financial audit. Moss, Levy & Hartzheim, performed the FY 2011-2012 fiscal audit for the Commission; this audit is enclosed separately for Commissioners. Moss, Levy & Hartzheim also performed the audit of Transportation Development Act (TDA) funds of the City of Santa Cruz for its own TDA fund and the pass-through claims on behalf of Community Bridges and the Volunteer Center. The TDA audit for the County of Santa Cruz is in progress and a 90 day extension request will be submitted to the RTC in order to be in compliance with the TDA Rules and regulations. The Santa Cruz Metropolitan Transit District was audited by Brown Armstrong, CPAs. The audit is not required for any claimant who did not receive and spend TDA payment during the reporting period.

DISCUSSION

The Commission received a clean opinion from the Auditor and no major concerns were raised which would require changes to the SCCRTC internal controls and accounting practices. The audit reports of the City of Santa Cruz and the SCMTD are also unqualified.

The Management Discussion & Analysis Section of the SCCRTC audit report contains extensive financial highlights with comparison to the prior fiscal year. Some of the highlights in the report include continuing TDA revenues improvement (page 15), establishment of Hwy 1 Auxiliary Lanes Fund to account for construction activities, reliance on State and local funding (page 12), and high cash balance for unclaimed allocations to local jurisdictions in the trust funds (page 14).

The Receivables, Accounts Payable, and Deferred Revenues show significant increase due primarily to the construction project. Overall, the expenditures remained under control; however, the funding side will continue to present a challenge in future years for some programs.

The reports are public documents and are available at the Commission’s office and on the website (www.sccrtc.org) where applicable.
SUMMARY

The FY2011-2012 Commission’s audit has been completed and is ready for review. Staff recommends that the Commission accept the audit report.

Enclosure: FY2011-2012 SCCRTC Fiscal Audit (enclosed separately for Commissioners)
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

SINGLE AUDIT REPORT
For the Fiscal Year Ended
June 30, 2012
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

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For the Fiscal Year Ended June 30, 2012

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BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Santa Cruz County Regional Transportation Commission
Santa Cruz, California

We have audited the basic financial statements of the Santa Cruz County Regional Transportation Commission (the Commission) as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated December 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the board of directors, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

MOSS, LEVY & HARTZHEIM LLP

December 12, 2012
Santa Maria, CA
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Fiscal Year Ended June 30, 2012

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<th>U.S. Department of Transportation</th>
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<td>Pass-Through Grant</td>
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Total Expenditure of Federal Grants

$$ 775,305 $$

See note to the schedule of the expenditures of federal awards.
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2012

NOTE 1 – BASIS OF PRESENTATION
The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Santa Cruz County Regional Transportation Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Santa Cruz County Regional Transportation Commission
Santa Cruz, California

Compliance
We have audited the compliance of the Santa Cruz County Regional Transportation Commission (the Commission) with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Commission’s major federal programs for the fiscal year ended June 30, 2012. The Commission’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Commission’s management. Our responsibility is to express an opinion on the Commission’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Commission’s compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance
Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Commission’s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Federal Expenditures

We have audited the financial statements of the Santa Cruz County Regional Transportation Commission as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated December 12, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, Board of Directors, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Moss, Rey & Haugheon LLP*

December 12, 2012
Santa Maria, CA
FINDINGS AND RECOMMENDATIONS
Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued

Internal control over financial reporting:
Material weaknesses identified?

Significant deficiencies identified not considered to be material weaknesses?

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:
Material weaknesses identified?

Significant deficiencies identified not considered to be material weaknesses?

Type of auditors’ report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, section .510 (a)

Identification of major programs:

CFDA Number(s)

20.505

Dollar threshold used to distinguish between Type A and Type B programs:

$ 300,000

Auditee qualify as low-risk auditee:

X Yes No

Name of Federal Program or Cluster
Metropolitan Transportation Planning
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

There were no federal award findings or questioned costs.
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
SUMMARY OF PRIOR FISCAL YEAR AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012

There were no prior fiscal year federal award audit findings or questioned costs.
# SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

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June 30, 2012

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FINANCIAL SECTION
INDEPENDENT AUDITORS' REPORT

Santa Cruz County Regional Transportation Commission
Santa Cruz, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Cruz County Regional Transportation Commission (the Commission) as of and for the fiscal year ended June 30, 2012, which collectively comprise the Commission’s basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Santa Cruz County Regional Transportation Commission, as of June 30, 2012, and the respective changes in financial position thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1 to basic financial statements effective July 1, 2011, the Commission adopted Governmental Accounting Standards (GASB) Statement No. 64, Derivative Instruments: Application of Hedge Accounting Termination Provisions.

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 17, the budgetary information on pages 47 through 52, and the schedule of funding progress for post employment benefits other than pensions on page 53, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.
In accordance with Government Auditing Standards, we have also issued a report dated December 12, 2012, on our consideration of the Santa Cruz County Regional Transportation Commission’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Santa Cruz County Regional Transportation Commission's basic financial statements. The accompanying schedules of allocations and expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Santa Cruz County Regional Transportation Commission. The accompanying schedules of allocations and expenditures are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Moss, Reug & Kuebler, LLP

Santa Maria, California
December 12, 2012
Management Discussion and Analysis  
Fiscal Year Ending June 30, 2012

1. INTRODUCTION

The Santa Cruz County Regional Transportation Commission (RTC) was established in 1972 under the provisions of the California Transportation Development Act (TDA) of 1971. In 2001, Section 67941 was added to the Government Code that gave the Commission the power of eminent domain and the power to preserve, acquire, construct, improve, and oversee multimodal transportation projects and services on rail rights-of-way within Santa Cruz County.

The RTC is governed by a Board of Directors composed of 12 members and one ex-officio member. The Board sets policies and for FY11/12 oversaw 17 full and part-time employees representing 15.25 full-time equivalent positions.

2. MAJOR PROGRAMS

The RTC sets priorities and secures funding for capital improvements to transportation infrastructure, including highways, local roads, public transportation, rail, bicycle and pedestrian facilities; pursues and allocates funds for all elements of transportation; adopts policies to improve the regional transportation system; plans future projects and programs; and provides services to encourage the use of alternative transportation modes, improve the safety and operation of the transportation system and reduce automobile emissions.

The RTC is the designated Local Transportation Commission (LTC) and the Regional Transportation Planning Agency (RTPA) for Santa Cruz County. As the RTPA for Santa Cruz County, the RTC is responsible for distributing Transportation Development Act funds from the 1/4-cent state sales tax and for developing both the state-mandated Regional Transportation Plan (RTP) and Regional Transportation Improvement Program (RTIP).

The RTP is the long range transportation planning document which identifies the region’s goals, needs and potential funding sources over a 20+ year period. The RTP is updated every 4-5 years and was last adopted in June 2010. As certain state and federal funding becomes available, the RTC selects specific transportation projects to receive those funds and lists those selected projects in the RTIP, which covers a 5-year period.

The RTC contributed and/or secured funds for the following projects which were under construction or implemented by other agencies in FY11/12; the dollar amounts reflect the RTC’s contribution to the total project costs:

- Graham Hill Road Safety Improvements near Roaring Camp, Felton: $3.3 million (RSTPX, STIP)
- Freedom Blvd Rehab (High-Broadis/Lincoln), Watsonville: $751,000 (RSTPX)
• South County Community Traffic Safety Coalition Educational programs: $50,000 (RSTPX)
• Bus Stop Improvements, Countywide: $500,000 (STIP)
• Highway 1 Soquel Ave-Morrissey Blvd Auxiliary Lanes: $20 million (CMIA, RSTPX, STIP)

Highway 1 Projects
In FY11/12, the RTC continued management of two regionally significant projects on Highway 1: pre-construction activities using federal- and state funds on the Highway 1 HOV Lane Project, and construction began using state funds on the Highway 1 Soquel/Morrissey Auxiliary Lanes Project.

In 2003, work began on the project approval/environmental documentation (PA/ED) phase of the HOV Lane Project through consultant services managed by RTC with project oversight provided by Caltrans. In 2005, the RTC secured federal funds to initiate PA/ED activities on the Soquel/Morrissey Auxiliary Lanes project, a project determined to have independent utility from the HOV Lane project and provide near term congestion relief on the corridor.

The final environmental document for the Auxiliary Lane project was approved in September 2009 and work began on development of final design in January 2010 through consultant services. Construction funding for the Auxiliary Lanes project was secured through Proposition 1B Transportation Bonds and RTC directed staff to work with Caltrans to develop the documents necessary for the RTC to take responsibility for managing the construction process as a means of accelerating the delivery of this project. In January 2012, the RTC awarded a construction contract for the Auxiliary Lanes with construction engineering provided by consultant services. Construction is anticipated to be completed by summer 2013.

Given the overall cost of the HOV Lane project and changes in the emphasis and scrutiny of federal regulations, the RTC decided in the summer of 2011 to modify the environmental document to use a "tiered" approach. A tiered approach provides broad based information of the HOV Lane project alternatives, including the project’s operational features, impacts, costs, and benefits for long term decision making (Tier I). The same environmental document will also examine a specific project ready for near term implementation on the corridor within available funding levels with the necessary environmental documentation necessary to start construction – referred to as a Tier II project. In August 2011, the RTC identified the Tier II project to be construction of auxiliary lanes on Highway 1 between 41st Avenue and Soquel Drive and a bike/pedestrian overcrossing at Chanticleer Avenue. Additional Regional Surface Transportation Exchange Program (RSTPX) funding was programmed to complete the PA/ED phase due to the extra effort to complete a tiered environmental document. Release of the draft tiered environmental document for the HOV Lane project is expected in the winter 2013/spring 2014.

Rail Line Acquisition
The Regional Transportation Commission (RTC) is in the final stages of acquiring the Santa Cruz Branch Rail Line right-of-way and expects finalization in FY2012-13. In August 1999, the RTC approved pursuing acquisition of the Union Pacific branch rail line between Watsonville and Davenport to transfer this transportation corridor into public ownership and make it available as a transportation resource for the community in the future. The RTC has been negotiating with Union Pacific since 2001
as well as conducting the studies and analysis necessary to gain a full understanding of the condition of the property. In December 2004, the RTC signed a Letter of Intent with Union Pacific to purchase the rail line for $19 million. After completing some of the due diligence work, the RTC was successful in negotiating a lower purchase price of $14.2 million. With the assistance of consultants (Miller, Owen and Trost), the RTC completed negotiations to purchase the Santa Cruz Branch Rail Line and completed its due diligence prior to making a final purchase decision. The California Transportation Commission allocated the STIP and Proposition 116 funding for the project in January 2011 and the RTC is awaiting approval by the federal Surface Transportation Board to complete the close of escrow. The RTC has initiated engineering work to rehabilitate the structures and is scheduled to start construction in FY12/13.

Monterey Bay Sanctuary Scenic Trail Network
Planning for the Monterey Bay Sanctuary Scenic Trail (MBSST) Network, a multi-use bicycle and pedestrian pathway spanning the Santa Cruz coastline from the San Mateo County line to the Monterey County line, continued during FY11/12. Staff and RRM Design Group, the consultant selected to develop a draft master plan and draft environmental document, continued planning activities by defining opportunities and constraints, mapping information gathered, and holding stakeholder meetings with representatives from local jurisdictions, other public agencies and key community partners. A series of public workshops, held in various locations throughout the county, were organized in order to receive input into trail alignment identification. Over 200 people attended the three workshops. A project description was identified in order to begin work on the draft environmental impact report.

Staff continued collaborating with the California Coastal Conservancy and the California Coastal Commission to define key coastal alignments that would also serve as the California Coastal Trail. Invoicing protocols for the Coastal Conservancy’s contribution to funding of the master plan development were worked out. The project continued to receive support from its greatest champion, Congressman Sam Farr.

SAFE and FSP
Included in the Service Authority for Freeway Emergencies (SAFE) annual budget are funds for the Safe on 17 Program. The goal of the Safe on 17 Program is to maintain a reduced collision rate on Highway 17 by providing additional CHP enforcement. The funding is provided by the RTC SAFE ($50,000) and the Metropolitan Transportation Commission (MTC) SAFE ($50,000) respectively for extra CHP enforcement on the Santa Cruz County side of Highway 17 and on the Santa Clara County side of Highway 17. The Safe on 17 Program maintained a reduced level of fatal and injury collisions on Highway 17 down to 126 in 2011 from the pre-program average of 249 injury and fatal collisions.

Call boxes are located on Highways 1, 9, 17, 152, and 129 and connected stranded motorists with assistance. Approximately 900 calls were placed from Santa Cruz County call boxes in FY11/12. The Monterey Bay Area 511 Traveler Information project, which is described in more detail in the next section, is also in the SAFE budget.

The Regional Transportation Commission, serving as the Service Authority for Freeway Emergencies, operates the Freeway Service Patrol (FSP) Program. The FSP Program consists of roving tow trucks
looking for disabled vehicles or debris on designated highway segments. The FSP provides on-the-spot help to stranded motorists. The purpose of the FSP is to decrease traveler delay associated with non-recurrent congestion, improve safety and air quality and reduce fuel consumption by rapidly clearing incidents. During the majority of FY11/12, the program was operated on designated segments of Highway 1 during commute periods and Highway 17 during commute periods and Sundays during peak travel periods. In FY11/12, the FSP provided 1,587 assists to motorists free of charge. The program was funded in FY11/12 with a Caltrans FSP grant and Hwy 1 Aux Lanes TMP funds ($30,000). The most recent benefit/cost ratio for the FSP program was completed in FY09/10 and calculated an average benefit/cost ratio of 4.43 for Santa Cruz County’s FSP program.

Monterey Bay Area 511 Traveler Information System
The Santa Cruz County Regional Transportation Commission (RTC) and the Transportation Agency for Monterey County (TAMC) received a Partnership Planning Grant from the California Department of Transportation ($259,210 grant and $64,802 matching) to conduct a Monterey Bay Area 511 Traveler Information System Feasibility and Implementation Plan. The project began in March, 2010 and will be completed in December, 2013 (pending approval of a grant extension). The first part of the project, a 511 Feasibility Study, was completed during this fiscal year and findings presented to the partner agencies.

The Monterey Bay Area, comprised of Monterey, Santa Cruz and San Benito Counties, experiences significant congestion and has limited transportation access because of the constrained geographical areas such as Highway 1 along the Monterey Bay coastline and Highway 17 through the Santa Cruz Mountains. The extremely limited resources available to invest in significant capital improvements require that transportation agencies optimize the use of existing transportation infrastructure and programs. A multi-modal 511 traveler information system could improve the functionality and efficiency of the existing transportation system by offering real-time information to travelers about current travel conditions and travel choices and through its ability to provide information to large numbers of travelers simultaneously. Informed travelers are more likely to make travel adjustments, whether it is changing modes, their route, or the time they travel to avoid peak period congestion and areas impacted by incidents. In a major emergency, such a system could also provide critical information to the traveling public such as detours and evacuation plans, allowing emergency service personnel unimpeded access to respond to the problem. In comparison to other capital projects, a 511 system could be implemented in a relatively short delivery time, at a fraction of the cost, and potentially be of great value to the community.

Commute Solutions and Alternatives to Driving Alone
Since 1979, the RTC, through its Commute Solutions services has provided the community with a centralized resource for transportation information. This program helps individuals find alternatives to driving alone and assists employers in developing commute programs for their employees. In its ongoing effort to help Santa Cruz residents and employees find carpool, vanpool and bike partners, and the RTC’s Commute Solutions program continued contracting with the Metropolitan Transportation Commission (MTC) for use of its online ridematching service. Through Commute Solutions, hundreds of Santa Cruz Metro bus schedules and Santa Cruz County bikeways maps were distributed.

The RTC continued to provide a number of services supporting the use of alternative transportation
including personalized trip planning assistance for all transportation modes and technical support for employer sponsored commute programs through the use of such tools as online employee commute surveys, residential density maps, site assessment surveys and commute plan development. In conjunction with other rideshare agencies in the Monterey Bay Area, Commute Solutions staff helped plan and implement joint marketing campaign called Rideshare Month that was held during October. In FY11/12, the RTC funded programs supporting the use of sustainable transportation including Commute Solutions, Bike to Work/School, and the Community Traffic Safety Coalition (CTSC). The RTC also continued funding the South County Bicycle and Pedestrian Work Group of the CTSC to focus bicycle and pedestrian outreach and education efforts in the south Santa Cruz County area.

The RTC serves as the public agency sponsor for an Air District grant to install a level three electric vehicle quick charging station in Santa Cruz County. The International Brotherhood of Electrical Workers is the organization implementing this project.

The RTC continued providing the free Santa Cruz County Bikeways Map, a highly requested publication, to county commuters and visitors. The map features on-street bicycle facilities (by class), contact information for local law enforcement offices, off-road trails and multi-use path sharing trail. Information is supplied in English and Spanish.

During this period, the RTC continued implementing projects funded by AB2766 grants awarded by the Air District in prior years. The first, Cash for Carpools, is a countywide incentive program aimed at encouraging people who currently drive alone to form new carpools for commute trips to school and work. The second project continues the highly successful Bikes Secure Bicycle Parking Subsidy program providing bicycle parking subsidies to county organizations. The third, a countywide emergency ride home program, was transferred to the RTC by the non-profit Ecology Action.

The RTC continued to implement two projects awarded RSTP funds in FY08/09. A County-Wide Bicycle Route Signage Program received $100,000 to provide way-finding signs to direct cyclists towards safe and convenient facilities when navigating Santa Cruz County’s roadways. Commute, utilitarian, recreational and tourist bike trips will be considered. RTC staff continued coordinating with local jurisdictions about timing of implementation efforts and refined a frame work for considering sign selection/design, route selection, and establishing sign development, installation and maintenance provisions.

The second project ($160,000), Park and Ride Lot, will build upon the existing park and ride lot system that provides commuters with safe, convenient locations where they can meet their carpool, vanpool or bus and leave their bicycle or car during the workday. The project will increase access to and use of park and ride facilities by improving existing facilities and expanding the number of parking spaces and locations available for commuters using alternatives to driving alone. Research and planning for this project continued.

Final preparations for the new Commute Solutions website were completed and the new website was successfully launched in July 2011. The site was designed to allow the community greater access to information about travel choices with significantly expanded resources (from a single page to more than
3. FINANCIAL STATEMENTS
The Basic Financial Statements consist of RTC Wide Financial Statements (Governmental funds only), Funds Financial Statements (Governmental and Fiduciary funds); and Notes to Financial Statements.

A. RTC Wide Financial Statements

The RTC-wide statements (Statement of Net Assets and the Statement of Net Activity) are on full accrual basis of accounting; and consistent with the Government Accounting Standards Board (GASB) Statement 34, the fixed assets are capitalized, depreciated, and reported net of accumulated depreciation on the balance sheet. In addition, the expenses are recognized for accrued vacation and sick leaves (compensated absences) and the related outstanding balance is reflected in the liability section. In accordance of GASB 45 RTC Wide Financial Statements include the expenses and liabilities associated with Other Post Employment Benefits (OPEB) as discussed in Notes 6 and 9 of the report.

B. Funds Financial Statements

New this fiscal year is the addition of a new fund to account for the construction activities of the Highway 1 Auxiliary Lanes. The RTC now has 12 funds, which are equally divided between Governmental Funds (pages 20-28) and Fiduciary Funds (pages 30-33) with six in each type.

1. Governmental Funds

The SCCRTC uses the following fund balance classifications, which are in line with GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions:

   1. Nonspendable Fund Balance
   2. Restricted Fund Balance
   3. Committed Fund Balance
   4. Assigned Fund Balance
   5. Unassigned Fund Balance (for the General Fund only)

Not all fund categories may be present in any one reporting year, and the current financial statements have just two: 1) Restricted, and 2) Unassigned.

There are no fixed assets, compensated absences or OPEB liabilities in the Fund Financial Statements since GASB 34 applies only to the RTC Wide Financial Statements of Governmental Funds. Due to the differing accounting treatment, a reconciliation is needed in order to balance the Fund Balance and the Net Assets. In addition to the Statement of Revenues, Expenditures, and Changes in Fund Balances by fund and combined (pages 24 -27), actual results for each fund are compared to the budget (pages 47-52) for each fund.

2. Fiduciary Funds

Two Statements are presented for the Fiduciary Funds:
   a. Statement of Fiduciary Net Assets, and
   b. Statement of Change in Fiduciary Net Assets
4. FINANCIAL HIGHLIGHTS

Governmental Funds
Net Assets
Net Assets balance is down by $1,109,467 to $2,148,721 primarily due to a sharp decrease in revenues in Highway 1 Program Fund to $99,795 from $2,435,981 in FY2011. Additionally, the depreciation - $7,641, the change in compensated absence (accrued paid leaves) - $42,134, and the Other Post Employment Employee Benefits (OPEB) the compensated absence (accrued) - $128,948, combined negatively contributed $178,723 to the Net Assets.

Cash and Receivables
The cash balance is $622,789 lower from a year ago as a result of the decreased revenues above noted. In FY2011 the Highway 1 Program Fund had an infusion of $1,450,000 of RSTPX funds just before year end, which boosted both the revenues and cash balance for the year. The receivables are up $2,227,377 and the bulk of the increase comes from the new fund, Highway 1 Auxiliary Fund, which reflects a balance of $2,158,169. Also, $450,000 in RSTPX revenues were accrued in the Rail/Trail Fund. Adjusted for the Highway Auxiliary Fund and the Rail/Trail’s $450,000 RSTPX accrual, the receivables would be $877,525 and down $404,835 (32%) as a result of improved collection turnover, which has been helped by Caltrans streamlining of the Indirect Cost Allocation Plan (ICAP) review process. In years past, the indirect costs could not be billed for reimbursement during the year of the rate application because of Caltrans delay in approving the ICAP. Caltrans has instituted an efficient system, which approves the ICAP within 30 days of their receipt of the request paperwork absent no issues. The system has worked well the last two fiscal years.

Capital Assets
The RTC did not acquire any new capital assets in FY2012, but one computer which was acquired in 2001 for $1,531 was disposed of during the year. The book value of all remaining assets is $135,425 ($3,912 net value after accumulated depreciation); in FY2011 the book value was $136,956 ($11,553 net value).

Liabilities
The accounts payable at 6/30/2012 were $1,593,743 and reflect a $1,129,999 increase from $463,744 the previous year. Highway 1 Auxiliary Fund, the biggest project in dollar expenditure value, accounts for $1,202,276 (75%) of the payables, however the fund has the least cash balance ($24,786). The deferred revenues have increased from $65,160 in FY2011 to the current $1,460,755; and are broken down by fund as follows:

1. Administration Planning Fund - $208,976 – Administration and Planning

2. Rail/Trail Fund - $401,779
   Portion of $450,000 accrued RSTPX revenues with unmatched costs; and

3. Highway 1 Auxiliary Fund - $850,000
The Fund received an $850,000 advance from Caltrans to jump start the construction. Due to unmatched expenditures, a similar amount of the advance was reclassified into deferred revenues.

The Noncurrent Liabilities have increased $171,082 (25%) to $677,682 due to unfunded cost of OPEB ($128,948), compensated absence expense ($42,134), and the depreciation expense ($7,641). The OPEB consist of only health insurance benefit to RTC retirees. The RTC presently uses the Pay-As-You-Go method (Pay Go) to fund the OPEB. In Pay Go the RTC does not fully pay the annual required contribution (ARC) to fully fund the OPEB for active employees and retirees as it was estimated in the Actuarial Valuation. Therefore, the OPEB liability will annually increase by the difference between the ARC plus any adjustment and the actual payment on behalf of retiree during the year. The OPEB Liability increased by $128,948 – the difference between ARC of $155,990 plus an adjustment of $11,800 (Interest) and the actual health insurance payment for current retirees in the amount of $28,526 (See Notes 6 and 9).

The unrestricted balance in the Statement of Net Assets is a negative $66,791 because the combined OPEB and Compensated Absence balance at $677,682 (page 18 and note 6) exceeds the General Fund (Administration and Planning) fund balance of $610,891. This deficit will continue to grow as long as there are unfunded OPEB. There is no requirement to prefund the OPEB, however the agency decision makers should be aware of the potential financial burden of the retirees health costs and make appropriate decisions.

Other Highlights
The SAFE Fund made a short term loan of $70,000 to FSP in FY2012 to help with cash flow until receipt of the Caltrans grant ($204,723); the loan was repaid in the same fiscal year. The Administration and Planning Fund transferred $110,000 to the Rail/Trail Fund. These transfers - in and out, are eliminated on the Statement of Net Asset. Due From ($324,760) and Due To ($324,760) balances arise primarily because the Administration and Planning Fund pays for all salaries and benefits, but is later reimbursed by other funds (SAFE, FSP, Rail/Trail, Hwy 1 Program, and Hwy 1 Auxiliary).
The following is the Statement of Net Assets for Governmental Funds:

<table>
<thead>
<tr>
<th></th>
<th>6/30/2012</th>
<th>6/30/2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investment</td>
<td>2,539,945</td>
<td>3,162,734</td>
<td>(622,789)</td>
</tr>
<tr>
<td>Receivables</td>
<td>3,509,737</td>
<td>1,282,360</td>
<td>2,227,377</td>
</tr>
<tr>
<td>Prepaid</td>
<td>0</td>
<td>2,341</td>
<td>(2341)</td>
</tr>
<tr>
<td>Capital Assets (Net)</td>
<td>3,912</td>
<td>11,553</td>
<td>(7,641)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>6,053,594</td>
<td>4,458,988</td>
<td>1,594,606</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>1,593,743</td>
<td>463,744</td>
<td>1,129,999</td>
</tr>
<tr>
<td>Accrued Expense</td>
<td>27,108</td>
<td>28,076</td>
<td>(968)</td>
</tr>
<tr>
<td>Due to Other Agencies</td>
<td>145,585</td>
<td>137,220</td>
<td>8365</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>1,460,755</td>
<td>65,160</td>
<td>1,395,595</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
<td>677,682</td>
<td>506,600</td>
<td>171,082</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>3,904,873</td>
<td>1,200,800</td>
<td>2,704,073</td>
</tr>
<tr>
<td>Investment in Capital Assets, Net</td>
<td>3,912</td>
<td>11,553</td>
<td>(7,641)</td>
</tr>
<tr>
<td>Restricted</td>
<td>2,187,557</td>
<td>3,203,520</td>
<td>(1,015,963)</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(42,748)</td>
<td>43,115</td>
<td>(85,863)</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>2,148,721</td>
<td>3,258,188</td>
<td>(1,109,467)</td>
</tr>
</tbody>
</table>

**Revenues**

The combined revenues are up $1,611,333 due to the auxiliary lanes construction project on Highway 1, which brought in $3,724,103 in new revenues. However, this increase was offset by revenues losses in Highway 1 Program ($1,948,860), Rail/Trail ($98,879 – 33%), and FSP ($95,482 – 22%) mostly as a result of projects completion. The Administration and Planning, and the SAFE funds saw revenues increase because of higher activities respectively for the Monterey Bay Sanctuary Scenic Trail (MBSST) and the 511 Traveler Information projects.

By source, the State provided 72% (60% in FY2011) of the funding in FY2012 while the Local funds came in second place at 17% (20% in FY2011). The TDA ($869,840) and the SAFE DMV fees ($239,312) account for 93% of all local funds.

The Fed Revenues decreased by $241,633 (24%) to $775,305, but the loss was partially compensated by $326,541 (132%) MBSST Federal Earmark revenues increase. The federally funded projects in FY2012 were: MBSST ($340,876), FHWA Planning ($233,351), Commute Solutions ($146,609), On-board Transit Study ($48,056), and Transit Planning Intern ($6,413). The FSP’s American Recovery and Reinvestment Act grant was fully expended in FY2011.

State funds increased $1,796,303 (55%) to $5,023,038 because of the construction project; State funds would be $1,302,732 and $1,954,003 (60%) down compared to FY2011 if it were not for the construction. The major state funding sources (with prior year comparison in parenthesis) were:
a. State Transportation Improvement Program (STIP) - $594,645 ($723,278)
b. CMIA for Construction Project - $3,319,618 ($0)
c. RSTP Exchange Funds - $483,569 ($1,872,236)
d. State Rural Planning Assistance – $307,589 ($315,000), and
e. Caltrans Grant for the FSP Program - $204,723 ($204,900).

The funding sources comparative table and the graph are presented below:

Table
FY2012 Funding by Source.

<table>
<thead>
<tr>
<th>Source</th>
<th>FY2012</th>
<th>FY10/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>5,023,038 (72%)</td>
<td>3,256,735 (60%)</td>
</tr>
<tr>
<td>Local</td>
<td>1,196,746 (17%)</td>
<td>1,062,143 (20%)</td>
</tr>
<tr>
<td>Federal</td>
<td>775,305 (11%)</td>
<td>1,016,938 (19%)</td>
</tr>
<tr>
<td>Interest &amp; Others</td>
<td>27,594 (.4%)</td>
<td>75,534 (1%)</td>
</tr>
<tr>
<td>Total</td>
<td>7,022,683 (100%)</td>
<td>5,411,350 (100%)</td>
</tr>
</tbody>
</table>

Figure 1
FY2012 Funding by Source

Expenditures
The combined total expenditures ($7,953,427) are up $3,709,401 (47%) when compared to the prior fiscal year, again due to the Construction Project, which accounts for 47% ($3,720,462) of the total costs ($7,953,427). The payroll grew by 5.5% ($98,468) to $1,886,568 excluding $25,739 paid for temporary
workers contracted for to temporarily fill vacancies created by retired staff. While regular salaries increased by 3.4% ($43,294) the retirement and health insurance increased respectively by 12% ($21,717) and 20% ($45,825) to $203,652 and $273,937. Including the payment for temp workers, the total costs of $1,912,307 reflects a 7% (124,207) increase from prior year, but it is 7.5% ($154,167) below budget ($2,066,474). There were no unemployment claims in FY2012, therefore the RTC did not use the $35,000 budgeted for self insurance.

The MBSST (Trail Master Plan) saw increased work as reflected in the increased consultant costs from $56,559 to $214,865. The towing costs decreased in FY2012 by $19,477 because the Highway 1 (FSP Beat 2) services have been incorporated in the TDM Program of the Highway 1 Construction Project starting in May, 2012.

The following is the Statement of Revenues, Expenditures & Change in Fund Balance for Governmental funds with comparison to prior year:

<table>
<thead>
<tr>
<th>STATEMENT OF REVENUES, EXPENDITURES &amp; CHANGE IN FUND BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOVERNMENTAL FUNDS</td>
</tr>
<tr>
<td>FY2012</td>
</tr>
<tr>
<td>6/30/2012</td>
</tr>
<tr>
<td>Federal Revenues</td>
</tr>
<tr>
<td>State</td>
</tr>
<tr>
<td>Local</td>
</tr>
<tr>
<td>Other (Including Interest)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
</tr>
<tr>
<td>Services and Supplies</td>
</tr>
<tr>
<td>Other Transfers</td>
</tr>
<tr>
<td>Bike to Work</td>
</tr>
<tr>
<td>Ecology Action (formerly SC Area TMA)</td>
</tr>
<tr>
<td>Community Traffic Safety Coalition</td>
</tr>
<tr>
<td>On-Board Transit Survey</td>
</tr>
<tr>
<td>Trail Master Plan Consultant (MBSST)</td>
</tr>
<tr>
<td><strong>Total Towing</strong></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
</tr>
<tr>
<td>Excess of Revenues Over Expenditures</td>
</tr>
<tr>
<td>Beginning Fund Balance</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
</tr>
</tbody>
</table>

Overall, the costs were generally contained and were in line with the budget. The RTC is financially healthy with the revenues and expenses falling in line with the budget, however, the on-going economic down-turn suggests continuing cost controls, and increased effort to secure new funding sources.
Fiduciary Funds
The combined Cash and Investment balance $8,333,320 continues to be significant due to high unclaimed prior years allocations and increased TDA cash receipts as shown in Figure 2 below. The unclaimed allocation distribution by jurisdictions and funding sources is as follows:

<table>
<thead>
<tr>
<th>UNCLAIMED TDA AND STP EXCHANGE ALLOCATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012 ENDING 6/30/2012</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Santa Cruz County</td>
</tr>
<tr>
<td>City of Capitola</td>
</tr>
<tr>
<td>City of Santa Cruz</td>
</tr>
<tr>
<td>City of Watsonville</td>
</tr>
<tr>
<td>SCCRTTC</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

Net Assets are up $1,299,854 due to a combination of increased revenues and decreased expenditures. The Due from Other Agencies ($5,174,829) is a result of revenue accruals – TDA ($1,245,700), RSTPX Exchange ($3,176,962), and STA ($752,167). Due to Other Agencies ($1,679,659) is comprised of LTF (TDA) funds due to the County's Public Works Department, STA funds ($752,167) due to Santa Cruz Metropolitan Transit District (SCMTD), and various deductions payable to third parties. The Accounts Payable are RSTPX Fund’s liabilities to RTC’s governmental funds. The Statement of net Assets of Fiduciary Funds is presented below:

<table>
<thead>
<tr>
<th>STATEMENT OF NET ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIDUCIARY FUNDS</td>
</tr>
<tr>
<td>6/30/2012</td>
</tr>
</tbody>
</table>

| Cash and Investment             | 8,333,320 | 7,571,617 | 761,703 |
| Accounts Receivable             | 0         | 79,651    | (79,651)|
| Sales Tax Receivable            | 1,245,700 | 1,165,200 | 79,500 |
| Due from Other Agencies         | 3,929,129 | 2,042,787 | 1,886,342|
| Prepays                         | 0         | 765       | (765)   |
| Total Assets                    | 13,508,149| 10,861,020| 2,647,129|
| Accounts Payable                | 684,916   | 0         | 684,916 |
| Due to Other Agencies           | 1,679,659 | 1,017,300 | 662,359 |
| Total Liabilities               | 2,364,575 | 1,017,300 | 1,347,275|
| Net Assets                      | 11,143,574| 9,843,720 | 1,299,854|

The combined revenues for all fiduciary funds amount to $14,114,601 and show an increase of $4,229,736 (43%) over FY2011. All financing sources had, except for Contribution from SCCRTC and Interest. The Contribution from SCCRTC in Miscellaneous Deductions Fund is down to $288,702 from $329,439 in the previous fiscal year, for certain liabilities such PERS Retirement, which were previously paid through this fund at the County Treasurer's account, were paid out of the payroll bank account.
starting in the second half of FY2012.

The TDA revenues of $7,486,927 show a $321,468 (4.5%) growth over FY2011, but they remain $643,935 (8%) below the peak year (FY2007) when revenues amounted to $8,048,362. The TDA cash receipts performance over the last eight (8) years is as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual Receipts</th>
<th>(Change)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2005</td>
<td>7,399,492</td>
<td></td>
</tr>
<tr>
<td>FY2006</td>
<td>7,908,253</td>
<td>508,761</td>
</tr>
<tr>
<td>FY2007</td>
<td>8,048,362</td>
<td>140,109</td>
</tr>
<tr>
<td>FY2008</td>
<td>7,878,633</td>
<td>(169,729)</td>
</tr>
<tr>
<td>FY2009</td>
<td>7,200,133</td>
<td>(678,500)</td>
</tr>
<tr>
<td>FY2010</td>
<td>6,631,837</td>
<td>(568,296)</td>
</tr>
<tr>
<td>FY2011</td>
<td>6,956,059</td>
<td>325,222</td>
</tr>
<tr>
<td>FY2012</td>
<td>7,407,427</td>
<td>451,368</td>
</tr>
</tbody>
</table>

Figure 2
TDA Annual Revenues and Changes -- Last Eight (8) Years
FY2005 -- FY2012
($ in 000)

The graph is based on actual monthly receipts during the fiscal year, which goes from July to June, therefore these receipts may not agree to the audited TDA revenues, which include July and August receipts of the following fiscal year.

The SCMTD is the major recipient of the LTF and STA funds. The SCMTD received 80% of all TDA funds after the RTC share and 100% of all STA funds in FY2012, which amounted respectively to

15
$5,244,964 and $2,792,749. The expenditure levels in the fiduciary funds fluctuate, to a great extent, according to the allocations and their claims for disbursement. The Miscellaneous Deductions Funds were set up to accumulate payroll funds prior to payment for CalPERS retirement and employees voluntary charitable contributions. The more payroll deduction or contributions are paid through the Payroll Account either electronically or by checks, the less significant and needed become the Miscellaneous Deductions Funds. The funds could all become inactive similar to In Lieu of Social Security.

**STATEMENT OF REVENUES, EXPENDITURES & CHANGE IN FUND BALANCES**

**FIDUCIARY FUNDS**

<table>
<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax: TDA</td>
<td>7,486,927</td>
<td>7,165,459</td>
<td>321,468</td>
</tr>
<tr>
<td>STA</td>
<td>2,792,749</td>
<td>0</td>
<td>2,792,749</td>
</tr>
<tr>
<td>STP Exchange</td>
<td>3,176,787</td>
<td>2,042,787</td>
<td>1,134,000</td>
</tr>
<tr>
<td>Contributions</td>
<td>616,458</td>
<td>621,075</td>
<td>(4,617)</td>
</tr>
<tr>
<td>Interest</td>
<td>41,615</td>
<td>55,544</td>
<td>(13,929)</td>
</tr>
<tr>
<td>Other</td>
<td>65</td>
<td>0</td>
<td>65</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>14,114,601</td>
<td>9,884,865</td>
<td>4,229,736</td>
</tr>
</tbody>
</table>

Deductions:

<table>
<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCMTD</td>
<td>8,037,713</td>
<td>7,803,287</td>
<td>234,426</td>
</tr>
<tr>
<td>RTC</td>
<td>1,749,405</td>
<td>2,664,123</td>
<td>(914,718)</td>
</tr>
<tr>
<td>County of Santa Cruz</td>
<td>1,071,303</td>
<td>953,993</td>
<td>117,310</td>
</tr>
<tr>
<td>City of Santa Cruz</td>
<td>646,856</td>
<td>673,662</td>
<td>(26,806)</td>
</tr>
<tr>
<td>City of Capitola</td>
<td>0</td>
<td>368,000</td>
<td>(368,000)</td>
</tr>
<tr>
<td>City of Scotts Valley</td>
<td>0</td>
<td>443,315</td>
<td>(443,315)</td>
</tr>
<tr>
<td>City of Watsonville</td>
<td>751,000</td>
<td>0</td>
<td>751,000</td>
</tr>
<tr>
<td>Plan Payments &amp; Other</td>
<td>558,470</td>
<td>561,875</td>
<td>(26,806)</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>12,814,747</td>
<td>13,468,255</td>
<td>(653,508)</td>
</tr>
</tbody>
</table>

Change in Net Assets:

<table>
<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets - Beginning of Fiscal Year</td>
<td>9,843,720</td>
<td>13,427,110</td>
<td>(3,583,390)</td>
</tr>
<tr>
<td>Net Assets - End of Fiscal Year</td>
<td>11,143,574</td>
<td>9,843,720</td>
<td>1,299,854</td>
</tr>
</tbody>
</table>

5. **CURRENT FINANCIAL ISSUES AND CONCERNS**

Management has been able to control the discretionary expenses; however, continuing to secure new revenue sources to meet existing maintenance and increasing transportation needs remains a challenge. The 2010 Regional Transportation Plan identifies a funding gap of over $2 billion for transportation needs countywide. The American Recovery and Reinvestment Act (ARRA) funds allowed some of the backlog of road repairs to move forward countywide, and temporarily rescued FSP whose operations cannot be sustained with existing levels of SAFE funds. Similarly, the Rideshare Program is using the last of federal CMAQ funding secured several years ago; new stable revenues are needed to replace the CMAQ funds which are no longer available in the Monterey Bay region.
Several projects in the region have been delayed due to funding shortfalls and although some transit service was restored, demand exceeds supply for some transit routes in heavily traveled corridors.

Due to continually diminishing revenues from gasoline taxes, , the Santa Cruz County region has not received sufficient transportation funds, creating a backlog of roadway and transit maintenance, delay of existing projects and an inability to fund needed projects, not to mention planning for the future.

Projects currently under development without a source of new funding are the Highway 1 HOV Lane project, which is currently estimated to cost about $500M, and the Monterey Bay Sanctuary Scenic Trail (MBBST) Network project, which could cost up to $88 million. The RTC is identifying smaller projects within the Highway 1 corridor which could be constructed incrementally, and continues to engage the community regarding the most opportune time to seek a local vehicle registration fee, tax measure or other local funding sources for transportation purposes to alleviate some of these transportation funding issues.

As the regional transportation planning agency, the RTC has taken a leadership position on the effort to secure new local funds. In fiscal year 2011-2012 the RTC worked closely with the community to investigate options for placing a $10 vehicle registration fee on the November 2012 ballot, which would have raised over $2 million per year for local street and road repairs. The measure was not placed on the ballot due to the state of the economy and poll results indicating the measure fell just short of the supermajority threshold requirement. A special purpose local tax measure requires a super majority of voter support (66.7%).

With the RTC purchase of the Santa Cruz Branch Rail Line, freight service will continue and recreational passenger rail service will be implemented. It is expected that the revenue generated by the freight service, the recreational rail service, car storage and other leased uses of the real estate will ensure the continued maintenance and operation of the rail line. Longer term uses of the rail corridor, for other types of passenger transit services will require operation funding.
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
STATEMENT OF NET ASSETS
June 30, 2012

<table>
<thead>
<tr>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
</tr>
<tr>
<td>Cash and investments</td>
</tr>
<tr>
<td>Receivables</td>
</tr>
<tr>
<td>Capital assets:</td>
</tr>
<tr>
<td>Depreciable, net</td>
</tr>
<tr>
<td>Total assets</td>
</tr>
<tr>
<td>LIABILITIES</td>
</tr>
<tr>
<td>Accounts payable</td>
</tr>
<tr>
<td>Accrued expenses</td>
</tr>
<tr>
<td>Due to other agencies</td>
</tr>
<tr>
<td>Deferred revenue</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
</tr>
<tr>
<td>Due in more than one year</td>
</tr>
<tr>
<td>Total liabilities</td>
</tr>
<tr>
<td>NET ASSETS</td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
</tr>
<tr>
<td>Restricted for programs</td>
</tr>
<tr>
<td>Unrestricted</td>
</tr>
<tr>
<td>Total net assets</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
<table>
<thead>
<tr>
<th></th>
<th>Program Revenues</th>
<th>Net (Expense)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expenses</td>
<td>Charges for Services</td>
</tr>
<tr>
<td>Transportation</td>
<td>$ 8,132,150</td>
<td>$ -</td>
</tr>
<tr>
<td>Total governmental activities</td>
<td>$ 8,132,150</td>
<td>$ -</td>
</tr>
</tbody>
</table>

General Revenues
- Investment income: $15,448
- Other: $16,685

Total general revenues: $32,133

Change in net assets: $(1,109,467)

Net assets - beginning of fiscal year: $3,258,188

Net assets - end of fiscal year: $2,148,721

The accompanying notes are an integral part of this statement.
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2012

<table>
<thead>
<tr>
<th>Administration and Planning Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$ 267,919</td>
<td>$ 260,389</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>34,130</td>
<td>450,000</td>
</tr>
<tr>
<td>Due from other agencies</td>
<td>602,246</td>
<td></td>
</tr>
<tr>
<td>Due from other funds</td>
<td>185,657</td>
<td>55,000</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 1,089,952</td>
<td>$ 765,389</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 627,682</td>
</tr>
</tbody>
</table>

LIABILITIES AND FUND BALANCES

Liabilities:

<table>
<thead>
<tr>
<th>Item</th>
<th>Administration and Planning Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ 59,495</td>
<td>$ 215,661</td>
<td>$ 11,237</td>
</tr>
<tr>
<td>Accrued payroll</td>
<td>27,108</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>208,976</td>
<td>401,779</td>
<td></td>
</tr>
<tr>
<td>Due to other agencies</td>
<td>103,442</td>
<td>850</td>
<td>34,043</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>80,040</td>
<td>32,239</td>
<td>31,520</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$ 479,061</td>
<td>$ 650,529</td>
<td></td>
</tr>
</tbody>
</table>

Fund Balances:

Restricted:

<table>
<thead>
<tr>
<th>Item</th>
<th>Administration and Planning Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation planning</td>
<td></td>
<td>114,860</td>
<td>550,882</td>
</tr>
<tr>
<td>Unassigned</td>
<td>610,891</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total fund balances</td>
<td>610,891</td>
<td>114,860</td>
<td>550,882</td>
</tr>
</tbody>
</table>

Total liabilities and fund balances

<table>
<thead>
<tr>
<th></th>
<th>Administration and Planning Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>$ 1,089,952</td>
<td>$ 765,389</td>
<td>$ 627,682</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.

20
<table>
<thead>
<tr>
<th>Freeway Service Patrol Fund</th>
<th>Highway 1 Program Fund</th>
<th>Highway 1 Auxiliary Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 151,603</td>
<td>$ 1,271,758</td>
<td>$ 24,786</td>
<td>$ 2,539,945</td>
</tr>
<tr>
<td>201,000</td>
<td></td>
<td>2,158,169</td>
<td>685,130</td>
</tr>
<tr>
<td>11,475</td>
<td>72,628</td>
<td></td>
<td>2,824,607</td>
</tr>
<tr>
<td>$ 163,078</td>
<td>$ 1,545,386</td>
<td>$ 2,182,955</td>
<td>$ 6,374,442</td>
</tr>
</tbody>
</table>

| $ 12,368                    | $ 93,706              | $ 1,201,276             | $ 1,593,743 |
|                            |                       | 850,000                 | 27,108 |
|                            |                       | 5,750                   | 145,585 |
|                            |                       | 39,870                  | 324,760 |
| 14,553                     |                       | 126,538                 |          |
| 26,921                     | 139,326               | 2,179,314               | 3,551,951 |

| 136,157                    | 1,406,060             | 3,641                   | 2,211,600 |
|                            |                       |                         | 610,891   |
| 136,157                    | 1,406,060             | 3,641                   | 2,822,491 |
| $ 163,078                   | $ 1,545,386           | $ 2,182,955             | $ 6,374,442 |
Total Fund Balances - Governmental Funds  $ 2,822,491

Amounts reported for governmental activities in the statement of net assets are different because:

In governmental funds, only current assets are reported. In the statement of net assets, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost  $ 135,425
Accumulated depreciation  (131,513)

Net  3,912

In governmental funds, only current liabilities are reported. In the statement of net assets, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated absences  $ 286,516
OPEB liability  391,166

Total  (677,682)

Total Net Assets - Governmental Activities  $ 2,148,721

The accompanying notes are an integral part of this statement.
This page intentionally left blank.
<table>
<thead>
<tr>
<th>Revenues</th>
<th>Administration Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Transportation Funds</td>
<td>$ 869,840</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Federal Highway Planning</td>
<td>574,227</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor vehicle fees</td>
<td></td>
<td></td>
<td>245,935</td>
</tr>
<tr>
<td>California Department of Transportation Grant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RSTP Exchange Funds</td>
<td>94,506</td>
<td>298,222</td>
<td></td>
</tr>
<tr>
<td>State Planning, Programming and Monitoring Funds</td>
<td>193,957</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Rural Planning Assistance</td>
<td>307,589</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Justice Planning - Mobility Outreach</td>
<td>39,393</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AB 2766</td>
<td>32,536</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Congestion Mitigation and Air Quality (CMAQ)</td>
<td>146,609</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTA 5305 (Rotational Transit Intern)</td>
<td>6,413</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fed 5304 Transit Survey</td>
<td>48,056</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aid from other governments</td>
<td></td>
<td></td>
<td>117,397</td>
</tr>
<tr>
<td>Proposition 116</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMIA</td>
<td>1,649</td>
<td>702</td>
<td>2,698</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>11,170</td>
<td>2,544</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenues</td>
<td>2,325,945</td>
<td>301,468</td>
<td>366,030</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Administration Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>1,250,086</td>
<td>100,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>460,068</td>
<td>369,161</td>
<td>257,579</td>
</tr>
<tr>
<td>Bike to work</td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Go Green (Ecology Action)</td>
<td>10,868</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-board Transit Survey</td>
<td>31,183</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carpool Incentive Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trail Master Plan Consultant</td>
<td>214,069</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Traffic Safety Coalition</td>
<td>138,495</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Towing service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenditures</td>
<td>2,154,769</td>
<td>469,161</td>
<td>397,579</td>
</tr>
<tr>
<td>Excess of revenues over (under) expenditures</td>
<td>171,176</td>
<td>(167,693)</td>
<td>(31,549)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
<table>
<thead>
<tr>
<th>Freeway Service Patrol Fund</th>
<th>Highway 1 Program Fund</th>
<th>Highway 1 Auxiliary Lanes Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$869,840</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>574,227</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>245,933</td>
</tr>
<tr>
<td>204,723</td>
<td>90,841</td>
<td></td>
<td>204,723</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>483,569</td>
</tr>
<tr>
<td></td>
<td></td>
<td>400,688</td>
<td>594,645</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>307,589</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>39,393</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>32,536</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>146,609</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6,411</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>48,056</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>117,397</td>
</tr>
<tr>
<td>619</td>
<td>8,783</td>
<td>997</td>
<td>3,319,618</td>
</tr>
<tr>
<td></td>
<td>171</td>
<td>2,800</td>
<td>15,448</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>16,685</td>
</tr>
<tr>
<td>205,342</td>
<td>99,795</td>
<td>3,724,103</td>
<td>7,022,683</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45,000</td>
<td>151,482</td>
<td>200,000</td>
<td>1,886,568</td>
</tr>
<tr>
<td>5,356</td>
<td>769,753</td>
<td>3,520,462</td>
<td>5,382,379</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10,868</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>31,183</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>214,069</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>138,495</td>
</tr>
<tr>
<td>239,865</td>
<td></td>
<td></td>
<td>239,865</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>290,221</td>
<td>921,235</td>
<td>3,720,462</td>
<td>7,953,427</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(84,879)</td>
<td>(821,440)</td>
<td>3,641</td>
<td>(930,744)</td>
</tr>
</tbody>
</table>

(Continued)
## SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012

<table>
<thead>
<tr>
<th>Administration and Planning Fund</th>
<th>Rail/Trail Authority Fund</th>
<th>Service Authority for Freeway Emergencies Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating transfers in</td>
<td>$ -</td>
<td>$ 110,000</td>
</tr>
<tr>
<td>Operating transfers out</td>
<td>(110,000)</td>
<td>$ -</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>(110,000)</td>
<td>110,000</td>
</tr>
<tr>
<td>Excess of revenues and other sources over (under) expenditures and other uses</td>
<td>61,176</td>
<td>(57,693)</td>
</tr>
<tr>
<td>Fund balances - July 1</td>
<td>549,715</td>
<td>172,553</td>
</tr>
<tr>
<td>Fund balances - June 30</td>
<td>$ 610,891</td>
<td>$ 114,860</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 550,882</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
<table>
<thead>
<tr>
<th>Freeway Service Patrol Fund</th>
<th>Highway 1 Program Fund</th>
<th>Highway 1 Auxiliary Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 110,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th>(110,000)</th>
</tr>
</thead>
</table>

|            | (84,879)          | (821,440)             | 3,641     | (930,744) |
|-------------|-------------------|------------------------|-----------|
|             | 221,036           | 2,227,500              |           | 3,753,235 |

|        | $ 136,157         | $ 1,406,060           | $ 3,641   | $ 2,822,491 |

|             |                   |                        |           |            |
|-------------|--------------------|------------------------|----------|

27
Net Change in Fund Balances - Governmental Funds $ (930,744)

Amounts reported for governmental activities in the statement of activities are different because:

Capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital assets of $0 is greater than depreciation expense $7,641 in the period. (7,641)

In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This fiscal year, vacation earned exceeded the amounts used by $42,134. (42,134)

In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This fiscal year, the difference between OPEB costs and actual employer contributions was: (128,948)

Change in Net Assets - Governmental Activities $ (1,109,467)

The accompanying notes are an integral part of this statement.
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## SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
## STATEMENT OF FIDUCIARY NET ASSETS
## FIDUCIARY FUNDS
## June 30, 2012

<table>
<thead>
<tr>
<th>Private Purpose Trust Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local Transportation Fund</td>
</tr>
<tr>
<td>ASSETS</td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$3,069,709</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>1,245,700</td>
</tr>
<tr>
<td>Due from other agencies</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>4,315,409</td>
</tr>
</tbody>
</table>

| LIABILITIES                  |  |
| Liabilities:                |  |
| Accounts payable            | 923,623                      | 752,167                       | 684,916 |
| Due to other agencies       |                            |                               |          |
| Total liabilities           | 923,623                      | 752,167                       | 684,916 |

| NET ASSETS                  |  |
| Unrestricted                | $3,391,786                   | $4,666                        | $7,677,029 |

*The accompanying notes are an integral part of this statement.*
## Pension (and Other Employee Benefits) Trust Funds

<table>
<thead>
<tr>
<th></th>
<th>PERS Health</th>
<th>In Lieu of Social Security</th>
<th>Miscellaneous Deductions</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>21,070</td>
<td>$ 9,288</td>
<td>$ 43,604</td>
<td>$ 8,333,320</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,245,700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,929,129</td>
</tr>
<tr>
<td></td>
<td>21,070</td>
<td>9,288</td>
<td>43,604</td>
<td>13,508,149</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>684,916</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3,869</td>
<td>1,679,659</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3,869</td>
<td>2,364,575</td>
</tr>
<tr>
<td>$</td>
<td>21,070</td>
<td>$ 9,288</td>
<td>$ 39,735</td>
<td>$ 11,143,574</td>
</tr>
</tbody>
</table>
## SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
### STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
#### FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Private Purpose Trust Funds</th>
<th></th>
<th>Surface Transportation Program Exchange Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local Transportation Fund</td>
<td>State Transit Assistance Fund</td>
<td></td>
</tr>
<tr>
<td>Sales tax</td>
<td>$ 7,486,927</td>
<td>$ 2,792,749</td>
<td>$ -</td>
</tr>
<tr>
<td>State highway exchange funds</td>
<td></td>
<td></td>
<td>3,176,787</td>
</tr>
<tr>
<td>Contributions from SCCRTC</td>
<td></td>
<td></td>
<td>70,300</td>
</tr>
<tr>
<td>Interest</td>
<td>12,251</td>
<td>567</td>
<td>28,752</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenues</td>
<td>7,499,178</td>
<td>2,793,316</td>
<td>3,275,839</td>
</tr>
</tbody>
</table>

### Deductions:

**Claimants:**
- Santa Cruz Metropolitan Transit District: 5,244,964
- Santa Cruz County Regional Transportation Commission: 869,840
- City of Santa Cruz: 70,216
- City of Watsonville: 751,000
- County of Santa Cruz: 923,303
- Other: 576,640

**Plan payments**

|                      |                  |                  |                                              |
|                      | Total expenditures | 2,792,749        | 1,817,059                                    |
|                      | (185,785)         | 567              | 1,458,780                                    |

**Net assets - beginning of fiscal year**

|                      | 3,577,571         | 4,099            | 6,218,249                                    |

**Net assets - end of fiscal year**

|                      | 3,391,786         | 4,666            | 7,677,029                                    |

The accompanying notes are an integral part of this statement.
Pension (and Other Employee Benefits) Trust Funds

<table>
<thead>
<tr>
<th>PERS Health</th>
<th>In Lieu of Social Security</th>
<th>Miscellaneous Deductions</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 10,279,676</td>
</tr>
<tr>
<td>257,456</td>
<td></td>
<td>288,702</td>
<td>3,176,787</td>
</tr>
<tr>
<td>45</td>
<td></td>
<td></td>
<td>616,458</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>41,615</td>
</tr>
<tr>
<td></td>
<td></td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>257,456</td>
<td>45</td>
<td>288,767</td>
<td>14,114,601</td>
</tr>
</tbody>
</table>

8,037,713

1,749,405
70,216
751,000
1,071,303
661,995

473,115

12,814,747

1,299,854

9,843,720

$ 21,070    $ 9,288    $ 39,735    $ 11,143,574
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Santa Cruz County Regional Transportation Commission are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission’s accounting policies are described below:

A. The Reporting Entity

The Santa Cruz County Regional Transportation Commission, the regional transportation planning agency for the County of Santa Cruz, was created pursuant to Title 3 of Government Code Section 29535. The Commission is responsible for transportation planning activities as well as for the administration of the Transportation Development Act Funds (Local Transportation and State Transit Assistance), the Service Authority for Freeway Emergencies Fund (SAFE), the Freeway Service Patrol Fund (FSP), the Surface Transportation Program Exchange Fund (STP), Highway 1 Program Fund, and the Rail/Trail Authority Fund. The Commission does not exercise control over any other governmental agency or authority. Criteria used in determining the reportable entity were based on control or dependence determined on the basis of budget adoption, funding, and appointment of the respective governing board.

The reporting entity is the Santa Cruz County Regional Transportation Commission. There are no component units included in this report which meets the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Basis of Presentation

Government-wide Financial Statements:

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Commission’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Commission, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Commission.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Fund Financial Statements:

Fund financial statements report detailed information about the Commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases, (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Commission, “available” means collectible within the current period or within 60 days after fiscal year-end.

Non-exchange transactions, in which the Commission receives value without directly giving equal value in return, include property taxes, and grants. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the Commission must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred revenue:

Deferred revenues arises when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as deferred revenue.

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first then unrestricted resources as they are needed.
E. Fund Accounting

The accounts of the Commission are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures/expenses. The Commission’s resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Commission’s accounts are organized into major and fiduciary funds, as follows:

Major Governmental Funds:

Administration and Planning – Transportation planning and administration of the Transportation Development Act.

Rail/Trail Authority – To account for financial activities of the Coastal Rail/Trail Project.

Service Authority For Freeway Emergencies – State funds for administration and operation of freeway call boxes and motorist aid.

Freeway Service Patrol – State funds for roadside assistance.

Highway 1 Program – Transportation planning and administration of the Highway 1 Projects.

Highway 1 Auxiliary – Transportation planning and administration for an additional lane on Highway 1.

Fiduciary Funds:

These funds account for assets held by the Commission as a trustee or agent for other units of government. The fiduciary funds used by the Commission is as follows:

Private Purpose Trust: These funds are utilized by the Commission, as trustee, to receive and allocate Local Transportation funds, State Transit Assistance funds, and Surface Transportation Program Exchange funds to eligible claimants.

Pension (and other Employee Benefits) Trusts: These funds are utilized by the Commission, as trustee, to receive employee contributions for employee benefit arrangements. The Commission has a fiduciary responsibility to administer the plans.

F. Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the major funds. All annual appropriations lapse at fiscal year end.

G. Cash and Investments

The Commission holds its cash in the County of Santa Cruz Treasury. The County maintains a cash and investment pool, and allocates interest to the various funds based upon the average monthly cash balances. Information regarding categorization of investments can be found in the County of Santa Cruz’ Basic Financial Statements. Investments are stated at fair value.

A payroll account is kept at the Santa Cruz Bank for payment of state and federal taxes, health insurance, and other contributions and deductions.

H. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

the contribution. Capital assets are defined by the Commission as assets with an initial, individual cost of at least $1,500 and estimated useful life in excess of two years.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the governmental column in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net assets. The estimated useful lives are as follows:

| Equipment | 3 to 7 years |

I. Deferred Revenue

Cash is received for federal and state special projects and programs and recognized as revenue to the extent that qualified expenditures have been incurred. Deferred revenue is recorded to the extent cash received on specific projects and programs exceed qualified expenditures.

J. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. In the fund financial statements, government fund types report the face amount of debt issued as other financing sources.

K. Compensated Absences

All vacation pay, as well as sick leave for management, plus related payroll taxes is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Fund Balances

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the Commission’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the Commission intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Commission.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balances (Continued)

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

M. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

O. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 64

For the fiscal year ended June 30, 2012, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions.” This Statement is effective for periods beginning after June 15, 2011. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. Implementation of the GASB Statement No. 64, did not have an impact on the Commission’s financial statements for the fiscal year ended June 30, 2012.

NOTE 2 - CASH AND INVESTMENTS

The Commission maintains all of its cash in the Santa Cruz County Treasurer’s Investment Fund. The County Treasurer pools and invests the funds it oversees. All participants share investment gains or losses proportionately. Earned interest is apportioned monthly based on each participant’s average daily deposit.

Investments are carried at fair value. On June 30, 2012, the Commission had the following cash and investments on hand:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in bank and on hand</td>
<td>$9,609</td>
</tr>
<tr>
<td>Cash and investments with the Santa Cruz County Treasurer’s Investment Fund</td>
<td>10,863,656</td>
</tr>
<tr>
<td><strong>Total cash and investments</strong></td>
<td><strong>$10,873,265</strong></td>
</tr>
</tbody>
</table>

Cash and investments are presented on the accompanying basic financial statements, as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments, statement of net assets</td>
<td>$2,539,945</td>
</tr>
<tr>
<td>Cash and investments, statement of fiduciary net assets</td>
<td>8,333,320</td>
</tr>
<tr>
<td><strong>Total cash and investments</strong></td>
<td><strong>$10,873,265</strong></td>
</tr>
</tbody>
</table>
NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments Authorized by the Commission’s Investment Policy

The Commission’s investment policy only authorizes investment in the local government investment pool administered by the County of Santa Cruz. The Commission’s investment policy does not contain any specific provisions intended to limit the Commission’s exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the Commission’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission’s investments by maturity:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Carrying Amount</th>
<th>Remaining Maturity (in Months)</th>
<th>12 Months</th>
<th>13 - 24 Months</th>
<th>25 - 60 Months</th>
<th>More than 60 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Cruz County Treasurer’s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Fund</td>
<td>$ 10,863,656</td>
<td>$ 10,863,656</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>$ 10,863,656</td>
<td>$ 10,863,656</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by the California Government Code and the Commission’s investment policy, and the actual rating as of fiscal year end for each investment type.

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Carrying Amount</th>
<th>Minimum Legal Rating</th>
<th>Exempt From Disclosure</th>
<th>Ratings as of fiscal year end</th>
<th>AAA</th>
<th>Aa</th>
<th>Not Rated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Cruz County Treasurer’s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Fund</td>
<td>$ 10,863,656</td>
<td>N/A</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>$ 10,863,656</td>
</tr>
<tr>
<td>Total</td>
<td>$ 10,863,656</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>$ 10,863,656</td>
</tr>
</tbody>
</table>

Concentration of Credit Risk

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of the total Commission’s investments.
NOTE 2 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Commission’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the Commission’s deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as Santa Cruz County Treasurer’s Investment Fund).

Investment in Santa Cruz County Treasurer’s Investment Fund

The Commission is a participant in the Santa Cruz Treasurer’s Investment Fund (County Pool) that is regulated by the California Government Code. The fair value of the Commission’s investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the Commission’s pro-rata share of the fair value provided by the County Pool for the entire Santa Cruz County Treasurer’s Investment Fund portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Pool, which are recorded on an amortized cost basis.

NOTE 3 – DUE FROM OTHER AGENCIES

Due from other agencies consists of the following at June 30, 2012:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Administration and Planning Fund</th>
<th>Rail/Authority Fund</th>
<th>Service Authority for Emergencies Fund</th>
<th>Freeway Service Patrol Fund</th>
<th>Highway 1 Program Fund</th>
<th>Highway 1 Auxiliary Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>State grants (DOT)</td>
<td>$147,711</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$2,158,169</td>
</tr>
<tr>
<td>Federal grants (DOT)</td>
<td>420,330</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>34,205</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>$602,246</td>
<td>$-</td>
<td>$64,192</td>
<td>$-</td>
<td>$-</td>
<td>$2,158,169</td>
</tr>
</tbody>
</table>
NOTE 3 – DUE FROM OTHER AGENCIES (Continued)

Fiduciary Funds

<table>
<thead>
<tr>
<th>Agency</th>
<th>State Transit Assistance Fund</th>
<th>Surface Transportation Program Exchange Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>State grants (DOT)</td>
<td>$ 752,167</td>
<td>$ 3,176,962</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 752,167</td>
<td>$ 3,176,962</td>
</tr>
</tbody>
</table>

NOTE 4 - INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Due From/Due To Other Funds

Interfund receivable and payable balances at June 30, 2012, are as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Interfund Receivables</th>
<th>Interfund Payables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund</strong></td>
<td><strong>Receivables</strong></td>
<td><strong>Payables</strong></td>
</tr>
<tr>
<td>Major Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and Planning</td>
<td>$ 185,657</td>
<td>$ 80,040</td>
</tr>
<tr>
<td>Rail/Trail Authority</td>
<td>55,000</td>
<td>32,239</td>
</tr>
<tr>
<td>Service Authority for Freeway Emergencies Fund</td>
<td>31,520</td>
<td></td>
</tr>
<tr>
<td>Freeway Service Patrol Fund</td>
<td>11,475</td>
<td>14,553</td>
</tr>
<tr>
<td>Highway 1 Auxiliary</td>
<td>126,538</td>
<td></td>
</tr>
<tr>
<td>Highway 1 Program</td>
<td>72,628</td>
<td>39,870</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$ 324,760</strong></td>
<td><strong>$ 324,760</strong></td>
</tr>
</tbody>
</table>

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2011-2012 fiscal year, are as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Transfers In</th>
<th>Transfers Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration and Planning</td>
<td>$ -</td>
<td>$ 110,000</td>
</tr>
<tr>
<td>Rail/Trail Authority</td>
<td>110,000</td>
<td>$ 110,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$ 110,000</strong></td>
<td><strong>$ 110,000</strong></td>
</tr>
</tbody>
</table>
NOTE 5 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2012, was as follows:

<table>
<thead>
<tr>
<th>Governmental activities</th>
<th>Balance July 1, 2011</th>
<th>Increases</th>
<th>Decreases</th>
<th>Balance June 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciable capital assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>$136,956</td>
<td>$-</td>
<td>$1,531</td>
<td>$135,425</td>
</tr>
<tr>
<td>Total depreciable capital assets</td>
<td>136,956</td>
<td>1,531</td>
<td>135,425</td>
<td></td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(125,403)</td>
<td>(7,641)</td>
<td>(131,513)</td>
<td></td>
</tr>
<tr>
<td>Net depreciable capital assets</td>
<td>$11,553</td>
<td>$-</td>
<td>$3,912</td>
<td></td>
</tr>
</tbody>
</table>

NOTE 6 – LONG-TERM DEBT

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2012, is shown below:

<table>
<thead>
<tr>
<th>Governmental activities</th>
<th>Balance July 1, 2011</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance June 30, 2012</th>
<th>Due within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences</td>
<td>$244,382</td>
<td>$163,772</td>
<td>$121,638</td>
<td>$286,516</td>
<td>$-</td>
</tr>
<tr>
<td>OPEB Liability</td>
<td>262,218</td>
<td>157,474</td>
<td>28,526</td>
<td>391,166</td>
<td></td>
</tr>
<tr>
<td>Governmental activities</td>
<td>$506,600</td>
<td>$321,246</td>
<td>$150,164</td>
<td>$677,682</td>
<td>$-</td>
</tr>
</tbody>
</table>

NOTE 7 - EMPLOYEES’ RETIREMENT PLAN

Plan Description

The Santa Cruz County Regional Transportation Commission’s defined benefit pension plan, Public Employees’ Retirement System (PERS), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees’ Retirement System, (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes with the Public Employees’ Retirement Law. The Commission selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The Santa Cruz County Regional Transportation Commission pays the CORE unit’s employee portion of the CalPERS contribution in the amount of 7% for the Miscellaneous Plan. The Santa Cruz County Regional Transportation Commission is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 2011/2012, was 11.693% of annual payroll. The contribution requirements of the plan members are established by the State statutes and the employer contribution rate is established and may be amended by CalPERS. The Santa Cruz County Regional Transportation Commission’s contributions to CalPERS for the fiscal years ending June 30, 2012, 2011, and 2010, were $203,652, $181,935, and $180,466, respectively, and equal 100% of the required contributions for each fiscal year.
NOTE 8– NET ASSETS

The government-wide and fiduciary funds financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted, and unrestricted.

Invested In Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents net assets of the Commission, not restricted for any project or other purpose.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

Medical coverage is provided through CalPERS under the Public Employees’ Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health. The Commission’s financial obligation is to pay up to the premium cost paid for active employees for the eligible retiree and covered dependents.

The Commission offers the same medical plans to its retirees as to its active employees, with the general exception that upon reaching age 65 and becoming eligible for Medicare, the retiree must join one of the Medicare Supplement coverages offered under PEMHCA.

Employees become eligible to retire and receive Commission-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The Commission’s contribution on behalf of retirees is the same as for active employees—up to $613 of PEMHCA premium for retiree and covered dependents. Benefits continue for the lifetime of the retiree with survivor benefits extended to surviving spouses.

B. Funding Policy

As required by GASB Statement No. 45, an actuary will determine the Commission’s Annual Required Contribution (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAL) over a period not to exceed 30 years.

GASB Statement No. 45 does not require pre-funding of OPEB benefits. Therefore, the Commission’s funding policy is to continue to pay healthcare premiums for retirees as they fall due. The Commission has elected not to establish an irrevocable trust at this time.

The Board of Directors reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the Commission.

C. Annual OPEB Cost and Net OPEB Obligation/(Asset)

The following table shows the components of the Commission’s Annual OPEB Cost for the fiscal year ended June 30, 2012, the amount actually contributed to the plan (including administrative costs), and changes in the Commission’s Net OPEB Obligation/(Asset):
NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

C. Annual OPEB Cost and Net OPEB Obligation/(Asset) (Continued)

<table>
<thead>
<tr>
<th>Item</th>
<th>FYE 6/30/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Required Contributions</td>
<td>$</td>
</tr>
<tr>
<td>Interest on Net OPEB Obligation/(Asset)</td>
<td>11,800</td>
</tr>
<tr>
<td>Annual OPEB cost (expense)</td>
<td>157,474</td>
</tr>
<tr>
<td>Contributions made</td>
<td>28,526</td>
</tr>
<tr>
<td>Increase in Net OPEB Obligation/(Asset)</td>
<td>128,948</td>
</tr>
<tr>
<td>Net OPEB Obligation/(Asset) - beginning of fiscal year</td>
<td>262,218</td>
</tr>
<tr>
<td>Net OPEB Obligation/(Asset) - end of fiscal year</td>
<td>$391,166</td>
</tr>
</tbody>
</table>

The Commission’s Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligations/(Asset) for the fiscal year ended June 30, 2012, are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Annual OPEB Cost</th>
<th>Actual Contribution</th>
<th>Percentage of Annual OPEB Cost Contributed</th>
<th>Net OPEB Obligations/(Asset)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/10</td>
<td>$145,674</td>
<td>$17,752</td>
<td>12.19%</td>
<td>$127,922</td>
</tr>
<tr>
<td>6/30/11</td>
<td>$155,990</td>
<td>$21,694</td>
<td>13.91%</td>
<td>$262,218</td>
</tr>
<tr>
<td>6/30/12</td>
<td>$157,474</td>
<td>$28,526</td>
<td>18.11%</td>
<td>$391,166</td>
</tr>
</tbody>
</table>

D. Funded Status and Funding Progress

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets</th>
<th>Projected Unit Credit</th>
<th>Unfunded AAL (UAAL)</th>
<th>Funded Ratio</th>
<th>Covered Payroll</th>
<th>UAAL as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2009</td>
<td>$0</td>
<td>$1,296,810</td>
<td>$1,296,810</td>
<td>0.00%</td>
<td>$1,707,826</td>
<td>76%</td>
</tr>
</tbody>
</table>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the Commission are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information that show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.
E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Plan’s most recent actuarial valuation was performed as of July 1, 2009. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 4.5 percent investment rate (net of administrative expense) and an annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after 7 years. These assumptions reflect an implicit 3.25 percent general inflation assumption. The Commission’s unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of July 1, 2009, was 30 years.
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REQUIRED SUPPLEMENTARY INFORMATION SECTION
## SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
### BUDGETARY COMPARISON SCHEDULE
#### ADMINISTRATION AND PLANNING FUND
#### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2012

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Budgeted Amounts</th>
<th>variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Local Transportation Funds</td>
<td>$869,840</td>
<td>$1,119,840</td>
</tr>
<tr>
<td>Federal Highway Planning</td>
<td>543,351</td>
<td>665,351</td>
</tr>
<tr>
<td>RSTP Exchange</td>
<td>115,000</td>
<td>329,538</td>
</tr>
<tr>
<td>State Planning, Programming and Monitoring Funds</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>State Rural Planning Assistance</td>
<td>315,000</td>
<td>315,000</td>
</tr>
<tr>
<td>Environmental Justice Planning - Mobility Outreach</td>
<td>39,500</td>
<td>39,500</td>
</tr>
<tr>
<td>Coastal Conservancy</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>AB 2766</td>
<td>33,097</td>
<td>112,335</td>
</tr>
<tr>
<td>Congestion Mitigation and Air Quality (CMAQ)</td>
<td>165,000</td>
<td>165,000</td>
</tr>
<tr>
<td>FTA 5305 (Rotational Transit Intern)</td>
<td>13,413</td>
<td>6,413</td>
</tr>
<tr>
<td>Fed 5304 Transit Survey</td>
<td>49,745</td>
<td>48,056</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>1,649</td>
<td>1,649</td>
</tr>
<tr>
<td>Other</td>
<td>152,000</td>
<td>194,000</td>
</tr>
<tr>
<td>Total revenues</td>
<td>2,782,785</td>
<td>3,551,722</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>1,200,094</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>404,000</td>
</tr>
<tr>
<td>Bike to work</td>
<td>50,000</td>
</tr>
<tr>
<td>Go Green (Ecology Action)</td>
<td>20,000</td>
</tr>
<tr>
<td>On-board Transit Survey</td>
<td>35,056</td>
</tr>
<tr>
<td>Trail Master Plan Consultant</td>
<td>596,694</td>
</tr>
<tr>
<td>Community Traffic Safety Coalition</td>
<td>402,000</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>2,672,788</td>
</tr>
<tr>
<td>Excess of revenues over (under) expenditures</td>
<td>110,000</td>
</tr>
</tbody>
</table>

### Other Financing Sources (Uses):

| Operating transfers out                       | (110,000) | (110,000) | (110,000) |
| Total other financing sources (uses)          | (110,000) | (110,000) | (110,000) |

| Excess of revenues and other sources over (under) expenditures and other uses | 721,238 | 61,176 | (410,062) |

<p>| Fund balance - July 1                         | 549,715 | 549,715 | 549,715 |
| Fund balance - June 30                        | 549,715 | 1,270,953 | 610,891 | (410,062) |</p>
<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal grants</td>
<td>$</td>
<td>$29,805</td>
<td>$</td>
<td>$ (29,805)</td>
</tr>
<tr>
<td>State grants</td>
<td>5,600,000</td>
<td>20,250,000</td>
<td>298,222</td>
<td>(19,951,778)</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>100,000</td>
<td>400,000</td>
<td>702</td>
<td>(400,000)</td>
</tr>
<tr>
<td>Union Pacific</td>
<td>45,000</td>
<td>45,000</td>
<td>2,544</td>
<td>(42,456)</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>5,745,000</td>
<td>20,724,805</td>
<td>301,468</td>
<td>(20,423,337)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>110,000</td>
<td>100,000</td>
<td>100,000</td>
<td>20,538,197</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>5,914,156</td>
<td>20,907,358</td>
<td>369,161</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>6,024,156</td>
<td>21,007,358</td>
<td>469,161</td>
<td>20,538,197</td>
</tr>
<tr>
<td><strong>Excess of revenues over (under) expenditures</strong></td>
<td>(279,156)</td>
<td>(282,553)</td>
<td>(167,693)</td>
<td>114,860</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating transfers in</td>
<td>110,000</td>
<td>110,000</td>
<td>110,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>110,000</td>
<td>110,000</td>
<td>110,000</td>
<td></td>
</tr>
<tr>
<td>Excess of revenues and other sources over (under) expenditures and other uses</td>
<td>(169,156)</td>
<td>(172,553)</td>
<td>(57,693)</td>
<td>114,860</td>
</tr>
<tr>
<td>Fund balance - July 1</td>
<td>172,553</td>
<td>172,553</td>
<td>172,553</td>
<td></td>
</tr>
<tr>
<td>Fund balance - June 30</td>
<td>$3,397</td>
<td>$</td>
<td>$114,860</td>
<td>$114,860</td>
</tr>
</tbody>
</table>
## Santa Cruz County Regional Transportation Commission

### Budgetary Comparison Schedule

**Service Authority for Freeway Emergencies Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
For the Fiscal Year Ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance with Final Budget</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Actual Amounts</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor vehicle fees</td>
<td>$ 236,000</td>
<td>$ 230,000</td>
<td>$ 245,935</td>
</tr>
<tr>
<td>Aid from other governments</td>
<td>201,000</td>
<td>213,591</td>
<td>117,397</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>5,000</td>
<td>5,000</td>
<td>2,698</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>442,000</td>
<td>448,591</td>
<td>366,030</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>140,000</td>
<td>140,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>357,800</td>
<td>458,633</td>
<td>257,579</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>497,800</td>
<td>598,633</td>
<td>397,579</td>
</tr>
<tr>
<td><strong>Excess of revenues over (under) expenditures</strong></td>
<td>(55,800)</td>
<td>(150,042)</td>
<td>(31,549)</td>
</tr>
<tr>
<td><strong>Fund balance - July 1</strong></td>
<td>582,431</td>
<td>582,431</td>
<td>582,431</td>
</tr>
<tr>
<td><strong>Fund balance - June 30</strong></td>
<td>$ 526,631</td>
<td>$ 432,389</td>
<td>$ 550,882</td>
</tr>
</tbody>
</table>
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION  
BUDGETARY COMPARISON SCHEDULE  
FREEWAY SERVICE PATROL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RSTPX</td>
<td>$ 141,000</td>
<td>$ -</td>
</tr>
<tr>
<td>California Department of Transportation Grant</td>
<td>200,000</td>
<td>234,000</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Total revenues</td>
<td>201,000</td>
<td>235,000</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>55,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>17,000</td>
<td>17,000</td>
</tr>
<tr>
<td>Towing service</td>
<td>270,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>342,000</td>
<td>362,000</td>
</tr>
<tr>
<td>Excess of revenues over (under) expenditures</td>
<td>(141,000)</td>
<td>(127,000)</td>
</tr>
<tr>
<td>Fund balance - July 1</td>
<td>221,036</td>
<td>221,036</td>
</tr>
<tr>
<td>Fund balance - June 30</td>
<td>$ 80,036</td>
<td>$ 94,036</td>
</tr>
</tbody>
</table>
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION  
BUDGETARY COMPARISON SCHEDULE  
HIGHWAY 1 PROGRAM FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2012  

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal earmark</td>
<td>$28,500</td>
<td>$-</td>
</tr>
<tr>
<td>Use of money and property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STIP Funds</td>
<td>3,981</td>
<td></td>
</tr>
<tr>
<td>RSTP Exchange Funds</td>
<td>260,000</td>
<td>275,841</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>288,500</td>
<td>279,822</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>110,000</td>
<td>150,832</td>
</tr>
<tr>
<td>Services and supplies</td>
<td>2,287,326</td>
<td>2,622,022</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>2,397,326</td>
<td>2,772,854</td>
</tr>
<tr>
<td>Excess of revenues over (under) expenditures</td>
<td>(2,108,826)</td>
<td>(2,493,032)</td>
</tr>
<tr>
<td>Fund balance - July 1</td>
<td>2,227,500</td>
<td>2,227,500</td>
</tr>
<tr>
<td>Fund balance - June 30</td>
<td>$118,674</td>
<td>$(265,532)</td>
</tr>
</tbody>
</table>


# SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

## BUDGETARY COMPARISON SCHEDULE

### HIGHWAY 1 AUXILIARY Lanes Fund

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance

For the Fiscal Year Ended June 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Budgeted Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of money and property</td>
<td>$  -</td>
<td>$  -</td>
</tr>
<tr>
<td>STIP Funds</td>
<td>2,150,000</td>
<td>2,150,000</td>
</tr>
<tr>
<td>CMIA</td>
<td>16,190,000</td>
<td>13,783,000</td>
</tr>
<tr>
<td>Other</td>
<td>2,800</td>
<td>2,800</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>18,340,000</td>
<td>15,935,800</td>
</tr>
</tbody>
</table>

| **Expenditures**     |          |        |                |                     |
| Salaries and benefits| 140,000  | 200,000 | 200,000        |                     |
| Services and supplies| 18,200,000 | 15,733,000 | 3,520,462       | 12,212,538          |
| **Total expenditures**| 18,340,000 | 15,933,000 | 3,720,462       | 12,212,538          |

| Excess of revenues over (under) expenditures | 2,800 | 3,641 | 841 |

| Fund balance - July 1 |        |        |     |
| Fund balance - June 30 | $  -  | $  -  | $  3,641 | $  841 |
SUPPLEMENTARY INFORMATION SECTION
The following table provides required supplementary information regarding the Commission's post employment health care benefits.

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>Actuarial Asset Value</th>
<th>Actuarial Accrued Liability (AAL)</th>
<th>Unfunded Liability (Excess Assets)</th>
<th>Funded Ratio</th>
<th>Annual Covered Payroll</th>
<th>UAAL as a % of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2009</td>
<td>$</td>
<td>$1,296,810</td>
<td>$1,296,810</td>
<td>0.0%</td>
<td>$1,707,826</td>
<td>76%</td>
</tr>
<tr>
<td>Claimant/Purpose/Authority*</td>
<td>Allocated Balance July 1, 2011</td>
<td>Allocation</td>
<td>Expended</td>
<td>Amended</td>
<td>Allocated Balance June 30, 2012</td>
<td></td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------------------------------</td>
<td>------------</td>
<td>----------</td>
<td>---------</td>
<td>-----------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Santa Cruz Metropolitan Transit District</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit operator assistance PUC § 99260(a)</td>
<td>$ -</td>
<td>$ 5,244,964</td>
<td>$ 5,244,964</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ 5,244,964</td>
</tr>
<tr>
<td><strong>Santa Cruz County Regional Transportation Commission Administration</strong> PUC § 99233.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>647,000</td>
</tr>
<tr>
<td>Planning PUC § 99402</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>472,840</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,119,840</td>
</tr>
<tr>
<td><strong>City of Santa Cruz Volunteer Center</strong> PUC § 99400 (c)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>576,640</td>
</tr>
<tr>
<td>Pedestrian and bicycle PUC § 99400 (a)</td>
<td>453,978</td>
<td>71,935</td>
<td>70,216</td>
<td></td>
<td>455,697</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>453,978</td>
<td>645,755</td>
<td>646,856</td>
<td></td>
<td>455,697</td>
<td></td>
</tr>
<tr>
<td><strong>County of Santa Cruz Pedestrian and bicycle</strong> PUC § 99400 (a)</td>
<td>1,115,296</td>
<td>154,425</td>
<td>923,303</td>
<td></td>
<td>346,418</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>1,115,296</td>
<td>154,425</td>
<td>923,303</td>
<td></td>
<td>346,418</td>
<td></td>
</tr>
<tr>
<td><strong>City of Scotts Valley Pedestrian and bicycle</strong> PUC § 99400 (a)</td>
<td>14,047</td>
<td>13,772</td>
<td></td>
<td></td>
<td>27,819</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>14,047</td>
<td>13,772</td>
<td></td>
<td></td>
<td>27,819</td>
<td></td>
</tr>
<tr>
<td><strong>City of Capitola Pedestrian and bicycle</strong> PUC § 99400 (a)</td>
<td>102,882</td>
<td>11,800</td>
<td></td>
<td></td>
<td>114,682</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>102,882</td>
<td>11,800</td>
<td></td>
<td></td>
<td>114,682</td>
<td></td>
</tr>
<tr>
<td><strong>City of Watsonville Pedestrian and bicycle</strong> PUC § 99400 (a)</td>
<td>162,328</td>
<td>60,926</td>
<td></td>
<td></td>
<td>223,254</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>162,328</td>
<td>60,926</td>
<td></td>
<td></td>
<td>223,254</td>
<td></td>
</tr>
<tr>
<td><strong>Grand totals</strong></td>
<td>$ 1,848,531</td>
<td>$ 7,254,302</td>
<td>$ 7,684,963</td>
<td></td>
<td>$ 1,417,870</td>
<td></td>
</tr>
</tbody>
</table>

* Public Utilities Code
<table>
<thead>
<tr>
<th>Claimant/Purpose/Authority*</th>
<th>Allocated Balance July 1, 2011</th>
<th>Allocation</th>
<th>Expended</th>
<th>Amended</th>
<th>Allocated Balance June 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Cruz Metropolitan Transit District</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit operator assistance CAC § 6730 a</td>
<td>$ -</td>
<td>$ 2,792,749</td>
<td>$ 2,792,749</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>$ -</td>
<td>$ 2,792,749</td>
<td>$ 2,792,749</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

* California Administrative Code
TO: Regional Transportation Commission

FROM: George Dondero, Executive Director
Yesenia Parra, Administrative Services Officer

RE: Memoranda of Understanding Extensions

RECOMMENDATIONS

Staff recommends that the Santa Cruz County Regional Transportation Commission:

1. Adopt the side letters (Attachments 1 and 2) with the bargaining units, Community of RTC Employees (CORE) and the RTC Association of Middle Managers (RAMM), to extend the corresponding Memoranda of Understanding (MOU) and;

2. Authorize the Executive Director to take all necessary administrative actions including signing the appropriate documents to implement the provisions of the side letters.

BACKGROUND

For the past few months the RTC has been engaged in negotiations for an extension of the current MOU for both RTC bargaining units to include, Community of RTC Employees (CORE) and RTC Association of Middle Management (RAMM).

At your January 24, 2013 RTC meeting, the RTC discussed and agreed to the MOU extension proposals to both of the RTC bargaining unit’s memoranda of understanding, which the extensions will expire on March 31, 2015.

DISCUSSION

The Community of RTC Employees (CORE) and the RTC Association of Middle Managers (RAMM) have reached an agreement with the RTC for the extension of 24 months for both labor agreements. The provisions to the 24 month extension which are outlined in the side letters (Attachment 1 and 2) are:

1. Labor agreement extension for 24 months with an expiration date of March 31, 2013.
2. Compensation study postponed and to take place starting October 2014.
3. RTC will maintain the same level of benefits as outlined in the current labor agreements for active employees and retirees.
4. RTC agrees to pay the same percentage of benefit premiums as outlined in the labor agreements based on premiums for each year.
5. Cost of Living increases (COLA) as follows:
   a. 2% COLA on April 1, 2013
   b. 2% COLA on April 1, 2014
6. Additional changes apply only to RAMM
   a. Increase cell phone allowance to $50 per month
   b. Increase vacation payout hours to 120 hours per fiscal year

SUMMARY

Both RTC bargaining units, CORE and RAMM have agreed to extend the current labor agreements for 24 months. The side letters (Attachments 1 and 2) outline the provisions for the 24 month extension.

Attachments:
   1. CORE Side Letter
   2. RAMM Side Letter
The Santa Cruz County Regional Transportation Commission (RTC) and Community of RTC Employees, represented by Service Employees International Union (SEIU) Local 521 (CORE) have met and conferred in good faith and agreed as follows:

1. The current Memorandum of Understanding (MOU) between RTC and CORE with effective dates September 11, 2007 through November 13, 2010 and the prior amendments to that MOU, including the Side Letter signed by the parties extending that MOU to March 31, 2013, shall be further extended to March 31, 2015. As part of the extension CORE and RTC agree to postpone the compensation study required in section 21.4 of the MOU, such that the study would start October 1, 2014.

2. The terms and conditions set forth in the MOU, including in any applicable Side Letters, shall continue in effect under this Side Letter extension of the MOU, except as set forth in paragraphs 3 and 4.

3. The RTC agrees to maintain the current level of all benefits for current and active employees and retirees and agrees to pay the same percentage of benefit premiums as outlined in the MOU using the 2013, 2014, and 2015 premium costs for each calendar year.

   A. **Retiree Health Care (Article 10.1.G.1.e):**
      For calendar years 2011, 2012, 2013, 2014, and 2015 the RTC will increase the monthly medical contributions for retirees by $50 per year, not to exceed the actual cost of the plan selected.

   B. **General Adjustment (Article 7A):**
      The following language shall be added: CORE employees shall receive a cost of living adjustment (COLA) effective on the following dates:

      - 2% COLA on April 1, 2013
      - 2% COLA on April 1, 2014
4. **Retirement (PERS) – Local Miscellaneous Members (Article 9.1):** Replace sections of Article 9.1. with the following language to be consistent with changes mandated by the Public Employee’s Pension Reform Act of 2013 (PEPRA), and insert the following new sections: “Pension Formula for New Members” as section “9.1C”, “Contributions to Pension for New Members” as section “9.1D” and “Maximum Pensionable Compensation for New Members” as section “9.1E”:

A. **Pension Formula for Current and Legacy Employees:** The State recently passed the Public Employee’s Pension Reform Act of 2013 (PEPRA) which has retirement provisions that distinguish among “Current Employees,” “Legacy Employees,” and “New Members.” For purposes of this section, “Current Employees” are persons who are already employed with the RTC prior to January 1, 2013. Legacy Employees are employees who the Agency hires on or after January 1, 2013 and who have separated employment within the last six months from another public agency employer whose pension system has reciprocity with CalPERS. Current Employees and Legacy Employees shall receive the 2% at 55 miscellaneous retirement formula with the single highest year benefit.

A.1. **Contributions to Pension for Current and Legacy Employees:** RTC will continue to pay on behalf of current and legacy employees covered under the PERS Miscellaneous Plan the full employee and employer contributions.

C. **Pension Formula for New Members:** “New Members” is defined in Government Code section 7522.04(f) of PEPRA and refers to persons hired by RTC on or after April 1, 2013 who have not left positions within the last six months prior to being hired by RTC with another public agency employer whose pension system has reciprocity with CalPERS. New Members shall receive the 2% at 62 miscellaneous retirement formula (goes up to 2.5% at age 67) with the highest 36 consecutive month average compensation benefit.

D. **Contributions to Pension for New Members:** Effective April 1, 2013, New Members as defined in PEPRA shall pay 50% of the “normal cost” of their pension benefit, as determined annually by a PERS actuarial and required and set forth in PEPRA. New member’s contributions to their pension under this paragraph shall be made on a pre-tax basis.
E. Maximum Pensionable Compensation for New Members: Under Government Code section 7522.10 of PEPRA, the maximum pensionable compensation considered and included in a New Member’s retirement benefit is capped at 120% of the Social Security contribution and benefit base if the member’s service is not included in Social Security, and 100% if it is.

For the SCCRTC

____________________________
George Dondero
Executive Director
SCCRTC

____________________________
Yesenia Parra
Administrative Services Officer
SCCRTC

For the Union

____________________________
Gary Klemz
SEIU

____________________________
Rachel Moriconi
Negotiating Team

____________________________
Tegan Speiser
Negotiating Team

____________________________
Matt Leal
Negotiating Team
The Santa Cruz County Regional Transportation Commission (RTC) and the RTC Association of Middle Managers (RAMM) have met and conferred in good faith and agreed as follows:

1. The current MOU between RTC with effective dates September 11, 2007 through November 13, 2010 and the prior amendments to that MOU, including the Side Letter signed by the parties extending that MOU to March 31, 2013, shall be further extended to March 31, 2015. As part of the extension RAMM and RTC agree to postpone the compensation study required in Exhibit A of the MOU by 20 months, such that the study would start October 1, 2014.

2. The terms and conditions set forth in the MOU, including in any applicable Side Letters, shall continue in effect under this Side Letter extension of the MOU, except as set forth in paragraphs 3, 4, 5 and 6.

3. The RTC agrees to maintain the current level of all benefits for current and active employees and retirees and agrees to pay the same percentage of benefit premiums as outlined in the MOU using the 2013, 2014, and 2015 premium costs for each calendar year.

   A. General Adjustment (Article 11B):
   The following should be added to Article 11B: RAMM employees shall receive a COLA effective on the following dates:
   
   - 2% COLA on April 1, 2013
   - 2% COLA on April 1, 2014

4. Cell Phone Expense Reimbursement (Article 17)
   The RTC shall reimburse each employee covered by this MOU $50 per month toward the cost of cellular phone service use for work purposes.
5. **Vacation Eligibility (Article 21.1A)**
Full-time employee may request at any time a cash payment for up to 120 hours per fiscal year of unused vacation leave hours.

6. **Retirement (PERS) – Local Miscellaneous Members (Article 29):**
Replace current Article 29.1. with the following language to be consistent with changes mandated by the Public Employee’s Pension Reform Act of 2013 (PEPRA), and insert the following new sections: “Pension Formula for New Members” as section “29.5 A” a, “Contributions to Pension for New Members” as section “29.5 B” and “Maximum Pensionable Compensation for New Members” as section “29.5 C”:

   A. **Pension Formula for Current and Legacy Employees:**
The State recently passed the Public Employee’s Pension Reform Act of 2013 (PEPRA) which has retirement provisions that distinguish among “Current Employees,” “Legacy Employees,” and “New Members.” For purposes of this section, “Current Employees” are persons who are already employed with the RTC prior to January 1, 2013. Legacy Employees are employees who the Agency hires on or after January 1, 2013 and who have separated employment within the last six months from another public agency employer whose pension system has reciprocity with CalPERS. Current Employees and Legacy Employees shall receive the 2% at 55 miscellaneous retirement formula with the single highest year benefit.

   B. **Contributions to Pension for Current and Legacy Employees:** RTC will continue to pay on behalf of current and legacy employees covered under the PERS Miscellaneous Plan the full employer contributions. Current and Legacy RAMM employees will continue to pay the employee 7% rate set forth in the MOU.

   C. **Pension Formula for New Members:** “New Members” is defined in Government Code section 7522.04(f) of PEPRA and refers to persons hired by RTC on or after April 1, 2013 who have not left positions within the last six months prior to being hired by RTC with another public agency employer whose pension system has reciprocity with CalPERS. New Members shall receive the 2% at 62 miscellaneous retirement formula (goes up to 2.5% at age
67) with the highest 36 consecutive month average compensation benefit.

D. Contributions to Pension for New Members: Effective April 1, 2013 Side Letter extending this MOU to March 31, 2015, New Members shall pay 50% of the “normal cost” of their pension benefit, as determined annually by a PERS actuarial and required and set forth in PEPRA. New member’s contributions to their pension under this paragraph shall be made on a pre-tax basis.

E. Maximum Pensionable Compensation for New Members: Under Government Code section 7522.10 of PEPRA, the maximum pensionable compensation considered and included in a New Member’s retirement benefit is capped at 120% of the Social Security contribution and benefit base if the member’s service is not included in Social Security, and 100% if it is.

For the SCCRTC

____________________________
George Dondero
Executive Director
SCCRTC

____________________________
Yesenia Parra
Administrative Services Officer
SCCRTC

For the Union

____________________________
Luis Mendez
RAMM

____________________________
Daniel Nikuna
RAMM
Santa Cruz County Regional Transportation Commission
THREE MONTH MEETING SCHEDULE

February 2013
Through
April 2013

All meetings are subject to cancellation when there are no action items to be considered by the board or committee. Please visit our website for meeting agendas and locations [www.sccrtc.org/meetings/](http://www.sccrtc.org/meetings/)

<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>Meeting Day</th>
<th>Meeting Type</th>
<th>Meeting Time</th>
<th>Meeting Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/13</td>
<td>Thursday</td>
<td>Regional Transportation Commission <strong>Note Location Change</strong></td>
<td>9:00 am</td>
<td>Santa Cruz City Council Chambers</td>
</tr>
<tr>
<td>2/11/13</td>
<td>Monday</td>
<td>Bicycle Committee</td>
<td>6:30 pm</td>
<td>Commission Offices</td>
</tr>
<tr>
<td>2/12/13</td>
<td>Tuesday</td>
<td>Elderly &amp; Disabled Transportation Advisory Committee</td>
<td>1:30 pm</td>
<td>Commission Offices</td>
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<tr>
<td>2/14/13</td>
<td>Thursday</td>
<td>Budget &amp; Administration/Personnel Committee</td>
<td>3:30 pm</td>
<td>Commission Offices</td>
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<tr>
<td>2/21/13</td>
<td>Thursday</td>
<td>Transportation Policy Workshop</td>
<td>9:00 am</td>
<td>Commission Offices</td>
</tr>
<tr>
<td>2/21/13</td>
<td>Thursday</td>
<td>Interagency Technical Advisory Committee</td>
<td>1:30 pm</td>
<td>Commission Offices</td>
</tr>
<tr>
<td>3/7/13</td>
<td>Thursday</td>
<td>Regional Transportation Commission</td>
<td>9:00 am</td>
<td>County Board of Supervisors Chambers</td>
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<tr>
<td>3/11/13</td>
<td>Thursday</td>
<td>Bicycle Committee – Canceled</td>
<td></td>
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<tr>
<td>3/21/13</td>
<td>Thursday</td>
<td>Transportation Policy Workshop</td>
<td>9:00 am</td>
<td>Commission Offices</td>
</tr>
<tr>
<td>3/21/13</td>
<td>Thursday</td>
<td>Interagency Technical Advisory Committee</td>
<td>1:30 pm</td>
<td>Commission Offices</td>
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<tr>
<td>4/4/13</td>
<td>Thursday</td>
<td>Regional Transportation Commission</td>
<td>9:00 am</td>
<td>County Board of Supervisors Chambers</td>
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<tr>
<td>4/8/13</td>
<td>Monday</td>
<td>Bicycle Committee</td>
<td>6:30 pm</td>
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<tr>
<td>4/9/13</td>
<td>Tuesday</td>
<td>Elderly &amp; Disabled Transportation Advisory Committee</td>
<td>1:30 pm</td>
<td>Location TBD</td>
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<tr>
<td>4/11/13</td>
<td>Thursday</td>
<td>Budget &amp; Administration/Personnel Committee</td>
<td>3:30 pm</td>
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<td>4/18/13</td>
<td>Thursday</td>
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<tr>
<td>4/18/13</td>
<td>Thursday</td>
<td>Interagency Technical Advisory Committee</td>
<td>1:30 pm</td>
<td>Commission Offices</td>
</tr>
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</table>

Commission Offices -1523 Pacific Ave- Santa Cruz, CA
Board of Supervisors Chambers/CAO/RDA Conference room-701 Ocean St-5th floor-Santa Cruz, CA
City of Capitola-Council Chambers-420 Capitola Ave-Capitola, CA
City of Santa Cruz-Council Chambers-809 Center St-Santa Cruz, CA
City of Scotts Valley-Council Chamber-1 Civic Center Dr-Scotts Valley, CA
City of Watsonville-Council Chambers-275 Main St Ste 400-Watsonville, CA
<table>
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<tr>
<th>Date Letter Rec’d/Sent</th>
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<th>Response</th>
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<th>Last</th>
<th>Organization</th>
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<th>Last</th>
<th>Organization</th>
<th>Subject</th>
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<tbody>
<tr>
<td>01/08/13</td>
<td>Letter</td>
<td>O</td>
<td></td>
<td>Sasha</td>
<td>Tepedelenova</td>
<td>AMBAG</td>
<td>Daniel</td>
<td>Nikuna</td>
<td>SCCRTC</td>
<td>2012 Rideshare Month</td>
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<tr>
<td>01/16/13</td>
<td>Letter</td>
<td>I</td>
<td></td>
<td>A. John</td>
<td>Daugherty</td>
<td>Chair, E&amp;D TAC SCCRTC</td>
<td>Jaime</td>
<td>Young</td>
<td>County of Santa Cruz</td>
<td>Accessibility of Polling Places</td>
</tr>
<tr>
<td>01/16/13</td>
<td>Letter</td>
<td>O</td>
<td></td>
<td>Reinie</td>
<td>Jones</td>
<td>Department of Transportation</td>
<td>Luis</td>
<td>Mendez</td>
<td>SCCRTC</td>
<td>Billing Invoice #4 for the Monterey Bay Sanctuary Scenic Trail Project</td>
</tr>
<tr>
<td>01/18/13</td>
<td>Letter</td>
<td>O</td>
<td></td>
<td></td>
<td></td>
<td>Santa Cruz Association of Realtors</td>
<td>Veronica</td>
<td>Elsea</td>
<td>Chair, Pedestrian Safety Work Group SCCRTC</td>
<td>Free Standing Realtor Signs</td>
</tr>
<tr>
<td>01/18/13</td>
<td>Invoice</td>
<td>O</td>
<td></td>
<td>Luis</td>
<td>Duazo</td>
<td>Caltrans, District 5</td>
<td>Luis</td>
<td>Mendez</td>
<td>SCCRTC</td>
<td>Invoice #12 - Corridor Mobility Improvement (CMI) and STIP/RIP Funds for the SR1 Auxiliary Lanes Construction</td>
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<tr>
<td>01/18/13</td>
<td>Email</td>
<td>I</td>
<td></td>
<td></td>
<td></td>
<td>SCCRTC</td>
<td>David</td>
<td>Baxter</td>
<td></td>
<td>Highway 1 Soquel/Morrissey Auxiliary Lanes Project Update</td>
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<tr>
<td>01/24/13</td>
<td>Email</td>
<td>I</td>
<td></td>
<td></td>
<td></td>
<td>SCCRTC</td>
<td>Manuka</td>
<td>Clarke</td>
<td></td>
<td>Bike Rental System for Santa Cruz</td>
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<tr>
<td>01/25/13</td>
<td>Letter</td>
<td>O</td>
<td></td>
<td>Winton</td>
<td>Emmett</td>
<td>Department of Transportation</td>
<td>Rachel</td>
<td>Moriconi</td>
<td>SCCRTC</td>
<td>PPM13-6149(078) - Fund Transfer Agreement</td>
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## Correspondence Log
### February 7, 2013

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<th>First</th>
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<th>Subject</th>
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</thead>
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<td>01/28/13</td>
<td>Email</td>
<td>I</td>
<td>KS 01/28/13</td>
<td></td>
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<td>SCCRTC</td>
<td></td>
<td>Mai</td>
<td>Vang</td>
<td>State Controller's Office</td>
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<tr>
<td></td>
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<td></td>
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<td></td>
<td>Joint Powers Authority - Highway 1 Construction Authority</td>
</tr>
</tbody>
</table>
January 18, 2013

Santa Cruz Association of Realtors
2525 Main Street
Soquel, CA 95073-2407

RE: FREE STANDING REALTOR SIGNS

Dear Realtors and Brokers –

The Pedestrian Safety Work Group is a sub-committee of the Santa Cruz County Regional Transportation Commission’s (RTC) Elderly & Disabled Transportation Advisory Committee. The mission of the work group is to ensure safe and accessible pedestrian travel throughout the county for the benefit of all residents.

To maintain safe access for all pedestrians, the Work Group respectfully requests that realtor signs be placed in locations that do not create barriers on the sidewalk or on curb ramps. Signs should also not interfere with the ability of disabled pedestrians to reach or safely locate walk light buttons. Please find ways to place real estate signs out of the public right of way and be considerate of the rights for all in our community to safely use sidewalks.

Please let us know if you would like someone from our group to address real estate agents, brokers or administrators. Karena Pushnik, RTC staff, will follow up with Andrea Harbert or she can be reached at 831.460.3210.

Thank you.

Veronica Elsea, Chair
Pedestrian Safety Work Group
From: David Baxter [mailto:David@baxter360.com]
Sent: Friday, January 18, 2013 4:15 PM
To: Regional Transportation Commission
Subject: Re: RTC: Hwy 1 Soquel/Morrissey Aux Update- Jan 17

Where did they start on the sound walls? I’m directly impacted at 148 Oak Way and I see no evidence of sound wall footing. Where did they begin...north of me or south of me?

____________________________________________________

From: Karena Pushnik
Sent: Friday, January 18, 2013 5:15 PM
To: 'David@baxter360.com'
Subject: FW: RTC: Hwy 1 Soquel/Morrissey Aux Update- Jan 17

Hi David -
I was able to find the answer to your question from the resident Construction Engineer who provided the below response.
Thank you for contacting us and let me know if you have other questions.

. . . . . .
Karena Pushnik
RTC | 831.460.3210

____________________________________________________

It is to the west of him, NB SR1. It is the soundwall that is on top of the retaining wall. The barrier rail acts as the footing. There is reinforcing steel sticking up in the air. The soundwall in his back yard should be proceeding in February.

Bruce J Shewchuk
Senior Project Manager
Parsons Brinckerhoff
408-409-0688 (cell)

www.pbworld.com
From: Manuka Clarke [mailto:manuka.clarke@gmail.com]
Sent: Thursday, January 24, 2013 12:19 PM
To: info@sccrtc.org
Subject: bike rental system for Santa Cruz

I was recently traveling through Europe and was very impressed with the biking system in both Barcelona, and Berlin. Barcelona is www.bicing.cat
While in Berlin I met the inventor of the solar bike rental stations. I’ve been thinking since my return how great it would be for Santa Cruz to adopt such a system.
It could possibly decrease the traffic around beaches and downtown. If bike routes were improved more families could use them myself included.
I do not ride bikes around downtown with my kids because it is too dangerous.
The German inventor of call-a-bike said he’d love to introduce his system to Santa Cruz and has begun to do so in other cities in the US.

Best,
Manuka Clarke
831-600-7635
manuka.clarke@gmail.com

Dear Manuka Clarke,

Thank you for your comments. They will be made available to the Commission for their review.

Please visit the SCCRTC website at www.sccrtc.org for information on the Commission and its activities.

Your email has also been forwarded to our Bicycle Coordinator who is involved in discussions regarding bike share/bike rental programs as part of the RTC’s long range transportation planning efforts.

Thank you,

Cathy Judd, Administrative Assistant
Santa Cruz County Regional Transportation Commission
Santa Cruz 831.460.3200 | Watsonville 831.768.8012
1523 Pacific Avenue | Santa Cruz, CA 95060

Follow our social networks for the latest RTC news
DESCRIPTORY FUNDS

- The California Department of Transportation (Caltrans), Division of Transportation Planning is now accepting applications for the Transportation Planning Grant Program.

The Fiscal Year 2013-14 Transportation Planning Grant Application Guide is posted on the Division of Transportation Planning (DOTP) Grants website at: http://www.dot.ca.gov/hq/tpp/grants.html

Applications are due via email by 5:00pm, Tuesday, April 2, 2013.

A planning grant workshop will be held on Friday, March 1, 2013 in Marina at the Marina Library Community Room from 10 a.m. to Noon.

NEWSWORTHY

- The California Department of Transportation (Caltrans) is pleased to host a series of open houses for the California State Rail Plan (CSRP).

The Draft CSRP will be available on February 8, 2013 at: http://californiastaterailplan.com/project-materials

- Continuing the push to rebuild California’s infrastructure, the California Transportation Commission (CTC) has allocated $64 million to 43 projects that will reduce traffic congestion and repair highways, local streets, and bridges.

Among the projects that received funding was:

$1.8 million to construct new and upgrade existing guard railing, improve crash cushions and improve drainage to reduce the number and severity of traffic collisions at 31 different locations along Hwy. 1 in the City of Santa Cruz from Laguna Road to the Waddell Creek Bridge. (This is Project #9 on our Project Update Report).
## Completed Construction Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Description</th>
<th>Construction Timeline</th>
<th>Construction Cost</th>
<th>Funding Source</th>
<th>Implementing Agency</th>
<th>Project Manager (Resident Engineer)</th>
<th>Contractor</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hwy. 9 Grind and Replace (0S0804)</td>
<td>In Santa Cruz from so. of the Rtos 01/09 junction to just no. of Vernon St. (PM 0.0-PM 0.6)</td>
<td>Cold plane and hot mix asphalt and repaving</td>
<td>Spring 2012-January 14, 2013</td>
<td>$350,000</td>
<td>Highway Maint.</td>
<td>Caltrans</td>
<td>Kelly McClain (TL)</td>
<td>Pavex Construction Div., San Jose</td>
<td>Project completed on January 14, 2013</td>
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## Construction Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Description</th>
<th>Construction Timeline</th>
<th>Construction Cost</th>
<th>Funding Source</th>
<th>Implementing Agency</th>
<th>Project Manager (Resident Engineer)</th>
<th>Contractor</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hwy. 1 Watsonville (CAPM) Rehab. (0M7504)</td>
<td>Hwy 1 (PM 0.0-10.2) In Santa Cruz County in Watsonville and Apts from Pajaro River Bridge to North Apts Underpass</td>
<td>Pavement Rehabilitation (hot mix asphalt on existing pavement)</td>
<td>April 15, 2012-Winter 2012</td>
<td>$12M</td>
<td>SHOPP</td>
<td>Caltrans</td>
<td>Luis Duazo (BR)</td>
<td>Pavex Construction Division, Watsonville</td>
<td>Night work with alternating lane and ramp closures. Work expected to complete end of February 2013</td>
</tr>
<tr>
<td>Santa Cruz Highway 1 Median Barrier (0S3104)</td>
<td>Highway 1 in Santa Cruz (17.5-18.2)</td>
<td>Construct colored and textured Median Barrier</td>
<td>April 23, 2012-January 24, 2013</td>
<td>$1.6 M</td>
<td>SHOPP</td>
<td>Caltrans</td>
<td>Doug Hessing (FK)</td>
<td>Toms Septic Construction, Salinas</td>
<td>Project scheduled to complete 1/24/13</td>
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### Construction Projects (Continued)

<table>
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<th>Construction Cost</th>
<th>Funding Source</th>
<th>Implementing Agency</th>
<th>Project Manager (Resident Engineer)</th>
<th>Contractor</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Hwy. 9 Holiday Lane Improvements (0K2304)</td>
<td>Highway 9 between Ben Lomond and the Highland Co. Park; S. of Holiday Lane (PM 8.4-8.6)</td>
<td>Construct Viaduct, Upgrade guard rail</td>
<td>Summer 2012 – Summer 2013</td>
<td>$1.3 M</td>
<td>SHOPP</td>
<td>Caltrans</td>
<td>Steve DiGrazia (AN)</td>
<td>Pavex Construction Div., Watsonville</td>
<td>Work began in September. Traffic control consists of one-way traffic control with a temporary signal 24/7.</td>
</tr>
</tbody>
</table>

### Projects in Development

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Description</th>
<th>Construction Timeline</th>
<th>Construction Cost</th>
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<th>Project Manager</th>
<th>Phase</th>
<th>Comments</th>
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<tbody>
<tr>
<td>8. Hwy. 1 Guardrail Upgrade, Concrete Barrier, Retaining Wall (05-0R9101)</td>
<td>Highway 1 from S of South Aptos Underpass to .1 Mi N. of Rt 9 (PM 9.0-17.6)</td>
<td>Upgrade Metal Beam Guard Rail, other improvements</td>
<td>Fall/ Winter 2013</td>
<td>$1.9M</td>
<td>SHOPP</td>
<td>Caltrans</td>
<td>Doug Hessing</td>
<td>PS&amp;E/RW</td>
<td>Scheduled to be advertised early 2013.</td>
</tr>
<tr>
<td>9. Hwy. 1 Guardrail/Crash Cushions (0M970_)</td>
<td>Highway 1, various locations from San Lorenzo R. Bridge to Waddell Creek (PM 17.4-26.0)</td>
<td>Upgrade guard rail, end treatments</td>
<td>Winter / Summer 2013</td>
<td>Tota $1.8M</td>
<td>SHOPP</td>
<td>Caltrans</td>
<td>Doug Hessing</td>
<td>PS&amp;E</td>
<td>Bids opened; pending award of contract</td>
</tr>
</tbody>
</table>
# PROGRAMMED/FUNDED SHOPP PROJECTS
## in Santa Cruz County

### January 2013 Semi-Annual List

<table>
<thead>
<tr>
<th>Route</th>
<th>Post Miles</th>
<th>PPNO</th>
<th>Project Description</th>
<th>Project Name</th>
<th>Current Project Phase</th>
<th>Ready To List (Target)</th>
<th>Project Manager</th>
<th>Cost ($1,000)</th>
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</tr>
<tr>
<td>18</td>
<td>6.0/12.6</td>
<td>7007</td>
<td>Near Scotts Valley at various locations from Santa's Village Road to the Santa Clara County line. Construct new guardrail and retaining walls and upgrade guardrail, crash cushions, and end treatments. NOTE: Contractor defaulted. Replacement project is EA 05-0L701.</td>
<td>SCR 17 Guard Rail Upgrades</td>
<td>CON</td>
<td>7/28/2009(A)*</td>
<td>Steve Digrazia</td>
<td>$6,160 Award/$17</td>
</tr>
<tr>
<td>18</td>
<td>6.1/6.6</td>
<td>4001</td>
<td>Near Scotts Valley north of Santa’s Village Road to south of Crescent Drive. Construct concrete guard rail.</td>
<td>Santa Village Road Guard Rail</td>
<td>CON</td>
<td>3/25/2010(A)*</td>
<td>Doug Hessing</td>
<td>$1,568 Award/$113</td>
</tr>
<tr>
<td>1</td>
<td>R0.0/R10.2</td>
<td>0075</td>
<td>Near the city of Watsonville, from Pajaro River Bridge to North Apts Underpass. Rehabilitate pavement.</td>
<td>Watsonville CAPM</td>
<td>CON</td>
<td>6/15/11(A)*</td>
<td>Luis Duazo</td>
<td>$14,414 Award/$15</td>
</tr>
<tr>
<td>9</td>
<td>8.4/8.6</td>
<td>1937</td>
<td>Near Ben Lomond, from 0.2 mile north of Glen Road Rd to Highland Country Park. Upgrade guardrail and stabilize shoulder. (Project include $900k of OTS funds.)</td>
<td>Holiday Lane Viaduct</td>
<td>CON</td>
<td>12/21/11(A)*</td>
<td>Steve Digrazia</td>
<td>$217 Award/$4</td>
</tr>
<tr>
<td>1</td>
<td>17.4/26.0</td>
<td>1963</td>
<td>Near the city of Santa Cruz from the San Lorenzo River Bridge to Laguna Road. Install guardrail and crash cushions.</td>
<td>Santa Cruz 1 Guardrail Upgrade</td>
<td>PS&amp;E/RW</td>
<td>2/24/2012(A)*</td>
<td>Doug Hessing</td>
<td>$1,785 Vote/$14</td>
</tr>
<tr>
<td>1</td>
<td>17.5/18.2</td>
<td>2246</td>
<td>In the city of Santa Cruz, from north of Rte 9 to north of High Street Pedestrian Overcrossing. Install concrete median barrier.</td>
<td>Santa Cruz Highway 1 Median Barrier, 9 to Mission</td>
<td>CON</td>
<td>8/31/11(A)*</td>
<td>Doug Hessing</td>
<td>$1,388 Award/$3</td>
</tr>
<tr>
<td>1</td>
<td>26.8/36.3</td>
<td>1964</td>
<td>Near Davenport from Laguna Road to Waddell Creek Bridge. Upgrade guardrail and drainage facilities.</td>
<td>Laguna Road Guardrail Upgrade</td>
<td>PS&amp;E/RW</td>
<td>11/15/12(A)*</td>
<td>Steve Digrazia</td>
<td>$1,340 Vote/$14</td>
</tr>
<tr>
<td>1</td>
<td>9.0/17.6</td>
<td>2271</td>
<td>Near Aptos, from South Apts Underpass to Roaring Camp RR crossing. Upgrade guardrail, guardrail end treatments, and drainage features.</td>
<td>Santa Cruz 1, ENV, RR, Guardrails</td>
<td>PS&amp;E/RW</td>
<td>1/2/2013</td>
<td>Doug Hessing</td>
<td>$2,469/$75</td>
</tr>
<tr>
<td>18</td>
<td>11.04</td>
<td>2332</td>
<td>Near Scotts Valley, north of Glenwood Drive. Construct retaining wall.</td>
<td>Summit Slide Repair</td>
<td>CON</td>
<td>3/1/2012(A)*</td>
<td>Steve Digrazia</td>
<td>$3,475 Award/$25</td>
</tr>
</tbody>
</table>

**NOTE:** For general information about the SHOPP program, contact Cindy Simeroth at (805) 549-3050 or by email at cindy_simeroth@dot.ca.gov

*List is provided in January and July of each year.

Jan_13_SCCRTC_SHOPP_012313
Updated: January 2013
# PROGRAMMED/FUNDED SHOPP PROJECTS in Santa Cruz County

## January 2013 Semi-Annual List

<table>
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<tr>
<th>Route</th>
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<td><strong>Programmed in 13/14 FY</strong></td>
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<tr>
<td>1</td>
<td>8.0/17.5</td>
<td>9000</td>
<td>In Santa Cruz County, from 0.4 mile south of Freedom Blvd to 0.4 mile north of Ocean Street. Install CCTV and signs.</td>
<td>SCR Traffic Surveillance Station CC TV</td>
<td>PS&amp;E/RW</td>
<td>4/15/2013</td>
<td>Luis Duazo</td>
<td>$2,956/$13</td>
</tr>
<tr>
<td>9</td>
<td>1.7/23.9</td>
<td>1988</td>
<td>Near Boulder Creek, from 0.3 mile south of Rancho Creek Bridge to the San Mateo County line at various locations. Storm water mitigation.</td>
<td>SCR 9 San Lorenzo River Source Control</td>
<td>PS&amp;E/RW</td>
<td>12/1/2013</td>
<td>Doug Hessing</td>
<td>$2,543/$46</td>
</tr>
<tr>
<td>129</td>
<td>9.5/10.0</td>
<td>2285</td>
<td>In Santa Cruz County, west of Chittenden Road. Improve roadway alignment.</td>
<td>Hwy 129 Curve Realignment</td>
<td>PA&amp;ED</td>
<td>6/1/2014</td>
<td>Doug Hessing</td>
<td>$12,527/$101</td>
</tr>
<tr>
<td><strong>Programmed in 14/15 FY</strong></td>
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<tr>
<td>VAR</td>
<td>VAR</td>
<td>2235</td>
<td>In Santa Cruz and Monterey counties at various locations on Routes 1, 9, 17, 68, 129, 218, and 236. Upgrade pedestrian curb ramps. (Project in Santa Cruz; some work in MON)</td>
<td>Santa Cruz / Monterey ADA</td>
<td>PS&amp;E/RW</td>
<td>3/16/2015</td>
<td>Doug Hessing</td>
<td>$3,859/$833</td>
</tr>
<tr>
<td>17</td>
<td>8.2/10.1</td>
<td>2311</td>
<td>Near Glenwood, from 0.9 mile north of Vinehill Road and 0.5 mile south of Glenwood Drive. Shoulder widening and concrete guardrail.</td>
<td>Santa Cruz 17 Shoulder Widening and Concrete Guardrail</td>
<td>PS&amp;E/RW</td>
<td>1/21/2015</td>
<td>Doug Hessing</td>
<td>$6,968/$75</td>
</tr>
<tr>
<td>17</td>
<td>9.4/10.1</td>
<td>2361</td>
<td>Near Scotts Valley, from north of Tucker Road to south of Glenwood Drive. Widen shoulder and add safety barrier.</td>
<td>Laurel Curve NB Shoulder Widening</td>
<td>PS&amp;E/RW</td>
<td>1/1/2014</td>
<td>Steve Digrazia</td>
<td>$3,558/$0</td>
</tr>
<tr>
<td>1</td>
<td>20.4/30.6</td>
<td>2381</td>
<td>Near the city of Santa Cruz, from Shaffer Road to Swanton Road. Install rumble strips.</td>
<td>Santa Cruz/Davenport Rumble Strips</td>
<td>PA&amp;ED</td>
<td>7/15/2014</td>
<td>Doug Hessing</td>
<td>$607/$0</td>
</tr>
<tr>
<td><strong>Programmed in 15/16 FY</strong></td>
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<tr>
<td>1</td>
<td>31.6/36.3</td>
<td>9900</td>
<td>Near Davenport, at Scott Creek Bridge #36-0031 and Waddell Creek Bridge #36-0065. Bridge replacement. (Note: Former Long Lead project)</td>
<td>Scott Creek and Waddell Creek Bridge Replacement</td>
<td>PA&amp;ED</td>
<td>10/1/2015</td>
<td>Steve Digrazia</td>
<td>$20,369/$340</td>
</tr>
<tr>
<td>17</td>
<td>0.7/2.2</td>
<td>1989</td>
<td>In Santa Cruz, from 0.7 mile north of Route 1/17 Separation to north of Simms Road. Storm water mitigation.</td>
<td>Hwy 17 Sediment Source Control</td>
<td>PA&amp;ED</td>
<td>4/1/2016</td>
<td>Doug Hessing</td>
<td>$9,905/$1,107</td>
</tr>
<tr>
<td>1</td>
<td>7.5/17.4</td>
<td>2358</td>
<td>In and near the city of Santa Cruz, on Routes 1 and 17 at various locations. Construct roadside paving, access gates, weed barriers and relocate facilities.</td>
<td>Santa Cruz Worker Safety</td>
<td>PA&amp;ED</td>
<td>12/1/2015</td>
<td>Luis Duazo</td>
<td>$1,222/$5</td>
</tr>
</tbody>
</table>

(A)* = Actual date RTL was achieved.

Minor A Projects

Note: Construction Award or Vote costs are actuals; otherwise Construction costs are estimates.

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contact Cindy Simeroth at (805) 549-3050 or by email at cindy_simeroth@dot.ca.gov

*List is provided in January and July of each year.

Jan_13_SCCRTC_SHOPP_012313

Updated: January 2013
TO: Regional Transportation Commission

FROM: Kim Shultz, Senior Transportation Planner

RE: Highway 1 Soquel/Morrissey Auxiliary Lanes Project

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC) receive:

1. the monthly report on construction activities for the Highway 1 Soquel/Morrissey Auxiliary Lanes Project; and,

2. a report on completion of the required wetlands and riparian habitat mitigation project at the Watsonville Slough Manabe Restoration Site.

BACKGROUND

On January 5, 2012, the RTC authorized a construction contract for work to begin on the Highway 1 Soquel/Morrissey Auxiliary Lanes project. A Notice to Proceed was issued to the contractor on February 3, 2012, following receipt of performance bonds and insurance certificates.

DISCUSSION

RTC Resident Engineer, Bruce Shewchuk, will present an oral report on current construction activities and will respond to questions. Last week the contractor was able to complete construction of the northbound retaining wall and work has now begun on back filling the slope behind the wall and removing the steel I-beams securing the shoring wall. The next order of work will be to prepare the sub-base and extend the pavement section on both sides of the highway so that the traffic can be shifted to the shoulder and the k-rails can be moved to the center median area to create work space around the existing center column while maintaining 2 lanes of traffic in both directions through the construction area.

The existing center column of the La Fonda Avenue Overcrossing will be removed and a new support column installed that meets current seismic standards and work can then begin on the horizontal section of the new bridge. While the bridge work is progressing, construction will begin on the soundwalls on the north side of the highway. The soundwalls extend from the slope at Arana Gulch northward to a point that overlaps the soundwalls constructed as part of the Highway 1/17 Merge Lanes project.
The bridge work will require partial closure of the highway on select nights for demolition of the center column and set up of the supper structure for the horizontal portion of the bridge. Staff will alert the community via E-news prior to the night work beginning. Work on both the bridge section and soundwalls is expected to be completed in early summer with completion of the entire project, including landscaping, in late summer. Staff will update this schedule as the work progresses.

As previously reported, the contractor continues to claim that differing site conditions required more extensive shoring system than originally anticipated on the northside of the highway. RTC’s construction engineer continues to closely monitor the work to assist in resolving any potential claims of extra costs associated with this work.

**Construction Financial Status**

As of this writing, four contract change orders (CCO’s) have been approved in a total amount of $117,492. The CCO for the Park Way multi-use ($61,000) was paid from the supplemental budget outside of the contract contingency which results in a contingency balance of $937,372. Through 11 months of construction activity, the approved progress payments total $5,177,705. As of this writing the progress payment for the current period is still under review by the construction engineer and will be reported at the next meeting.

Following is the current contractor cost accounting:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Updated Contract Amount</td>
<td>$10,056,131</td>
</tr>
<tr>
<td>Contingency Balance</td>
<td>$937,372</td>
</tr>
<tr>
<td>Approved Contract Budget</td>
<td>$10,993,503</td>
</tr>
<tr>
<td>Progress Payments To Date</td>
<td>$5,177,705</td>
</tr>
<tr>
<td>Remaining Contract Budget</td>
<td>$5,815,798</td>
</tr>
</tbody>
</table>

Additional contract change orders are anticipated in the coming weeks, including: unexpected extra work associated with the different site conditions and drainage needs on the north slope including connection to the drainage system on Oak Street and installation of a new drainage system crossing the freeway west of La Fonda; striping and signage for the revised circulation system at Harbor High School; and K-rail openings on the northbound and southbound side of the highway for the removal of dirt. Before construction activities began, the RTC approved a set of policies for contract change orders and established a contract change orders ad-hoc committee composed of five Commissioners. It has not been necessary to convene the ad-hoc committee up to this point but if any contract change order is over $100,000, the ad-hoc committee will be convened.

As previously reported, a product of the of the recent elections is that there are currently only three Commissioners on the ad-hoc committee (Attachment 1). At the December RTC meeting, Commissioner Lane expressed interest in serving on the committee. This means that there is room for one more Commissioner.
Commissioners interested in serving on the ad-hoc committee should contact the RTC Chair.

**Habitat Mitigation – Phase 2 Watsonville Slough Restoration Project**

Through the environmental analysis phase of the project, it was determined that approximately 1.5 acres of wetland and riparian habitat restoration was required to mitigate permanent and temporary impacts created within the project area. Facilitated by the Resource Conservation District of Santa Cruz County, Caltrans and the resource agencies quickly agreed that the Phase 2, Watsonville Slough Restoration Project was a near perfect fit to meet the restoration requirements of the Auxiliary Lanes Project.

Phase 1 of the Slough Restoration Project was completed in 2008. Phase 2, which was completed in late fall, extended the restoration of the slough from the Ohlone Parkway to Highway 1, approximately 1,700 feet. Nearly 70% of the wetlands restored through the Phase 2 project meet the habitat mitigation required of the Auxiliary Lanes Project. The balance of the Phase 2 project was funded by the City of Watsonville and a grant from the State Water Resource Control Board. Tom Sharp, Project Manager for City of Watsonville, will provide a short presentation of the habitat restoration work.

**Advanced Mitigation Planning**

State and federal resource agencies typically require mitigation projects to be completed prior to the start of the transportation project creating the environmental impact. As a result, it is not uncommon that transportation projects can experience considerable delay while the proposed mitigation project goes through the necessary permitting process. The RTC was the beneficiary of prior mitigation planning work completed by the Resource Conservation District (RCD) and the City of Watsonville which allowed the Phase 2 restoration work to advance and not delay the start of the Auxiliary Lanes Project.

The success of this joint effort spurred discussion between staff of the RCD and RTC to initiate broader discussions on partnerships for early and coordinated mitigation planning. The foundation for this work is the Integrated Watershed Restoration Program (IWRP) prepared by the RCD to identify and coordinate the improvement of wildlife habitat and water quality countywide. With the unanimous support of the Interagency Technical Advisory Committee (ITAC), the RTC in June 2010 authorized the Executive Director to sign a Memorandum of Understanding with local, state, and federal agencies responsible for coordinating watershed-based resource conservation with early mitigation planning for transportation projects in Santa Cruz County. Karen Christensen, Executive Director of the RCD, will provide a short presentation on the vision and status of this multi-agency planning effort to protect the environment and advance the delivery of transportation projects such as the Highway 1 Soquel/Morrissey Auxiliary Lanes Project.
SUMMARY

Construction of the northbound retaining wall is now complete and work has begun on back filling the slope behind the wall and preparing the pavement sections on both sides of the highway so that traffic can be shifted to the shoulders to create space in the median for the removal and reconstruction of the center column for the new La Fonda Avenue Overcrossing. Once the center column is replaced work can begin on the horizontal section of the new bridge. Work on both the bridge section and soundwalls is expected to be completed in early summer with completion of the entire project, including landscaping, by late summer. The required wetlands mitigation work for the Auxiliary Lanes Project was completed late last year as part of the Phase 2, Watsonville Slough Restoration Project. The RTC was the beneficiary of early mitigation planning completed by the Resource Conservation District (RCD) of Santa Cruz County and the City of Watsonville which allowed the restoration work to advance and not delay the start of the Auxiliary Lanes Project. Representatives of the City of Watsonville and the RCD will make a brief presentation of this project and the vision for further multi-agency planning to protect the environment and advance the delivery of transportation projects throughout the county.

Attachment:
1. Contract Change Order Ad-Hoc Committee Composition for 2013

\RTCSERV2\Shared\RTC\TC2012\1212\Hwy1\StaffReport-130207.docx
Highway 1 Soquel/Morrissey Auxiliary Lanes Project

Contract Change Order Procedure

Ad-Hoc Committee Composition

Calendar Year 2013

Members:  Neal Coonerty, RTC Chair (County Supervisor)
          Eduardo Montesino, RTC Vice-Chair (City of Watsonville)
          Dene Bustichi (Metro Rep)

In absense of the appointed Commissioner, that Commissioner’s Alternate to the RTC may represent the appointed Commissioner.

Prepared by: Kim Shultz
TO: Regional Transportation Commission (RTC)  
FROM: Cory Caletti, Senior Transportation Planner/Project Manager  
RE: Monterey Bay Sanctuary Scenic Trail Network – Draft Environmental Impact Report project alternatives

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission approve the proposed project alternatives listed on Attachment 1 for study as part of the Draft Environmental Impact Report for the Monterey Bay Sanctuary Scenic Trail Network.

BACKGROUND

The Monterey Bay Sanctuary Scenic Trail Network (Trail Network) is planned to be a multi-use pathway for bicyclists and pedestrians that will span the length of Santa Cruz County’s coastal region. Federal funds to establish a continuous trail network have been secured by Congressman Sam Farr with the RTC also programming locally controlled funds. The California Coastal Conservancy also provided funding the Trail Network development effort.

The Trail Network will be separated from motor vehicle traffic, as possible, and utilize the on-street network to provide greater community connectivity. The Trail Network will serve transportation, recreation, health, eco-tourism, coastal access, economic vitality, educational and interpretive purposes. The “spine” of the Trail Network will be built parallel to the operational rail line. Spur trails will connect the primary alignment to major activity centers.

The RTC has engaged RRM Design Group, a consulting firm specializing in trail planning, to develop a master plan and environmental review document for the Trail Network project. A Draft Master Plan was released for public comment in the fall of last year and was followed by four public workshops attended by over 300 members of the public. Public comments on proposed trail alignments, design standards, prioritization, anticipated costs, implementation, maintenance and operations were received through the end of last year and are now being considered in the development of the final Master Plan.

DISCUSSION

Draft Environmental Impact Report

Simultaneous to development of the final Master Plan, an Environmental Impact Report (EIR) is being developed. To date, the RTC released a notice of preparation and initial study for the EIR, and held two scoping meetings to gather additional input on the content and focus of the environmental analysis. The draft EIR is expected to be released this spring for public review and comment.
The purpose of the EIR is to inform public agency decision-makers and the general public of the significant environmental effects of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project. The project under consideration is the Trail Network Master Plan, the purpose of which is to establish the continuous alignment, connecting spurs, and set of design standards for a bicycle/pedestrian (multi-use) trail for the length of Santa Cruz County. Although the EIR will analyze potential conflicts between the proposed Trail Network and existing rail service, dictating or evaluating future use of the rail line is beyond the scope of this analysis.

As required by Section 15126.6 of the California Environmental Quality Act (CEQA) Guidelines, the Draft Environmental Impact Report (DEIR) is required to consider a range of reasonable alternatives to the project. Specifically, the Guidelines state:

15126.6 (a). ...An EIR need not consider every conceivable alternative to a project. Rather it must consider a reasonable range of potentially feasible alternatives that will foster informed decision making and public participation. An EIR is not required to consider alternatives which are infeasible. The lead agency is responsible for selecting a range of project alternatives for examination and must publicly disclose its reasoning for selecting those alternatives.

In addition to the proposed project, the following alternatives are being considered for the analysis:

1. No project – as required by CEQA, this alternative assumes that no Trail Network would be constructed and that only projects identified in other planning efforts would move forward;

2. On-road alternative – this alternative would eliminate use of the rail right-of-way and would instead construct on-road bicycle improvements and pedestrian (sidewalk) improvements; and

3. Reduced project – this alternative would include a concentrated trail system that would serve the more urbanized and densely populated areas of the county.

Attachment 1 provides additional descriptions and preliminary consideration of impacts. The RTC is asked to approve inclusion of these alternatives into the DEIR analysis. Megan Jones from Rincon Consultants, an environmental planning sub-consultant to RRM Design Group, will provide additional information for the proposed project alternatives at the February 7th, 2013 RTC meeting.

Suggestion of a no-rail service alternative

Requests have been received from members of the public to have the DEIR consider a “no rail service” alternative that would eliminate use of the tracks for rail service due to either abandonment or track removal. Community concerns have centered on the impacts of train service to adjacent neighborhoods and the additional cost to the project due to the majority of the train trestles being incapable of holding cantilevered bike/pedestrian structures.

As required by rail right-of-way purchase agreements and the RTC’s public commitment, planning and design of the Trail Network assumes and prioritizes train service on the rail right-of-way.
Because a no-rail alternative would ignore this requirement, it would not be considered a reasonable alternative. Accordingly, RTC staff does not recommend studying a “no rail service” alternative. While planning for specific passenger train service type and frequency is still underway, the RTC directed staff and the consultant team to design the Trail Network project with the assumption that it is to co-exist with freight and/or passenger service. The Master Plan development process has thus included consultations with the Santa Cruz and Monterey Bay Railway.

Estimated Timeline of Activities

The DEIR is expected to be finalized and circulated for public review in spring of 2013. Final adoption of the master plan and certification of the DEIR is anticipated for fall of 2013.

Staff recommends that the Regional Transportation Commission approve the Trail Network project alternatives listed on Attachment 1 to be analyzed for the Monterey Bay Sanctuary Scenic Trail Network DEIR.

SUMMARY

The Monterey Bay Sanctuary Scenic Trail Network is planned to be multi-use bicycle and pedestrian pathway. A Draft Master Plan was released in the fall and identifies proposed trail alignments, design features, construction costs, priorities and possible implementation mechanisms/agencies. A Draft Environmental Impact Report is currently being finalized. Staff recommends that the RTC approve that the proposed list of alternatives (Attachment 1) be analyzed in the DEIR in anticipation of a spring public release date.

Attachment:
1) Alternative descriptions

\RTCSERV2\Shared\RTC\TC2013\TC0213\MBSST_EIR_Alternatives\SR_MBSST_EIR_alt.docx
Attachment 1

Alternative Descriptions

Alternative 1: No Project

The No Project alternative assumes that the proposed MBSST Network is not constructed. However, since regional plans endorse trail construction, this alternative assumes that bicycle/pedestrian trail planning and construction in areas other than the rail corridor would continue as envisioned under existing plans. Under this alternative, bicyclists would either follow existing bike facilities or other city and county roadways where formal facilities do not exist. Pedestrians would utilize existing sidewalks.

Alternative 2: On-Road Alternative

This alternative would eliminate the multi-use trail along the rail right-of-way and would instead construct on-road bicycle improvements. Pedestrians would utilize sidewalks or road shoulders. In the northern reach, this alternative would align with Highway 1. In the central reach, the alignment would follow the previously defined MBSST core alignment, and utilize existing on-road sidewalks, bicycle lanes (Class II), separated bike paths (Class I) facilities along the shoreline through Santa Cruz, Capitola, and unincorporated urban areas. In the Watsonville reach, this alternative would utilize Rio Del Mar Boulevard to Clubhouse Drive to Sumner Avenue to Seascape Boulevard to San Andreas Road to West Beach Street to Main Street/Porter Drive in Watsonville. A connection would also be provided on Thurwacher Road from West Beach Street to connect to the Monterey County reach of the Monterey Bay Sanctuary Scenic Trail. The On-Road alternative is shown in Figure 1.

Preliminary Consideration of Impacts. This alternative would reduce impacts related to: conflicts with rail operations, soil contamination, and ground-disturbance related effects (cultural resources, erosion and erosion-related water quality, biological resources). As the trail would be more inland than the proposed project, it may also reduce impacts related to flooding and tsunamis. This alternative would reduce biological impacts, particularly in the northern reach, at drainages in the central reach, near the Gallighan Sough and Pajaro River. However, this alternative would not provide safe separation from vehicles or between trail users, and would be much less direct (i.e., not ‘continuous’). There would also be substantially more roadway crossings, thus increasing vehicle-related conflicts.

Alternative 2: Reduced Project Alternative

This alternative would eliminate ten segments from the MBSST Network; specifically, those segments outside of existing urban areas. These segments include segments 1 through 6, segments 15 through 17, and segment 20, and would total 31.51 miles (primarily in the northern and Watsonville reaches). The reduced project alternative would include segments 7 through 14 (in the central reach) and segments 18 and 19 (in the Watsonville reach), for a total length of 18.12 miles. The purpose of this alternative is to reduce environmental impacts while providing new bicycle and pedestrian facilities to the higher density areas anticipated to have a greater demand for pedestrian and bicycle facilities. The Reduced Project alternative is shown in Figure 2.

Preliminary Consideration of Impacts. By eliminating ten segments totalling 31.51 miles, this alternative would avoid numerous constraints anticipated in the northern reach and the more rural segments of the Watsonville reach, particularly related to biological resources. Since fewer segments would be
constructed, construction-related impacts to air quality, noise, and traffic would also be reduced, as would ground-disturbance related effects (cultural resources, erosion and erosion-related water quality, biological resources). However, this alternative would not meet the goal of a providing a continuous alignment through the length of Santa Cruz County.
Figure 1

Legend
- MBSSST Network – Rail Trail Corridor
- On Road Alignment Alternative
- Reaches


On Road Alignment Alternative
Figure 2

Legend
- MBSSST Network – Rail Trail Corridor
- Reduced Project Alternative

---Public Hearing Scheduled for 10:00 a.m.---

AGENDA: February 7, 2013

TO: Regional Transportation Commission (RTC)

FROM: Rachel Moriconi, Senior Transportation Planner

RE: Adoption of 2013 Regional Surface Transportation Program (RSTP)

RECOMMENDATION:

Staff recommends that the Regional Transportation Commission (RTC):

1. Hold a public hearing to receive comments on proposed projects for Regional Surface Transportation Program (RSTP) funds and consider any written comments received;

2. Consider staff, Interagency Technical Advisory Committee (ITAC), Bicycle Committee, and Elderly and Disabled Transportation Advisory Committee (E&DTAC) recommendations (Attachment 2);

3. Adopt a resolution (Attachment 1) to program approximately $5 million in Regional Surface Transportation Program (RSTP) funds in the 2012 Regional Transportation Improvement Program (RTIP), as recommended by staff (Attachment 2); and amend the RTC Budget and Work Program to exchange state funds (RSTPX) for federal RSTP funds for those projects that will be implemented within the next twelve months, as shown in Attachment 3; and

4. Request that the Association of Monterey Bay Area Governments (AMBAG) incorporate these funding actions into the Metropolitan Transportation Improvement Program (MTIP).

BACKGROUND

The Santa Cruz County Regional Transportation Commission (RTC), as the state-designated Regional Transportation Planning Agency (RTPA) for Santa Cruz County, is responsible for selecting projects to receive certain state and federal funds. This includes the region’s share of Regional Surface Transportation Program (RSTP) funds from the federal transportation act (MAP-21). These funds can be used on a variety of projects, as outlined in the federal transportation act. These include: highway, local street and road, transit and paratransit capital, bicycle, pedestrian, carpool, safety, and bridge projects.

State law allows smaller regions, including Santa Cruz County, to exchange their share of federal Regional Surface Transportation Program (RSTP) funds for state funds. State RSTP Exchange funds are subject to fewer requirements and therefore can be useful for expediting project delivery. The RTC allocates the state RSTPX funds to projects selected to receive RSTP funds that can be delivered within the next twelve months.

There are over $5 million in FY12 and FY13 RSTP funds (including approximately $3 million in state RSTPX) currently available for programming in Santa Cruz County. In November the RTC
issued a call for projects for these funds, with applications due December 14, 2012. The Bicycle Committee, Elderly/Disabled Transportation Advisory Committee (E/DTAC), and Interagency Technical Advisory Committee (ITAC) reviewed projects proposed for RSTP funds at their January 2013 meetings.

**DISCUSSION**

The RTC received applications for 19 projects totaling over $8 million. While all of the projects are consistent with RTC approved goals, policies, and targets for improving the Santa Cruz County transportation system, given limited funds, it is not feasible to fund all of the projects. Attachments 2 and 4 summarize the projects that were submitted, as well as staff and RTC advisory committee recommendations. Staff generally recommends funding a maximum number of projects, by partially funding many projects. For some projects, project sponsors have indicated that they may need to reduce the project scope to match reduced funding if construction bids do not come in below engineers’ estimates or others funds are secured. The staff recommendation takes into consideration benefits identified by project sponsors, the number of travelers directly benefiting from each project, the degree to which projects help achieve regional goals and targets (including access, safety, greenhouse gas reductions, reduced vehicle miles traveled, and system preservation), project sponsor priorities, as well as geographic distribution. For some projects staff recommended funding levels were modified from the preliminary staff recommendations presented to RTC committees, based on input received from committees and additional information received from project sponsors. Instances where the staff or committee recommendations differ from preliminary staff recommendations are underlined in Attachment 2.

Projects proposed for funds this cycle will be implemented over the next two years. In most instances project sponsors will be using matching funds to initiate capital projects, with the RSTP funds used for the construction phase of the project. Project applications, which provide expanded project descriptions, support letters and other information submitted by applicants, are online at: [http://sccrtc.org/funding-planning/project-funding/](http://sccrtc.org/funding-planning/project-funding/).

**Public Hearing**

Consistent with RTC Rules and Regulations, a public hearing has been scheduled for 10:00 a.m. to receive public input on the proposed program of projects. A news release on the hearing was sent to local media and interested parties. Written comments received by 2:00 p.m. on February 6, 2013 will be distributed at the meeting.

Staff recommends that the RTC hold a public hearing, consider advisory committee recommendations, and adopt a resolution (Attachment 1) to program approximately $5 million in Regional Surface Transportation Program (RSTP) funds in the 2012 Regional Transportation Improvement Program (RTIP), as recommended by staff (Attachment 2). Staff recommends that the RTC amend the RTC Budget and Work Program to exchange state funds (RSTPX) for federal RSTP funds for those projects that will be implemented within the next twelve months, as shown in Attachment 3.

Projects approved for federal funds must also be included in the federal programming document, the Metropolitan Transportation Improvement Program (MTIP) which is adopted by the Association of Monterey Bay Area Governments (AMBAG). As such, staff further recommends that the RTC request that AMBAG incorporate these funding actions into the MTIP.
SUMMARY

Approximately $5 million in Regional Surface Transportation Program (RSTP) funds are available for programming. After considering input from the RTC committees and information provided by project sponsors, staff recommends that the RTC approve programming these funds to projects as shown on Attachment 2.

Attachments:
1. Resolution
2. Recommendations for 2013 RSTP Grant Cycle
3. RSTPX Budget
4. Summary of Projects and Recommendations

||RTCSERV2|Internal|RTIP|STP-CMAQ|RSTP2013|StaffReports|RSTPpubHrgFeb2013_SR.doc
RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission on the date of February 7, 2013 on the motion of Commissioner duly seconded by Commissioner

A RESOLUTION AMENDING THE 2012 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM FOR SANTA CRUZ COUNTY TO PROGRAM REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP) FUNDS AND AMENDING THE FISCAL YEAR (FY) 2012/13 BUDGET TO ADD AND ALLOCATE FEDERAL APPORTIONMENT EXCHANGE PROGRAM (RSTPX) FUNDS

WHEREAS, the Santa Cruz County Regional Transportation Commission (RTC) prepared the 2012 Regional Transportation Improvement Program consistent with the 2010 Santa Cruz County Regional Transportation Plan (RTP), state law (including SB 45) and the California Transportation Commission's (CTC) State Transportation Improvement Program (STIP) Guidelines, and in consultation and cooperation with local project sponsors and Caltrans District 5;

WHEREAS, Santa Cruz County has an unprogrammed balance of $5.3 million in federal Regional Surface Transportation Program (RSTP) funds; and

WHEREAS, the Santa Cruz County Regional Transportation Commission has entered into an agreement with Caltrans to exchange federal Regional Surface Transportation Program (RSTP) funds for state funds (RSTPX); and

WHEREAS, the Commission is responsible for programming federal RSTP funds and allocating exchange funds received from Caltrans to project sponsors in Santa Cruz County whose projects participate in the exchange program;

THEREFORE, BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION:

1. The 2012 Regional Transportation Improvement Program for Santa Cruz County is hereby amended to:

   a. Program Santa Cruz County’s regional apportionment of Regional Surface Transportation Program (RSTP) funds to projects as shown in Exhibit A; and
b. Exchange federal Regional Surface Transportation Program funds for state RSTPX funds to projects as shown in Exhibit B.

2. The FY 12/13 RTC Budget is hereby amended, as shown on Exhibit B, to include new RSTP Exchange revenues and RSTP Exchange project allocations.

3. The Association of Monterey Bay Area Governments is hereby requested to incorporate these amendments into the Metropolitan Transportation Improvement Program (MTIP).

AYES: COMMISSIONERS
NOES: COMMISSIONERS
ABSTAIN: COMMISSIONERS
ABSENT: COMMISSIONERS

___________________________
Neal Coonerty, Chair

ATTEST:

___________________________
George Dondero, Secretary

Distribution: AMBAG, Project Sponsors, RTIP files
## Recommendations for 2013 Regional Surface Transportation Program (RSTP) Grant Cycle

**Approx. $5 million available regionwide (from FY12&FY13 RSTP apportionments)**

Staff recommendations were modified based on additional input received from project sponsors and RTC advisory committees. *Underline* =where committee or final staff recommendations differ from preliminary staff recommendations. *ITAC recommendations match preliminary staff recommendations.*

**Project description/scope may be reduced to match funds based on final bids, ability to secure other funds. Ex=X Allocate state exchange RSTPX.**

Funds in $000 (thousands)

<table>
<thead>
<tr>
<th>Implementing Agency</th>
<th>Project Description</th>
<th>Implementation</th>
<th>Implementation</th>
<th># of Users</th>
</tr>
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<tbody>
<tr>
<td><strong>RECOMMENDATIONS</strong></td>
<td></td>
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<tr>
<td><strong>Request</strong></td>
<td><strong>Staff</strong></td>
<td><strong>Ex</strong></td>
<td><strong>ITAC</strong></td>
<td><strong>Bike Committee</strong></td>
</tr>
<tr>
<td>County of SC</td>
<td>Aptos Village Plan Improvements</td>
<td>Modifications to ped, bike, and auto traffic on Soquel from 350 ft west of Aptos Creek Rd to 150 ft east of Trout Gulch Rd (1230 ft). Add pedestrian facilities on south side of Soquel Dr; maintain existing bike lanes, new bus pullout and shelter on north side. Trout Gulch from Soquel to Valencia DBSt (390 ft), replace sidewalks with standard sidewalks on east side, ADA upgrades to west side sidewalks. Install traffic signals at Soquel Dr/Aptos Creek Rd &amp; Soq/Trou Trout Gulch. RR crossing modifications - new crossing arms, concrete panels for vehicle and pedestrian crossings.</td>
<td>$920</td>
<td>$690</td>
</tr>
<tr>
<td>County of SC</td>
<td>17th Ave Cape Seal: Brommer to East Cliff (0.62mi)</td>
<td>Pavement maintenance, isolated section digout and asphalt replacement and cape seal on entire roadway.</td>
<td>$321</td>
<td>$241</td>
</tr>
<tr>
<td>County of SC</td>
<td>East Cliff Drive Cape Seal: 12th-17th (0.35mi)</td>
<td>Pavement maintenance, isolated section digout and asphalt replacement and cape seal on entire roadway.</td>
<td>$197</td>
<td>$147</td>
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<td>County of SC</td>
<td>Empire Grade Chip Seal: City of SC limits to 130’ N of Heller Drive (0.71mi)</td>
<td>Pavement maintenance, isolated section digout and asphalt replacement and cape seal on entire roadway.</td>
<td>$290</td>
<td>$218</td>
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<td>County of SC</td>
<td>Green Valley Rd Chip Seal: Devon Ln to Melody Ln (0.58 mi)</td>
<td>Pavement maintenance, isolated section digout and asphalt replacement and cape seal on entire roadway.</td>
<td>$230</td>
<td>$173</td>
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<tr>
<td>County of SC</td>
<td>Mt. Hermon Rd Overlay: Graham Hill to 1000’ N of Locatelli Ln (1.34mi)</td>
<td>Pavement maintenance, isolated section digout and asphalt replacement and cape seal on entire roadway.</td>
<td>$740</td>
<td>$555</td>
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<tr>
<td>County of SC</td>
<td>Porter Street Overlay: City of Capitola Limits to 258’ N/O Soquel Dr (0.34mi)</td>
<td>Pavement maintenance, edge grinding, isolated section digout and asphalt replacement and 2&quot; overlay on entire roadway.</td>
<td>$302</td>
<td>$227</td>
</tr>
<tr>
<td>Santa Cruz City</td>
<td>Laurel St Pavement Rehabilitation: Front St to Mission St (.94mi)</td>
<td>Rehab roadway, possibly with cold-in-place recycling method, new access ramps and sidewalk repairs (excluding recent improvement between Felix and Blakburn.)</td>
<td>$900</td>
<td>$675</td>
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<tr>
<td>Santa Cruz City</td>
<td>Branciforte Bike and Pedestrian Bridge (near Soquel Ave and Dakota)</td>
<td>Funds to design bridge over Branciforte Creek and connect to existing San Lorenzo River multi-use trail.</td>
<td>$400</td>
<td>$300</td>
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<tr>
<td>Santa Cruz City</td>
<td>Soquel at Frederick St Improvements</td>
<td>Minor widening at intersection to improve through-lane transition on Soquel Ave and lengthen right-turn pocket on Frederick St. Upgrades access ramps as necessary.</td>
<td>$250</td>
<td>$188</td>
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<td>Implementing Agency</td>
<td>Project Description</td>
<td>Description</td>
<td>Request</td>
<td>Staff</td>
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<tr>
<td>Santa Cruz City</td>
<td>West Cliff Multi-use Path Minor Widening: Lighthouse to Swanton Blvd (2.5mi)</td>
<td>Widen along edges from 1-4 feet into unimproved adjacent areas; install header board and/or concrete curbs at new asphalt path edge. New access ramps; bike parking.</td>
<td>$400</td>
<td>$0</td>
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<tr>
<td>Scotts Valley</td>
<td>Scotts Valley Dr Slurry Seal and Restriping: Bean Ck Rd to Victor Square (1.4mi)</td>
<td>Slurry seal resurfacing and restriping. **</td>
<td>$300</td>
<td>$225</td>
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<tr>
<td>Scotts Valley</td>
<td>Mt. Hermon Rd/SV Dr/Whispering Pines Intersection Modifications</td>
<td>Add turn lanes, modify signal timing, install bike loop detectors, ped signal countdowns, re-synch to other signals.</td>
<td>$400</td>
<td>$0</td>
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<tr>
<td>Watsonville</td>
<td>Freedom Blvd Reconstruction: Broadis to Alta Vista Ave (0.8mi)</td>
<td>Full depth rehab (reuse existing materials), relocate utilities, traffic signal detection upgrades/install traffic cameras, concrete pads at bus stops, signage and striping, including sharrows for bikes, ADA upgrades to curbs and driveways, replacement of existing curb, gutter, sidewalk; modification to retaining wall between Crestview &amp; Alta Vista.</td>
<td>$1,200</td>
<td>$900</td>
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<tr>
<td>RTC</td>
<td>Freeway Service Patrol</td>
<td>Tow truck patrols on Highway 1, work with CHP to assist disabled motorists, remove incidents, and clear obstacles impeding traffic flow during peak travel periods. **</td>
<td>$405</td>
<td>$270</td>
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<tr>
<td>RTC</td>
<td>Rideshare Program</td>
<td>TDM outreach, education and incentives. Includes ridematching for carpools, vanpools, and bicyclists. Provides services and info about avail and benefits of alternatives travel modes. **</td>
<td>$550</td>
<td>$400</td>
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<tr>
<td>CHSA/HUB</td>
<td>Santa Cruz County Open Streets</td>
<td>Community events promoting behavior changes whereby citizens choose alternatives to driving alone as part of a sustainable, healthy and active life-style. Temporarily opens roadways to bicycles and pedestrians only, diverting automobiles to other roadways. Includes information booths, bike skills courses, foot races, dance and climbing. **</td>
<td>$154</td>
<td>$25</td>
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<tr>
<td>Ecology Action</td>
<td>Boltage: Bike/Walk School Incentive and Tracking Program</td>
<td>Bike/walk tracking and incentive program and three elementary schools; uses tech to encourage biking and walking to schools with RFID reader. **(2 instead of 3)</td>
<td>$40</td>
<td>$25</td>
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<tr>
<td>SC METRO/ Ecology Action</td>
<td>Ride On Folding Bike Program</td>
<td>Pilot program to distribute discount vouchers for purchase of up to 100 folding bikes, especially for riders of the Hwy 17 Express commuter bus route. **fewer bikes</td>
<td>$85</td>
<td>$50</td>
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<td><strong>TOTALS</strong></td>
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<td><strong>$8,084</strong></td>
<td><strong>$5,309</strong></td>
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GUIDE

Underline=where committee or final staff recommendations differ from preliminary staff recommendations.
*ITAC recommendations match preliminary staff recommendations.
**Project description/scope may be reduced to match funds based on final bids, ability to secure other funds.
Ex=Recommend allocation of RSTP exchange funds for projects being implemented in next 12 months

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>ADA</td>
<td>Americans with Disabilities Act</td>
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<tr>
<td>CHP</td>
<td>California Highway Patrol</td>
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<tr>
<td>CHSA</td>
<td>County Health Services Agency</td>
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<tr>
<td>E&amp;DTAC</td>
<td>Elderly and Disabled Transportation Advisory Committee (E&amp;D TAC)</td>
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<tr>
<td>ITAC</td>
<td>Interagency Technical Advisory Committee (ITAC)</td>
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<td>RR</td>
<td>Railroad</td>
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<tr>
<td>TDM</td>
<td>Transportation Demand Management</td>
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## RSTP Exchange Program: 722000

<table>
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<tr>
<th>WORK ELEMENT #101</th>
<th>FY12-13 APPROVED 01/24/13</th>
<th>FY12-13 PROPOSED 02/07/13</th>
<th>DIFFERENCE</th>
<th>NOTE</th>
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### Revenues:

- State RSTP Exchange Funds: $3,176,787, $3,176,787
- Interest: $30,000, $30,000
- RSTP Exchange Funds Budgeted - Carryover: $4,672,603, $4,672,603

**Total Revenues:** $4,702,603, $7,879,390, $3,176,787

### Expenditures:

#### City of Capitola
- Clare Street Traffic Calming: $100,000, $100,000
- 38th Avenue Rehabilitation: $438,000, $438,000

**City of Capitola Subtotal:** $538,000, $538,000, $-

#### City of Santa Cruz
- Broadway-Brommer Bike/Ped Path: $62,000, $62,000
- Laurel St Pavement Rehabilitation: Front St to Mission St: $675,000, $675,000
- Branciforte Bike and Pedestrian Bridge: $300,000, $300,000

**City of Santa Cruz Subtotal:** $62,000, $1,037,000, $975,000

#### City of Scotts Valley
- Scotts Valley Dr Slurry Seal and Restriping: $225,000, $225,000

**City of Scotts Valley Subtotal:** $-

#### City of Watsonville
- Freedom Blvd Reconstruction (Broadis to Alta Vista Ave): $900,000, $900,000

**City of Watsonville Subtotal:** $-

#### County of Santa Cruz
- Corralitos Road Left Turn: $278,000, $278,000
- State Park Drive Improvement: $587,000, $587,000
- Calabasas Road Bike/Pedestrian: $250,000, $250,000
- Soquel-San Jose Road Overlay: $760,000, $760,000
- Soquel Dr. Overlay (Borregas Dr - State Park Drive): $700,000, $700,000
- Graham Hill Road Safety Project: $16,714, $16,714
- Lump Sum Road Repairs (ARRA2): $690,000, $690,000
- Davenport Road Repairs: $44,889, $44,889

**County of Santa Cruz Subtotal:** $2,636,603, $3,326,603, $690,000

#### SCCRTC
- Park and Ride Lot Program: $130,000, $130,000
- Bike Route Signage: $100,000, $100,000
- Highway 1 Soquel-Morrissey Auxiliary Lanes: $386,000, $386,000
- Highway 1 HOV Lanes PA/ED: $370,000, $370,000
- Freeway Service Patrol: $135,000, $135,000
- Commute Solutions Rideshare: $200,000, $200,000
- Santa Cruz Branch Rail Line Acquisition and Improvement: $450,000, $450,000

**SCCRTC Subtotal:** $1,436,000, $1,771,000, $335,000

#### Unappropriated Revenues:
- $30,000, $81,787, $51,787

**Unprogrammed Funds:** $4,702,603, $7,879,390, $3,176,787

**Note:**

- For FY13/14
- For FY13/14
- To be allocated to programmed RSTP projects as near
Summary of Projects and Recommendations

2013 Regional Surface Transportation Program (RSTP)

Project applications, with expanded project descriptions, support letters and other information submitted by applicants, are online at: http://sccrtc.org/funding-planning/project-funding/

Summary of Staff Recommendations: Staff generally recommends funding a maximum number of projects, by partially funding many projects. In some instances project sponsors may need to reduce the project scope to match reduced funding if construction bids do not come in below engineers’ estimates or additional funds are not secured. The staff recommendation takes into consideration project benefits, degree to which projects help achieve regional goals and targets, project sponsor priorities, geographic distribution, and committee recommendations.

Aptos Village Plan Improvements
Project Sponsor: County of Santa Cruz
Requested Funds: $920,000
Description: Modifications to pedestrian, bike, and auto traffic on Soquel Drive from 350 ft west of Aptos Creek Rd to 150 ft east of Trout Gulch Rd (1230 ft): add pedestrian facilities on south side of Soquel Dr; maintain existing bike lanes; new bus pullout and shelter on north side. Trout Gulch from Soquel Dr to Valencia St (390 ft): replace sidewalks with standard sidewalks on east side, ADA upgrades to west side sidewalks. Install traffic signals at Soquel Dr/Aptos Creek Rd and Soquel Dr/Trout Gulch intersections. Railroad crossing modifications - new crossing arms, concrete panels for vehicle and pedestrian crossings.
Key Benefits: Multimodal safety, circulation, access, facilitate infill development.
Staff Recommendation: $690,000 (75% of requested funds) for construction; that the County review the specific plans for pedestrian facilities with Elderly and Disabled Transportation Advisory Committee (E&D TAC) members to ensure that the project addresses accessibility needs, and ensure the project maintains space for future train boarding. Bicycle Committee Recommendation: $0. Recommends the RTC not fund this project. Individual committee members stated that the project does not add additional bicycle lanes and suggested the project should be funded by the developer.
Elderly and Disabled Transportation Advisory Committee (E&D TAC): $690,000 (staff recommendation). Strongly recommends funding the project and recommends that the County ensure that the new construction includes adequate accessible sidewalks throughout the project area, especially on the south (ocean side) of Soquel Drive and crossing the railroad tracks. The Committee stated the importance of the Aptos Village Project as the area is not currently accessible and there are several businesses and agencies in the area that provide senior and disabled services.
Interagency Technical Advisory Committee (ITAC): $690,000 (staff recommendation)

17th Ave Cape Seal: Brommer to East Cliff (0.62mi)
Project Sponsor: County of Santa Cruz
Requested Funds: $321,000
Description: Pavement maintenance, isolated section digout and asphalt replacement and cape seal on entire roadway.
Key Benefits: System preservation.
Staff Recommendation: $241,000 for construction (75% of requested funds)
Bicycle Committee: No position
E&DTAC and ITAC: $241,000 (staff recommendation)

East Cliff Drive Cape Seal: 12th-17th (0.35mi)
Project Sponsor: County of Santa Cruz
Requested Funds: $197,000
Description: Pavement maintenance, isolated section digout and asphalt replacement and cape seal on entire roadway.
Key Benefits: System preservation.
Staff Recommendation: $147,000 for construction (75% of requested funds)
Bicycle Committee: No position
E&DTAC and ITAC: $147,000 (staff recommendation)

Empire Grade Chip Seal: City of SC limits to 130' N of Heller Drive (0.71mi)
Project Sponsor: County of Santa Cruz
Requested Funds: $290,000
Description: Pavement maintenance, isolated section digout and asphalt replacement and cape seal on entire roadway.
Key Benefits: System preservation.
Staff Recommendation: $218,000 for construction (75% of requested funds)
Bicycle Committee: No position
E&DTAC and ITAC: $218,000 (staff recommendation)

Green Valley Rd Chip Seal: Devon Ln to Melody Ln (0.58 mi)
Project Sponsor: County of Santa Cruz
Requested Funds: $230,000
Description: Pavement maintenance, isolated section digout and asphalt replacement and cape seal on entire roadway.
Key Benefits: System preservation.
Staff Recommendation: $173,000 for construction (75% of requested funds)
Bicycle Committee: No position
E&DTAC and ITAC: $173,000 (staff recommendation)

Mt. Hermon Rd Overlay: Graham Hill to 1000' N of Locatelli Ln (1.34mi)
Project Sponsor: County of Santa Cruz
Requested Funds: $740,000
Description: Pavement maintenance, isolated section digout and asphalt replacement and cape seal on entire roadway.
Key Benefits: System Preservation
Staff Recommendation: $555,000 for construction (75% of requested funds)
Bicycle Committee: No position
E&DTAC and ITAC: $555,000 (staff recommendation)

Porter Street Overlay: City of Capitola Limits to 288' N/O Soquel Dr (0.34mi)
Project Sponsor: County of Santa Cruz
Requested Funds: $302,000
Description: Pavement maintenance, edge grinding, isolated section digout and asphalt replacement and 2" overlay on entire roadway.
**Key Benefits:** System preservation.

**Staff Recommendation:** $227,000 for construction (75% of requested funds)

**Bicycle Committee:** No position

**E&DTAC and ITAC:** $227,000 (staff recommendation)

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**Laurel St Pavement Rehabilitation: Front St to Mission St (.94mi)**

**Project Sponsor:** City of Santa Cruz

**Requested Funds:** $900,000

**Description:** Rehab roadway, possibly with cold-in-place recycling method, new access ramps and sidewalk repairs. *(Excludes recent improvement between Felix and Blakburn.)*

**Key Benefits:** System preservation.

**Staff Recommendation:** $585,000 for construction (75% of requested funds; reduced from preliminary recommendation in order to ensure Soquel/Frederick moves forward)

**Bicycle Committee:** $0. Recommends the RTC not fund this project.

**E&DTAC:** 75% of requested funds, in order to also fund Soquel/Frederick Street; unless the City commits to fund that project with other funds, then recommend 90%.

**ITAC:** $810,000 - 90% based on preliminary staff and project sponsor recommendation

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**Branciforte Bike and Pedestrian Bridge (near Soquel Ave and Dakota St)**

**Project Sponsor:** City of Santa Cruz

**Requested Funds:** $400,000

**Description:** Construct bridge over Branciforte Creek and connect to existing San Lorenzo River multi-use trail.

**Key Benefits:** Fill gap in San Lorenzo River and Branciforte Creek path network. Improve bike/pedestrian safety by providing alternative access to Soquel Drive than through parking lot.

**Staff Recommendation:** $300,000 for design (75% of requested funds; reduced from preliminary recommendation in order to ensure Soquel/Frederick moves forward)

**Bicycle Committee:** Support funding

**E&DTAC:** 75% of requested funds, in order to also fund Soquel/Frederick Street, unless the City commits to fund that project with other funds, then recommend 90%.

**ITAC:** $360,000 - 90% based on preliminary staff and project sponsor recommendation

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**Soquel at Frederick St Improvements**

**Project Sponsor:** City of Santa Cruz

**Requested Funds:** $250,000

**Description:** Minor widening at intersection to improve through-lane transition on Soquel Ave and lengthen right-turn pocket on Frederick St. Upgrade access ramps as necessary.

**Key Benefits:** Safety, traffic flow.

**Staff Recommendation:** $188,000 for construction (75% of requested funds since project was identified as a priority by both the Bicycle Committee and E&DTAC). Meet with E&DTAC to ensure addresses accessibility issues previously identified by the committee.

**Bicycle Committee:** Support some funding.

**E&DTAC:** 75% of requested funds unless the City commits to fund the project with other funds. The E&DTAC identified project as a high priority.

**ITAC:** $0; fund City’s top two projects at higher levels instead, as initially requested by project sponsor. *(Project sponsor since indicated concurrence for funding top 3 at 75%)*
West Cliff Multi-use Path Minor Widening: Lighthouse to Swanton Blvd (2.5mi)
**Project Sponsor:** City of Santa Cruz  
**Requested Funds:** $400,000  
**Description:** Widen along edges from 1-4 feet into unimproved adjacent areas; install header board and/or concrete curbs at new asphalt path edge. New access ramps; bike parking.  
**Key Benefits:** System preservation, safety, expand capacity.  
**Staff Recommendation:** $0. Project is priority 4 of 4 projects submitted by sponsor. While system preservation is very important, project not recommended for funding this cycle. Primarily serves recreational use.  
**Bicycle Committee:** Support funding, but with City to meet with Bicycle Committee to discuss proposal for curbs.  
**E&DTAC and ITAC:** $0 (staff recommendation)

Scotts Valley Dr Slurry Seal and Restriping: Bean Ck Rd to Victor Square (1.4mi)
**Project Sponsor:** Scotts Valley  
**Requested Funds:** $300,000  
**Description:** Slurry seal resurfacing and restriping  
**Key Benefits:** System preservation.  
**Staff Recommendation:** $225,000 for construction (75% of requested funds)  
**Bicycle Committee:** No position  
**E&DTAC and ITAC:** $225,000 (staff recommendation)

Mt. Hermon Rd/SV Dr/Whispering Pines Intersection Modifications
**Project Sponsor:** County of Santa Cruz  
**Requested Funds:** $400,000  
**Description:** Add turn lanes, modify signal timing, install bike loop detectors, ped signal countdowns, re-synch to other signals.  
**Key Benefits:** Safety, traffic flow.  
**Staff Recommendation:** $0. Second priority for sponsor. Due to limited funds, not recommended for funds this cycle.  
**Bicycle Committee:** No position  
**E&DTAC and ITAC:** $0 (staff recommendation)

Freedom Blvd Reconstruction: Broadis to Alta Vista Ave (0.8mi)
**Project Sponsor:** Watsonville  
**Requested Funds:** $1,200,000  
**Description:** Full depth rehab (reuse existing materials), relocate utilities, traffic signal detection upgrades/install traffic cameras, concrete pads at bus stops, signage and striping, including sharrows for bikes, ADA upgrades to curbs and driveways, replacement of existing curb, gutter, sidewalk; modification to retaining wall between Crestview & Alta Vista  
**Key Benefits:** System preservation, access, safety.  
**Staff Recommendation:** $900,000 for construction (75% of requested funds)  
**Bicycle Committee:** Oppose funding unless expanded to include bicycle lanes.  
**E&DTAC and ITAC:** $900,000 (staff recommendation)

Freeway Service Patrol
**Project Sponsor:** Santa Cruz County Regional Transportation Commission (RTC)
**Requested Funds:** $405,000  
**Description:** Tow truck patrols on Highways 1 and 17, work with CHP to assist disabled motorists, remove incidents, and clear obstacles impeding traffic flow.  
**Key Benefits:** Traffic flow, safety; reduced fuel use, emissions and GHG.  
**Staff Recommendation:** $270,000.  
**Bicycle Committee:** No position  
**E&DTAC and ITAC:** $270,000 (staff recommendation)

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### Rideshare Program

**Project Sponsor:** Regional Transportation Commission (RTC)  
**Requested Funds:** $550,000  
**Description:** Transportation Demand Management (TDM) outreach, education and incentives. Includes ridematching for carpools, vanpools, and bicyclists. Provides services and information about availability and benefits of alternatives travel modes.  
**Key Benefits:** Reduce single occupancy vehicle use.  
**Staff Recommendation:** $400,000 over two years (73% of requested funds)  
**Bicycle Committee:** No position  
**E&DTAC and ITAC:** $400,000 (staff recommendation)

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### Santa Cruz County Open Streets

**Lead Agency:** Santa Cruz Hub for Sustainable Living (County Health Services Agency sponsor)  
**Requested Funds:** $154,000  
**Description:** Community events promoting behavior changes whereby citizens choose alternatives to driving alone as part of a sustainable, healthy and active life-style. Temporarily opens roadways to bicycles and pedestrians only, diverting automobiles to other roadways. Includes information booths, bike skills courses, foot races, dance and climbing.  
**Key Benefits:** Public education and outreach aimed at increasing bicycling and walking, safety, and sustainable transportation.  
**Support Letters:** Mayor Hillary Bryant, City of Santa Cruz; Mayor Eduardo Montesino, City of Watsonville; Director Mary Lou Goeke, United Way of Santa Cruz County; Director Jim Murphy, Ecology Action  
**Staff Recommendation:** $25,000, partial funding. Application is for four events countywide. Recommend partial funding for RSTP-eligible components specifically focused on travel demand management and safe travel to schools.  
**Bicycle Committee:** $50,000  
**E&DTAC and ITAC:** $25,000 (staff recommendation)

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### Boltage: Bike/Walk School Incentive and Tracking Program

**Project Sponsor:** Ecology Action (RTC would act as sponsor if funded)  
**Requested Funds:** $40,000  
**Description:** Biking and walking incentive and tracking program at Starlight Elementary in Watsonville, Gault and Delaveaga Elementary schools in Santa Cruz. Boltage uses technology (Radio Frequency Identification (RFID) reader) and incentives to encourage daily biking and walking to school and provides ongoing data to show program use.  
**Key Benefits:** Increase bicycle and walking trips to schools, reduce automobile trips.  
**Support Letters:** Mark A. Donnelly Ed. D., Principal, Starlight Elementary; Molly Parks, Principal, Gault Elementary; Angela Meeker, Principal, DeLaveaga Elementary; Rich Puente,
Pajaro Valley Unified School District Healthy Start Program; Gary Bloom, Superintendent, Santa Cruz City Schools; Anne Weidlich, parent

**Staff Recommendation:** $25,000, partial funding.
**Bicycle Committee:** $40,000
**E&DTAC and ITAC:** $25,000 (staff recommendation)

**Ride On Folding Bike Program**
**Project Sponsor:** Santa Cruz Metropolitan Transit District (SC METRO) and Ecology Action
**Requested Funds:** $85,000
**Description:** Pilot program to distribute discount vouchers for purchase of up to 100 folding bikes for riders of the Hwy 17 Express commuter bus route and other routes; includes one month free bus pass.
**Key Benefits:** Double the capacity for bicycles on Highway 17 express route; promote alternative transportation.
**Support Letters:** Senator Bill Monning; James Unites, Santa Clara Valley Transportation Authority (VTA); Jim Murphy, Ecology Action; Assemblyman Luis Alejo; Ameila Cohen, People Power

**Staff Recommendation:** $50,000. *Partial funding. Staff updated recommendation once confirmation was received that project could be scaled to match reduced funding.*
**Bicycle Committee:** $40,000
**E&DTAC and ITAC:** $0 (preliminary staff recommendation)
AGENDA: February 7, 2013

TO: Regional Transportation Commission

FROM: Luis Mendez, Deputy Director

RE: Construction Management Services for Railroad Bridge Rehabilitation

RECOMMENDATION

The Santa Cruz Branch Rail Line construction management services proposals review team and staff recommend that the Santa Cruz County Regional Transportation Commission approve a resolution (Attachment 1) authorizing the Executive Director to negotiate and execute a consultant agreement with Hatch Mott MacDonald for construction management services for structures rehabilitation and other improvements to the Santa Cruz Branch Rail Line; and

RTC staff also recommends that if an agreement cannot be reached with Hatch Mott Macdonald, the Executive Director be authorized to negotiate and enter into an agreement with Parsons Brinkerhoff for the required construction management services.

BACKGROUND

In 2005 and 2006 as the Regional Transportation Commission (RTC) negotiated the purchase of the Santa Cruz Branch Rail Line, structures assessments of the rail line were produced. The structures assessments identified to rehabilitate a number of structures to better maintain existing freight service. The structures rehabilitation will also facilitate recreational rail service. In addition, as part of negotiations with Union Pacific, the negotiated price was reduced to provide $5 million for the structures work. Therefore, the RTC is contractually required to rehabilitate the structures and make other improvements at a cost of up to $5 million.

In October 2011, the RTC entered into an agreement with JL Patterson & Associates to produce additional structures inspections and provide the engineering services necessary to rehabilitate structures and make other improvements to the rail line. On October 12, 2012, the Regional Transportation Commission (RTC) completed the purchase of the Santa Cruz Branch Rail Line. In December 2012, the California Transportation Commission (CTC) approved $5.35 million for the rehabilitation of structures and other improvements to the Santa Cruz Branch Rail Line. The RTC is already managing the construction of the Highway 1 Soquel to Morrissey Auxiliary Lanes through an engineering construction management firm. The RTC will also require an engineering construction management firm for the rehabilitation work to be done on the rail line.
DISCUSSION

RTC staff prepared and released a request for proposals for construction management services for bridge rehabilitation and other improvements to the Santa Cruz Branch Rail Line. The RTC received six qualified proposals and four firms were interviewed by the proposals review team composed of the City of Santa Cruz Public Works Director, the Iowa Pacific Holdings Structures Engineer and the RTC Deputy Director.

The four engineering construction management firms who were interviewed are Biggs Cardosa Associates, Caltrop, Hatch Mott MacDonald and Parsons Brinckerhoff. All firms have qualified teams and experience managing the construction and rehabilitation of structures and railroad projects. However, after considering all of the proposals, interviews and reference checks, the review team and staff recommend that the RTC authorize the Executive Director to negotiate and enter into an agreement with Hatch Mott MacDonald for construction management services for rehabilitation of bridges and other improvements to the Santa Cruz Branch Rail Line.

Hatch Mott MacDonald (HMM) is a full service engineering consulting firm providing preliminary engineering, design and construction management services for transportation, utilities and other types of projects. HMM has offices throughout the United States and Canada including eight in California. The HMM team provides a significant amount of railroad structures experience including in the construction and inspection of timber, steel and concrete bridges. Along with their various engineering qualifications, the HMM team also includes two engineers who are active members of the American Railway Engineering and Maintenance-of-Way Association (AREMA). AREMA produces the established engineering manual for railroad infrastructure including bridges.

The HMM team will provide review of design plans being finalized by JL Patterson for constructability and bidability, assist the RTC with the construction bid and contracting process, oversee the construction contractor and manage all facets of the construction work (Attachment 2). Iowa Pacific Holdings (IPH) engineers will be involved throughout the process, since IPH is responsible for maintaining the railroad infrastructure including the bridges.

Engineering services are selected by determining who is the preferred proposer based on qualifications. After that, the sealed cost proposal for that firm is opened and negotiations on an agreement with the preferred firm can begin. If an agreement cannot be reached with the preferred firm, then the cost proposal for the second most preferred firm may be opened and negotiations with that firm may be initiated. Therefore, staff also recommends that if an agreement cannot be reached with Hatch Mott MacDonald, the Executive Director be authorized to negotiate and execute an agreement with Parsons Brinckerhoff, the second most preferred firm.
The HMM cost proposal (**Attachment 3**) is for a total of $426,296. This is about 8% of the $5.35 million available for the construction work. RTC staff has been told that this is reasonable for the size of the project. The $5.35 million in State Transportation Improvement Program (STIP) funds approved by the California Transportation Commission (CTC) in December 2012 will be used to cover construction management services along with the actual construction work. The staffing plan proposed by HMM has a total of 2,436 hours. This is at the lower end of the range among the firms invited for interviews of 2,436 to 2,950 hours.

**SUMMARY**

The proposals review team and RTC staff recommend that the RTC contract with Hatch Mott MacDonald for construction management services for structures rehabilitation and other improvements to the Santa Cruz Branch Rail Line.

**Attachments**

1. Resolution authorizing a consulting agreement
2. Draft Scope of Services
3. Hatch Mott MacDonald Cost Proposal

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RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission
on the date of February 7, 2013
on the motion of Commissioner
duly seconded by Commissioner

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND
EXECUTE A CONTRACT OF NO MORE THAN $430,000 WITH HATCH MOTT
MACDONALD FOR CONSTRUCTION MANAGEMENT SERVICES FOR STRUCTURES
REHABILITATION AND OTHER IMPROVEMENTS TO THE SANTA CRUZ BRANCH RAIL
LINE

WHEREAS, the Santa Cruz County Regional Transportation Commission (RTC)
purchased the Santa Cruz Branch Rail Line on October 12, 2012 from Union Pacific
Railroad; and,

WHEREAS, the purchase and sale agreement negotiated with Union Pacific requires
that the RTC make at least $5 million dollars in bridge rehabilitation and other improvements
to the Santa Cruz Branch Rail Line; and

WHEREAS, in December 2012, the California Transportation Commission (CTC)
approved $5.35 million in State Transportation Improvement Program (STIP) funds for
bridge rehabilitation and other improvements to the Santa Cruz Branch Rail Line; and

WHEREAS, the RTC release a request proposals for engineering construction
management services, received six qualified proposals and completed the prerequisite
review and evaluation process of proposing engineering firms;

BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION
COMMISSION:

1. The Executive Director is authorized to negotiate and execute a contract with the
preferred engineering firm, Hatch Mott MacDonald for an amount not to exceed
$430,000 for construction management services for structures rehabilitation and
other improvements to the Santa Cruz Branch Rail Line.

2. If an agreement cannot be reached with the preferred engineering firm, the Executive
Director is authorized to negotiate and execute a contract with the second most
preferred engineering firm, Parsons Brinckerhoff for an amount not to exceed
$430,000 for construction management services for structures rehabilitation and
other improvements to the Santa Cruz Branch Rail Line.

3. The Executive Director is authorized to negotiate and execute amendments to the
agreements identified above provided that the amendments are within the intended
scope of duties to rehabilitate the structures and make other improvements to the
Santa Cruz Branch Rail Line and are consistent with the adopted RTC budget.
AYES: COMMISSIONERS
NOES: COMMISSIONERS
ABSENT: COMMISSIONERS
ABSTAIN: COMMISSIONERS

____________________________
Neal Coonerty, Chair

ATTEST:

____________________________
George Dondero, Secretary

Distribution: RTC Fiscal
RTC Planner

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Draft Scope of Services
Construction Management
Santa Cruz Branch Rail Line
Bridge Rehabilitation and Other Improvements

1. Perform constructability and biddability review with the project designer (JL Patterson & Associates.) and assist in the finalization of bid documents.

2. Participate with RTC staff and the designer in developing the construction delivery schedule.

3. Assist RTC in setting up procedures for processing contract change orders (CCO), contractor’s progress payments and contractor’s contract.

4. In accordance with state and federal requirements manage and administer the bidding process consisting of:
   a) Advertise the project
   b) Store and distribute contract documents (provided by others) as required; transfer all plan purchase fees to the RTC at the end of the bidding process
   c) Maintain a Plan Holder’s List
   d) Schedule/Conduct a Pre-Bid Conference
   e) Receive/coordinate responses to bidder inquiries
   f) Issue/track/log addenda
   g) Conduct the Bid Opening
   h) Review bids, bid bonds, insurance certificates and related submittals and recommend award to the lowest responsible bidder

6. Act as construction project coordinator and the point of contact for communications and interaction with the contractor, Iowa Pacific Holdings, affected local agencies and designer.

7. Perform all applicable resident engineer functions as required by standard specifications, the project special provisions, and applicable sections of the Caltrans Construction Manual and the AREMA manual for railway engineering.

8. Participate in a partnering relationship to be developed between the RTC, Iowa Pacific Holdings, affected local agencies and the contractor.

9. Conduct a pre-construction conference.

10. Review and monitor the construction schedule; prepare monthly reports documenting the progress of construction; take photographic recordings of the construction progress on a regular basis.
11. Schedule, manage and perform any necessary construction staking in accordance with the methods, procedures and requirements of Caltrans and the AREMA manual for railway engineering.

12. Schedule, manage, perform and document all field and laboratory testing services. Materials testing shall conform to the requirements and frequencies established by Caltrans and the AREMA manual for railway engineering.

13. Process submittals and monitor design consultant review activities.

14. Prepare and recommend progress payments.

15. Coordinate and meet construction oversight requirements of Caltrans and affected local agencies for work being performed within the respective jurisdictions.

16. Identify potential claims and make recommendations to resolve said claims.

17. Perform construction administrative activities, including correspondence and document control.

18. Perform field inspection activities, monitor contractor’s performance verses requirements of applicable codes, specifications, contract drawings and the AREMA manual for railway engineering.

19. Oversee the design clarification process.

20. Oversee quality acceptance and materials testing.

21. Evaluate, negotiate, recommend, and prepare change orders.


23. Provide final inspections services and project closeout activities, including preparation of the final construction project report.

24. Turn construction documents over to the RTC.
# SCCRTC CM Services for Improvements to the Santa Cruz Branch - Bridge Rehabilitation

## Fee Estimate

**January 17, 2013**

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<th>Staff</th>
<th>Position</th>
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<th>Qtr 3 2013</th>
<th>Qtr 4 2013</th>
<th>Qtr 1 2014</th>
<th>Period Total Hours</th>
<th>Rate (fully burdened)</th>
<th>SubTotal Cost ($)</th>
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|                  |                      |            |            |            |            |            | 2,436             |                      | $409,900          |
| 24% of Fee       |                      | 0          | 56         | 176        | 28         | 176        | 188               | 176                 | 186               | 304               | 176               | 184               | 4% of Fee         | $16,396           |

**TOTAL** $426,296