

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

March 26, 2010

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, March 26, 2010 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Pirie called the meeting to order at 9:04 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Dene Bustichi
Ron Graves
Donald Hagen
Michelle Hinkle
John Leopold (arrived after roll call)
Ellen Pirie
Lynn Robinson
Mark Stone
Marcela Tavantzis

DIRECTORS ABSENT

Emilio Martinez
Mike Rotkin
Ex-Officio Donna Blitzer

STAFF PRESENT

Ciro Aguirre, Operations Manager
Angela Aitken, Finance Manager / Acting AGM
Pat Aviles, Asst HR Manager
Bob Cotter, Maintenance Manager
Mary Ferrick, Fixed Route Supervisor
Terry Gale, IT Manager

Margaret Gallagher, District Counsel
Debbie Kinslow, Asst Finance Manager
Robyn Slater, Human Resources Manager
April Warnock, ParaCruz Superintendent
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

John Daugherty, SEA
Eduardo Montesino, UTU
Bonnie Morr, UTU

Amy Weiss, Spanish Interpreter
Scott Winslow, CCCIL
Eyedin Zonobi, SJSU

2. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS

Written:

None.

Oral:

Scott Winslow, CCCIL, speaking on behalf of disabled individuals, expressed dissatisfaction with METRO not serving the County Fair for the 2nd year in a row and suggested that METRO provide fixed route and ParaCruz service to the fair for just one day, and not for free because riders are willing to pay.

DIRECTOR LEOPOLD ARRIVED

3. LABOR ORGANIZATION COMMUNICATIONS

None.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

None.

CONSENT AGENDA

- 5-1. APPROVE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF JANUARY 2010
- 5-2. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JANUARY 2010
- 5-3. CONSIDERATION OF TORT CLAIMS:
DENY THE CLAIM OF ANNETTE STRONG, CLAIM #10-0003
- 5-4. ACCEPT AND FILE MAC MINUTES OF JANUARY 20, 2010 (NO AGENDA FOR MARCH 17, 2010 – MEETING WAS CANCELLED)
- 5-5. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF DECEMBER 2009 & JANUARY 2010
- 5-6. ACCEPT AND FILE RIDERSHIP AND PERFORMANCE REPORT FOR JANUARY 2010
- 5-7. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR JANUARY 2010
- 5-8. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ MONTHLY SERVICE REPORT FOR JANUARY 2010
- 5-9. APPROVE REGULAR BOARD MEETING MINUTES OF FEBRUARY 12 & 26, 2010
- 5-10. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JANUARY 2010 MEETING(S)
- 5-11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXTEND THE CONTRACT WITH EVERGREEN OIL, INC. FOR INDUSTRIAL WASTE DISPOSAL AND INDUSTRIAL WASTE EMERGENCY RESPONSE SERVICES
- 5-12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXTEND THE CONTRACT WITH MISSION LINEN AND UNIFORM, INC. FOR UNIFORM, DRY CLEANING AND FLAT GOOD SERVICES
- 5-13. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXTEND THE CONTRACTS WITH SANTA CRUZ TRANSPORTATION, LLC AND WATSONVILLE TRANSPORTATION, INC. FOR SUPPLEMENTAL PARATRANSIT SERVICES
- 5-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXTEND THE CONTRACT WITH TELEPATH CORPORATION FOR RADIO MAINTENANCE AND REPAIR SERVICES FOR AN ADDITIONAL TWO MONTH PERIOD

5-16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A WAIVER AND RELEASE WITH ORANGE COUNTY TRANSIT AUTHORITY FOR THE RIGHT TO ACQUIRE FOUR (4) 40-FOOT LOW FLOOR CNG BUSES

At the request of Director Bustichi, Chair Pirie pulled Item #5-15 from the Consent Agenda for discussion and renumbered it as Regular Agenda Item #14.1.

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR TAVANTZIS

Approve the remainder of the Consent Agenda.

Motion passed unanimously with Directors Martinez and Rotkin being absent.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS: NONE

7. PUBLIC HEARING TO CONSIDER ADOPTION OF THE FARE ORDINANCE TO INCREASE HIGHWAY 17 EXPRESS FARES IN ORDER TO INCREASE REVENUES BY MAINTAINING AN OPTIMAL FAREBOX RECOVERY RATIO

Summary:

Angela Aitken reported that Highway 17 Express fares have not been increased since July 2004. During that time, operating costs have increased approximately 8% and ridership has decreased 6.6%. In order to be proactive against the decline in Total Fare Revenues and the Farebox Recovery Ratio as well as increasing Operating Costs, Staff is proposing a 25% (\$1.00) increase to the Adult Base Fare (with similar increases to other fares). The proposed fare increase would generate approximately \$160,000 in one year.

The Board held a first reading of the Highway 17 Express Fare Ordinance last month and advertisements were posted in buses, newspapers, and information was provided on METRO's website notifying the public of the proposed changes. With adoption, these new fares will take effect on June 10, 2010, corresponding to the beginning of the summer bid.

CHAIR PIRIE OPENED THE PUBLIC HEARING AT 9:12 A.M.

Eyedin Zonobi, Transportation Solutions Manager at San Jose State University, stated that he feels a 25% increase is too high and suggested METRO providing a 10-20 ride pass, because currently the only options are a day pass and a monthly pass. Mr. Zonobi reported that SJSU has requested a 10-20 ride pass several times over the years and would be able to subsidize this type of pass.

CHAIR PIRIE CLOSED THE PUBLIC HEARING AT 9:16 A.M.

Discussion:

Director Stone asked if a 10-20 ride pass would be an option with the SmartCard System and encouraged METRO to work with SJSU on having this type of pass now. Les White replied it would be an option with the SmartCard System, which Staff anticipates being implemented in 9-12 months. Mr. White agreed that Staff can discuss this type of pass with the other JPA partners to develop an interim solution.

ACTION: MOTION: DIRECTOR STONE SECOND: DIRECTOR ROTKIN

Adopt the Fare Ordinance establishing the schedule for bus fares on the Highway 17 Express as presented, effective June 10, 2010.

Motion passed unanimously with Directors Martinez and Rotkin being absent.

8. CONSIDERATION OF ADOPTING A RESOLUTION DESIGNATING LESLIE R. WHITE, GENERAL MANAGER, AS THE AUTHORIZED AGENT TO EXECUTE ANY AND ALL ACTIONS NECESSARY TO RECEIVE FUNDS FROM THE CALIFORNIA PUBLIC TRANSPORTATION, MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT

Summary:

Angela Aitken stated that in November, 2006, California voters approved the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 (Bond Act), balloted as Proposition 1B. Proposition 1B and its enabling legislation, SB 88, established the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) to fund public transportation improvement projects in California. PTMISEA funds will provide approximately \$2,491,923 in FY10 for the MetroBase project

Caltrans administers the California's PTMISEA program and requires the attached resolution authorizing the General Manager to execute agreements.

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR HINKLE

Adopt a Resolution authorizing the General Manager to execute any actions and agreements necessary to obtain Public Transportation, Modernization, Improvement and Service Enhancement Account (PTMISEA) funds on behalf of Santa Cruz METRO

Motion passed unanimously with Directors Martinez and Rotkin being absent.

9. CONSIDERATION OF ADOPTING A RESOLUTION AUTHORIZING A CLAIM FOR FY11 TRANSPORTATION DEVELOPMENT ACT (TDA) FUNDS

Summary:

Angela Aitken explained that this item is not on the Consent Agenda this year because the Board must approve it prior to adopting the next item on today's Agenda - the FY11 & FY12 Line Item

Budget.

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR HINKLE

Adopt a Resolution authorizing the General Manager to submit a claim to the Santa Cruz County Regional Transportation Commission for FY11 Transportation Development Act (TDA) funds.

Motion passed unanimously with Directors Martinez and Rotkin being absent.

10. CONSIDERATION OF APPROVAL OF FY11 AND FY12 PRELIMINARY LINE ITEM OPERATING AND CAPITAL BUDGETS FOR REVIEW AND CLAIMS PURPOSES

There were no questions or comments on this item.

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR HINKLE

Adopt the attached Preliminary Line Item Operating and Capital Budget for FY11 and FY12, for review and TDA/STA claims purposes.

Motion passed unanimously with Directors Martinez and Rotkin being absent.

11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH CREATIVE BUS SALES, INC. FOR PURCHASE OF 22 RAISED-TOP PARATRANSIT VANS FOR AN AMOUNT NOT TO EXCEED \$1,150,000.00

Summary:

Ciro Aguirre reported that METRO's fleet of ParaCruz mini-vans is approaching the end of its useful life and is in need of replacement. American Reinvestment Recover Act (ARRA) funds will be used for this procurement. METRO currently has two of these Versa Shuttles and that the new ones will have accessibility improvements and more room inside.

Discussion:

John Daugherty, SEA, stated that he has heard comments regarding the limited space of the current configuration for operators to move around inside the vehicle while securing mobility devices so he is glad to hear the new vehicles will have more room. Mr. Daugherty added that the bench seats in these larger vehicles are very uncomfortable and asked if any improvements were planned in that area.

Eduardo Montesino, UTU, also expressed concern about the limited interior space.

ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR ROBINSON

Authorize the General Manager to execute a contract with Creative Bus Sales, Inc. for the purchase of twenty-two raised top Paratransit vans for an amount not to exceed \$1,150,000.

Director Stone asked if the question about the seats being uncomfortable could be addressed. Ciro Aguirre replied that the seats are the fold-up type which can accommodate the wheelchair area, and they are padded and have straighter backs than non-folding seats. Les White said that Staff could look into options on the jump seats such as having them covered with fabric rather than vinyl.

Motion passed unanimously with Directors Martinez and Rotkin being absent.

12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH TECHNICAL SERVICES ASSOCIATES, INC. FOR PURCHASE AND IMPLEMENTATION OF A PURCHASING SOFTWARE MANAGEMENT SYSTEM FOR AN AMOUNT NOT TO EXCEED \$84,000.00

Summary:

Angela Aitken reported that METRO's current purchasing system was created in-house over twenty years ago, and there is no external support or maintenance available. The new system will automate several procurement tasks that are currently performed manually which will simplify a very cumbersome process and save a significant amount of staff time.

Discussion:

Director Tavantzis asked about the training budget. Ms. Aitken replied that in-house training is included and the contract cost includes 5 years of software maintenance including technical support and software updates.

There was a discussion about the timing of spending over \$300,000 on software between this item for the Purchasing Department and the next item on the agenda for the Human Resources Department while the budget situation is so bad.

Ms. Aitken explained that these are 2010 FTA funds that cannot be used for operating expenses and provided more description and examples of benefits to METRO. Les White explained that there will be no impact on the Operating Budget because the software systems would be purchased with all Capital funds that cannot be used for operating expenses.

Terry Gale, IT Manager, explained that the current system was written in-house and is not supported, so if anything were to happen, METRO would have no purchasing system.

Bonnie Morr, UTU, stated that she believes this is a bad time to be investing \$300,000 in software and that METRO should be investing in keeping the buses running.

Director Bustichi stated that he agrees that this is a significant amount of money to be spending on software right now that he does not feel comfortable supporting.

Les White replied by stating that if the Board does not approve these software purchases today, especially the purchasing system, the Board will be placing METRO in jeopardy because if the current system breaks, there is no replacement and METRO will have no purchasing system, period. If that happens, METRO will no longer be in compliance with public law in order to continue to operate, which is a grave danger. Mr. White reiterated that none of these funds can be used for bus parts or any other operating support activity and in fact, the 5 years of maintenance included in this purchase would normally be an operating expense, but because it is included in the software purchase, it is a capital expense which will not impact the operating budget at all.

Chair Pirie stated that she is convinced that the Purchasing Software is a necessary investment.

Director Stone agreed that if these funds cannot be used for operating expenses, this would be a good capital investment.

ACTION: MOTION: DIRECTOR ROBINSON SECOND: DIRECTOR HAGEN

Authorize the General Manager to execute a contract with Technical Services Associates, Inc., for purchase and implementation of a Purchasing Software Management System for an amount not to exceed \$84,000.

Motion passed with Director Bustichi opposed and Directors Martinez and Rotkin being absent.

13. **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH SPECTRUM HUMAN RESOURCES SYSTEMS CORPORATION FOR PURCHASE AND IMPLEMENTATION OF A HUMAN RESOURCES SOFTWARE MANAGEMENT SYSTEM FOR AN AMOUNT NOT TO EXCEED \$250,000.00**

Summary:

Robyn Slater reported that the current Human Resources Information System is 25 years old and there is no external support or maintenance available. Ms. Slater explained how the new system will increase the efficiency, capability and accuracy of the Human Resources Department, and it also includes training and 5 years of maintenance. Ms. Slater stated that although the Board is being asked to authorize \$250,000, Staff expects the actual cost will be considerably less than that amount and will report back to the Board by the end of April when the final cost of the contract has been negotiated.

Discussion:

There was a discussion regarding the Board being asked to authorize \$250,000, which is significantly higher than the \$165,000 proposal received.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR HAGEN

Authorize the General Manager to execute a contract with Spectrum Human Resources Systems Corporation for purchase and implementation of a Human Resources Management System for an amount not to exceed \$165,000 plus an additional 10% if necessary. Staff to report back to the Board of Directors with the final contract amount and amend the contract if needed, pending implementation negotiations with the Contractor's technical staff.

Motion passed with Directors Bustichi and Leopold opposed and Directors Martinez and Rotkin being absent.

14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR FINANCIAL AUDIT AND TAX SERVICES FOR AN AMOUNT NOT TO EXCEED \$113,250 OVER A THREE-YEAR CONTRACT PERIOD

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR STONE

Authorize the General Manager to execute a contract with Brown Armstrong Accountancy Corporation for financial audit and tax services for an amount not to exceed \$113,250 over a three-year contract period.

Motion passed unanimously with Directors Martinez and Rotkin being absent.

14.1 (PREVIOUSLY #5-15) CONSIDERATION OF CONTINUING SPONSORSHIP OF LEADERSHIP SANTA CRUZ COUNTY IN ORDER TO PROVIDE EDUCATION ON TRANSPORTATION ISSUES, SERVICES, AND FACILITIES AND TO PROVIDE THE OPPORTUNITY FOR METRO STAFF TO PARTICIPATE IN THE PROGRAM

Director Bustichi expressed concern about spending any funds right now unless absolutely necessary, which is why he does not support this item. Les White confirmed that this would come directly from the Operating Budget and would be approximately \$2,400 plus presentation materials.

Les White stated that METRO employees had participated in the previous two years, however, due to time constraints, no one from METRO would be able to attend this year's class, but that Leadership Santa Cruz would issue two credits so METRO would have 4 slots available in next year's class.

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR STONE

Approve METRO continuing to be a sponsor of the Leadership Santa Cruz County Program, providing information regarding public transit services and facilities to the class Members, and providing buses on April 2, 2010, May 21, 2010, and June 4, 2010 for tours of various facilities and activities.

Motion passed with Director Bustichi opposed and Directors Martinez and Rotkin being absent.

15. ORAL ANNOUNCEMENT: THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, APRIL 9, 2010 AT 9:00 A.M. AT SANTA CRUZ METRO'S ADMINISTRATIVE OFFICE, 110 VERNON STREET, SANTA CRUZ

Chair Pirie announced that the April 9th Board Meeting would be held at METRO's Administrative Office at 110 Vernon Street.

16. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

Margaret Gallagher reported that the Board would have a conference with its Labor Negotiators regarding UTU, Local 23, Fixed Route Division.

17. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

John Daugherty, SEA, stated that his comment was not related to Closed Session, but that he wanted to be sure people were aware that a member of the public that was at today's meeting had fallen out of his wheelchair at the restroom entrance when he attempted to use the automatic door, which was not functioning and may be a liability issue. Chair Pirie thanked Mr. Daugherty and said she would notify the City.

Bonnie Morr, UTU, distributed an article from SFGate.com, which is attached to the file copy of these minutes, about \$400 million in fuel tax revenue being made available to state transit operators within 90 days.

SECTION II: CLOSED SESSION

Chair Pirie adjourned to Closed Session at 10:44 a.m. and reconvened to Open Session at 11:21 a.m.

SECTION III: RECONVENE TO OPEN SESSION

18. REPORT OF CLOSED SESSION

Chair Pirie stated that there was no reportable action taken in Closed Session.

ADJOURN

There being no further business, Chair Pirie adjourned the meeting at 11:21 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Anthony B. Japung". The signature is written in a cursive style with a large, looping initial 'A'.

for
CINDI THOMAS
Administrative Services Coordinator