



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA MEETING MINUTES
JUNE 23, 2017 – 9:00 AM
SANTA CRUZ CITY COUNCIL CHAMBERS
809 CENTER STREET
SANTA CRUZ, CA 95060**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, June 23, 2017 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA

The Board Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz METRO's Administrative offices at 110 Vernon Street, Santa Cruz, California.

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SECTION I: OPEN SESSION

- 1 CALL TO ORDER at 9:02 AM by Chair Dutra.**

- 2 ROLL CALL: The following Directors were present, representing a quorum:**

Director Ed Bottorff	City of Capitola
Director Cynthia Chase	City of Santa Cruz
Director Jimmy Dutra, Board Chair	City of Watsonville
Director Norm Hagen	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Bruce McPherson, Board Vice Chair	County of Santa Cruz
Director Dan Rothwell	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Donna Blitzer	UC Santa Cruz
Ex Officio Director Liber McKee	Cabrillo College

Director Rios was absent.

STAFF PRESENT:

Alex Clifford
Julie Sherman

METRO CEO/General Manager
METRO General Counsel

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:

Angela Aitken, METRO
Joan Jeffries, SEIU-SEA

4 ANNOUNCEMENTS

Chair Dutra introduced Carlos Landaverry and his Spanish Language Interpretation services. He then announced that the meeting is being televised by Community Television of Santa Cruz County with technician, Mr. Lynn Dunton.

5 BOARD OF DIRECTORS COMMENTS

Director Mathews requested CEO Clifford address the status of a possible Pacific Station project consultant contract. CEO Clifford said he would discuss during today's CEO Oral Report, Regular Agenda Item # 14. Chair Dutra added this topic will be fully addressed at the August 2017 Board Meeting.

Prompted by Director Rotkin, Ex-Officio Director Blitzer announced her retirement from UCSC and her retirement as a member of METRO's Board of Directors. She said UCSC values their partnership with METRO and Mr. Larry Pageler would be assuming her position until a permanent replacement can be named. Director Rotkin thanked her for her many years of dedicated service, recognizing her behind-the-scenes work done over the years.

Hearing no further comments, Chair Dutra moved to the next agenda item.

6 COMMUNICATIONS TO THE BOARD OF DIRECTORS

Ms. Erron Alvey, Purchasing Manager, invited Board Members and the public to participate with METRO in the Boulder Creek and Watsonville Fourth of July parades.

7 COMMUNICATIONS FROM MAC

Having none, Chair Dutra moved to the next item.

8 LABOR ORGANIZATION COMMUNICATIONS

Mr. Eduardo Montesino, representing UTU, thanked Ex-Officio Director Blitzer for her service.

9 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

9-01 RECOMMENDED ACTION ON TORT CLAIMS

9-02 ACCEPT AND FILE: PRELIMINARY CHECK JOURNAL DETAIL FOR THE MONTH OF MAY 2017

9-03 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF APRIL 30, 2017

9-04 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF MAY 19, 2017

- 9-05 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO ADVISORY COMMITTEE (MAC) MEETING OF FEBRUARY 15, 2017
- 9-06 APPROVE: RECOMMENDATION TO REFER SANTA CRUZ METRO BYLAWS TO THE PERSONNEL/HR STANDING COMMITTEE FOR REVIEW AND REVISION
- 9-07 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A THIRD AMENDMENT EXTENDING THE CONTRACT FOR TWO YEARS WITH VISION SERVICE PLAN FOR EMPLOYEE VISION CARE SERVICES, INCREASING THE CONTRACT TOTAL BY \$260,000
- 9-08 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 1ST AMENDMENT WITH CLEAN ENERGY TO INCREASE THE CONTRACT TOTAL BY \$300,000 FOR PURCHASE AND DELIVERY OF LIQUEFIED NATURAL GAS
- 9-09 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO CLEAN ENERGY FOR PURCHASE AND DELIVERY OF LIQUEFIED NATURAL GAS NOT TO EXCEED \$5,793,900
- 9-10 APPROVE: CONSIDERATION OF AUTHORIZATION TO USE THE STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES CALIFORNIA MULTIPLE AWARD SCHEDULES (CMAS) CONTRACT FOR THE PURCHASE OF 1 AERIAL BOOM TRUCK IN AN AMOUNT NOT TO EXCEED \$97,514
- 9-11 APPROVE: CONSIDERATION OF RESOLUTION APPROVING THE FY17 REVISED CAPITAL BUDGET
- 9-12 APPROVE: APPROVING THE EMPLOYMENT PRACTICES LIABILITY (EPL) COVERAGE PROGRAM
- 9-13 APPROVE: RENEWAL OF LIABILITY AND VEHICLE PHYSICAL DAMAGE INSURANCE PROGRAM COVERAGE WITH CALTIP FOR FY18
- 9-14 APPROVE: CONSIDERATION OF DECLARING ONE (1) 2003 PARATRANSIT CHEVY VENTURE VAN AND ONE (1) 2007 FORD FOCUS AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION
- 9-15 ACCEPT: A SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
- 9-16 ACCEPT: ACCEPT THE PROPOSED DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL OF 1.93% FOR FEDERALLY FUNDED PROCUREMENTS FOR FFY18-FFY20 AND OPEN THE PUBLIC COMMENT PERIOD BEGINNING JUNE 23, 2017
- 9-17 APPROVE: RATIFICATION OF EXPENDITURES ABOVE THE APPROVED LIFE OF PROJECT AMOUNT FOR THE SANTA CRUZ METRO LAND MOBILE RADIO PROJECT AND CONFIRMATION OF PROJECT CLOSEOUT

- 9-18 APPROVE: CONSIDERATION OF AUTHORIZING THE TEMPORARY APPOINTMENT OF LESLYN SYREN AS SPECIAL COUNSEL
- 9-19 APPROVE: CONSIDER AUTHORIZING THE CEO/GM TO EXECUTE THE MASTER FUNDING AGREEMENT BETWEEN THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION AND THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FOR MEASURE D FUNDING
- 9-20 PULLED FROM THE CONSENT AGENDA AND ADDRESSED IN CONJUNCTION WITH REGULAR AGENDA ITEM 12.** APPROVE: APPROVAL OF NEW CLASSIFICATION AND WAGE SCALE FOR MAINTENANCE SUPERINTENDENT

Director Leopold requested that Consent Agenda Item 9-20 be pulled and discussed with Regular Agenda Item 12, Final Adoption of the FY18 and FY19 Operating Budgets and Final FY18 Capital Budget. Chair Dutra concurred.

Director Mathews questioned the inclusion of a detailed check journal (Consent Agenda Item 9-02) in each monthly Board packet. She had never seen this with other organizations. Director Leopold said he's seen this done in his experience with Cabrillo, City of Scotts Valley and the Sanitation District. Ex-Officio Blitzer added the City of Scotts Valley also includes this information for purposes of transparency.

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED, EXCEPT CONSENT AGENDA ITEM 9-20 WHICH WAS PULLED TO DISCUSS IN CONJUNCTION WITH REGULAR AGENDA ITEM 12

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR LIND

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Dutra, Hagen, Leopold, Lind, Mathews, McPherson, Rothwell & Rotkin). Director Rios was absent.

REGULAR AGENDA

10 INTRODUCTION OF LEADERSHIP SANTA CRUZ GRADUATES

Chair Dutra introduced the graduates present: Joan Jeffries and Sharon Toline and asked them to share a bit about their experience. He also referenced a similar program, Focus Ag.

Joan Jeffries explained the Program and her experience in learning about the connections between the various organizations throughout Santa Cruz County.

Sharon Toline echoed Ms. Jeffries comments, citing the wonderful exposure to others in the community.

Director Lind said this is a valuable program, particularly with regard to the opportunity it affords to learn from local government agencies and businesses.

Director Mathews expressed her appreciation to METRO for investing in its employees. This is a great way to expose METRO to the community and foster interaction between public, private and non-profit sectors.

Finance Manager Aitken added that METRO contributes three buses as an in-kind contribution, which allows three METRO employees to participate annually.

11 INTRODUCTION OF BUS OPERATOR GRADUATES

COO Ciro Aguirre introduced those present. Six Fixed Route Operators: Joshua Chelise, Norma Flores, Cesar Medina, Matthew Montes, Vicki Trent, Jose Valtierra and two Paratransit Operators: Bryan Saucedo and Jose Carranco.

Director McPherson congratulated the graduates and reminded the assembly that 80% of our riders do not have an automobile.

Chair Dutra welcomed the Operators to METRO.

12 PUBLIC HEARING REGARDING THE FINAL ADOPTION OF SANTA CRUZ METRO'S FINAL FY18 AND FY19 OPERATING BUDGETS, FINAL FY18 CAPITAL BUDGET AND CONSENT AGENDA ITEM 9-20, APPROVAL OF NEW CLASSIFICATION AND WAGE SCALE FOR MAINTENANCE SUPERINTENDENT OPENED AT 9:23AM

Ms. Angela Aitken, Finance Manager, said today's public hearing is being held to adopt the Final FY18 and FY19 Operating Budgets and the Final FY18 Capital Budget. In METRO's efforts over the years to provide more transparency, the information provided to the Board and public has increased. She then proceeded to add commentary to the presentation, pages 12A.1 – 12A.27.

In response to Director Rotkin's request, Ms. Aitken explained the Federal funding source(s) and how METRO uses it. She noted that METRO falls into a particular category of public transit providers, which allows us to use 100% of these funds against our Operating expenses.

Director McPherson inquired as to staff's confidence in the projections. Ms. Aitken answered the full details are included in the Risk detail; she agreed it is a balancing act to predict future budgets with many unknown variables. CEO Clifford added this budget creates more flexible/fungible dollars to use against Federal and State grants, but is also dependent upon SB1 surviving any potential recall measure.

Director Mathews asked if Capital includes buses, equipment and facilities. Ms. Aitken responded yes; Capital covers anything over \$1K within infrastructure.

Ms. Aitken brought the assembly's attention to page 12A.15, which includes seven new hires as directed by the Board: four funded by Measure D, two funded by UCSC and one more Measure D funded Bus Operator as a result of the May 2017 Board action, which action highlights Measure D's funding of transit services.

Director Rotkin was happy to see that METRO is now projecting an increase in reserves and has identified a capital "want list". He thanked everyone for their efforts, including UCSC and Cabrillo. This represents an impressive improvement over past budgets.

Director McPherson agreed with Director Rotkin, noting METRO's foresight has allowed us to achieve this status today, particularly in light of the uncertainty with Federal and State funding.

Director Leopold spoke of the journey taken to understand the structural deficit, which has allowed METRO to come to terms with fiscal realities and make plans to acquire resources. He thanked everyone involved in contributing to the balanced budget: Operators, METRO staff, Board Members, Senator Monning, Asm. Stone and Caballero, etc.

Public comment:

Mr. Montesino said METRO is going down the correct, conservative path, but a few holes still exist in the weekend and late night service.

Board comments:

Director Leopold asked CEO Clifford to address the Maintenance Superintendent position, Consent Agenda Item 9-20. CEO Clifford said METRO is requesting Board approval to create a Maintenance Superintendent position today. This position is long overdue and mission critical. Maintenance Managers are difficult to recruit; ideally, we recruit from within whenever possible. The current vein of succession planning does not include a mid-level Superintendent to aid in this succession. If approved today, METRO will begin recruitment. He noted this position has been discussed previously in the March and May board materials as well as during the May 10th annual budget presentation to the union representatives where it was well received; i.e., questions were asked and answered. There are no issues surrounding this funded position in Department 4100, Fleet Maintenance.

Chair Dutra asked if there were any other known mission critical positions. CEO Clifford replied this position is at the forefront; a Marketing Manager position has been created and is as yet unfunded. This position should be placed ahead of that.

Director Rothwell inquired as to any consequences if the position isn't approved/funded. CEO Clifford noted that we currently have a limited number of superintendents who perform various administrative tasks and on-the-floor supervising. This inhibits our ability to have supervision on all shifts. The Superintendent position will help free up supervisors to cover shifts.

Director Bottorff voiced his support, adding it is nice to see this opportunity within the Maintenance Department.

Director Lind supports the position and strategy to ensure we locate the correct candidate. She added the City of Scotts Valley also finds it difficult to recruit outside the area.

Director Leopold agreed that this position has been on the table for some time. In the future as we look to expand, the Board has a responsibility to balance the needs of increased service and making sure we have the appropriate staffing. We want to keep the community engaged and supported.

Chair Dutra agreed with the other Directors, noting we need to continue thinking about services to the community.

ACTION: MOTION TO ADOPT SANTA CRUZ METRO'S FINAL FY18 AND FY19 OPERATING BUDGETS, THE FINAL FY18 CAPITAL BUDGET AND THE APPROVAL OF THE NEW CLASSIFICATION AND WAGE SCALE FOR A MAINTENANCE SUPERINTENDENT AS PRESENTED

MOTION: DIRECTOR LEOPOLD

SECOND: DIRECTOR ROTKIN

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Dutra, Hagen, Leopold, Lind, Mathews, McPherson, Rothwell & Rotkin). Director Rios was absent.

Public hearing closed at 10:05AM

13 ORAL METRO ADVISORY COMMITTEE (MAC) SEMI-ANNUAL REPORT

Michael Pisano, MAC Chair, thanked METRO for resolving the budget. MAC is currently recruiting to fill one open position. MAC is appreciative of the timeliness of the route notifications and suggests adding the next departure time to the notification. When METRO incorporates GPS technology, MAC would like the technology to include capacity information, if possible. He has been corresponding with Mr. Emerson regarding a potential stop at the Enterprise building in Scotts Valley. UCSC employees and students are currently using Uber and Lyft to go between the facilities. He believes METRO is a player in the new transit

corridors being developed. He wondered if there is a way to balance the cost of driving a car and parking downtown against the cost of riding METRO.

Director Rotkin said he was impressed by the issues the MAC addresses and their comments as referenced in their meeting minutes. They provide a useful service to the agency.

Director Leopold believes an Enterprise building stop represents a lost opportunity and offered his assistance to meet the need. He thanked Mr. Pisano for his leadership.

Director Lind, as a Scotts Valley Councilmember and METRO Board Member, is aware of the Enterprise building need and is supportive of this request.

Director Mathews said UCSC is considering a shuttle between the UCSC campus and the Enterprise Building.

CEO Clifford said METRO would complete the recruitment cycle and bring recommendations to the MAC Ad Hoc Committee.

There were no public comments.

16 ACCEPT: CEO ORAL REPORT

CEO Clifford reported that METRO staff is in the process of drafting a Rider Code of Conduct, which will be brought to the HR Personnel Standing Committee in the near future.

CEO Clifford invited the assembly to the June 27th, 12:00 noon, Customer Service ribbon cutting ceremony. Onsite parking is limited so METRO will be providing a shuttle service from the Civic Center Parking Garage on Second Street to the Transit Center beginning at 11:00AM.

CEO Clifford thanked Ex-Officio Director Blitzer for her years of service, noting she will return to the August meeting to be formally recognized. He will also forward the invitation to her retirement celebration on June 28th, from 5:00 – 7:00PM at the Blitzer Gallery.

Mr. Emerson will be providing a Pacific Station update to the Capital Projects Standing Committee and the full board at the August board meeting. Director Mathews requested that METRO actively engage the City of Santa Cruz. CEO Clifford agreed that would be the case.

Details of the Boulder Creek and Watsonville Fourth of July parade were verbally announced. Director Lind requested METRO's participation in the Scotts Valley celebration next year.

CEO Clifford reminded the assembly that there is no board meeting in July.

There were no public comments.

17 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Julie Sherman, General Counsel, announced the items referenced below, which will be discussed in Closed Session. She anticipates no reportable action pertaining to the Pending Litigation (Agenda Item 18). As provided on the Agenda, depending on the Closed Session discussion on Agenda Item 19, the Board may consider potential action to amend the CEO/GM's Employment Agreement after reconvening to Open Session.

There were no public comments.

SECTION II: RECESSED TO CLOSED SESSION AT 10:23AM

18 CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION

Government Code Section 54956.9 (d)(1) – Parties: Lewis C. Nelson and Sons, Inc. and RNL Design, Inc.

19 PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(B)(1), CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54957.6

Agency Designated Representative:
Title/Unrepresented Employee:

Jimmy Dutra, Board Chair
Alex Clifford, CEO/General Manager

SECTION III: RECONVENED TO OPEN SESSION AT 11:48AM

General Counsel Sherman stated that the Board met in closed session to complete the CEO/General Manager's performance evaluation and confer with the Board's labor negotiator.

General Counsel Sherman then provided an oral summary of a proposed amendment to the CEO/General Manager's Employment Agreement and an accompanying Resolution, which Resolution was made available to the public following the Closed Session. Board Members Hagen, Mathews and Rotkin were selected to participate on the CEO Performance Evaluation Ad Hoc Committee.

CEO Clifford expressed his gratitude and said he is looking forward to continuing his relationship with METRO for an additional three years.

ACTION: MOTION TO APPROVE CERTAIN AMENDMENTS TO THE AGREEMENT AND THE ACCOMPANYING RESOLUTION.

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR ROTHWELL

MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Dutra, Hagen, Leopold, Lind, Mathews, McPherson, Rothwell & Rotkin). Director Rios was absent.

20 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, AUGUST 25, 2017 AT 9:00AM, SCOTTS VALLEY CITY COUNCIL CHAMBERS, ONE CIVIC CENTER DRIVE, SCOTTS VALLEY, CA

Chair Dutra announced the next meeting as above.

21 ADJOURNMENT

Chair Dutra adjourned the meeting at 11:51AM.

Respectfully submitted,

Gina Pye
Executive Assistant