

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**Minutes- Board of Directors**

**February 11, 2000**

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A Special Workshop Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, February 11, 2000, at the Holiday Inn, 611 Ocean Street, Santa Cruz, California.

Chairperson Beautz called the meeting to order at 8:41 a.m.

## **SECTION 1: OPEN SESSION**

### **1. ROLL CALL:**

#### **DIRECTORS PRESENT**

Bruce Arthur  
Jan Beautz  
Kenneth Burch  
Bruce Gabriel  
Michelle Hinkle  
Mike Keogh  
Oscar Rios  
Mike Rotkin

#### **DIRECTORS ABSENT**

Jeff Almquist (arrived 8:57 a.m.)  
Katherine Beiers (arrived 8:46 a.m.)  
Bart Cavallaro (arrived 8:52 a.m.)  
Tim Fitzmaurice (arrived 8:42 a.m.)

#### **STAFF PRESENT**

John Aspesi, Fleet Maint. Supervisor  
Bryant Baehr, Operations Manager  
Paul Chandley, Human Resources Manager  
Kim Chin, Planning & Marketing Manager  
Mark Dorfman, Assistant General Manager  
Marilyn Fenn, Assistant Finance Manager  
Linda Fry, Service Planning Supervisor  
Terry Gale, MIS Manager

Margaret Gallagher, District Counsel  
Tom Hiltner, Transit Planner  
David Konno, Facilities Maint. Manager  
David Moreau, Bus Operator  
LeAna Olson, H. R. Analyst  
Elisabeth Ross, Finance Manager  
Judy Souza, Base Superintendent  
Tom Stickel, Acting Fleet Maint. Manager  
Leslie R. White, General Manager

#### **OTHER ATTENDEES**

Roger Boldt, Roger Boldt Consulting  
Janet Brennan - MBUAPCD  
Scott Bugental, Lift Line  
Jim Dong, Raymundo Engineering  
Spence Erickson, PG&G  
David Fairchild, MBUAPCD  
Ron Goodman, Neighbor  
Debbie Hale, SCCRTC  
Stuart Hoffman, Sierra Detroit Diesel  
Madelein Hormann, SCCRTC

Ian McFadden, UTU Local 23  
Camille Pierce, Bus Rider  
Will Regan, VMU Representative  
Bob Scott, Construction Engineer  
Celia Scott, Attorney  
Peter Scott  
Wes Scott, UCSC  
Michael & Janet Singer, S.C. Walk & Roll  
Jon Styner, WaterLeaf Arch. & Engineering  
Keith Sugar, Mayor, Santa Cruz City  
Tom Tate, Liberty Fuels  
Marion Taylor, League of Women Voters

**OTHER ATTENDEES**

Pattie Korba, SEA President  
Jeff LeBlanc, MASTF  
Manuel Martinez, PSA Chairperson

Tom Whittaker, WaterLeaf Arch. & Eng.

**2. ORAL AND WRITTEN COMMUNICATIONS**

None

**3. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

None

**4. REGULAR AGENDA**

Issue 1      Presentation and Discussion of Management Information System (MIS) Study

Terry Gale, MIS Manager, introduced Roger Boldt, Consultant, to review his findings regarding the District's information technology environment. Mr. Boldt offered credentials from his twenty years of experience and highlighted his participation on the IT Committee of APTA. The objective of Mr. Boldt's review was to make a broad diagnostic of the technology of the system and of the state of technology across the entire organization. Mr. Boldt offered the following advice and changes to better position the District for the future:

- a. Intelligent Transportation System (ITS) - Attempts to use technology to increase capacity (i.e. electronic tolls). Real Time Systems (RTS) are a way to enhance capacity. The benefit from introducing ITS and RTS is seen particularly in paratransit where there is evidence that ridership can be increased as much as four-fold.
- b. Purchasing individual technologies that can be linked together. Commercial operating systems can be bought off-the-shelf.
- c. Intelligent System - Needs to be replaced or sufficiently upgraded every four years in order to keep up with technology.
- d. Current IT environment needs to be enhanced with one position: Database Administrator. To attract and retain IT professionals, pay structure must be more competitive.
- e. Incrementally replace core systems with best of breed vendors.
- f. Continue to evaluate new technological opportunities like ITS and Internet.
- g. Leasing of both technology and hardware is a good idea and cost effective.
- h. Graphical Information Solutions (GIS) enables management to run different scenarios, which gives good information to recommend changes to the system.

**Accomplishments in the MIS Department**

- a. Aggressively introduced new platform environment replacing the old one. The District is now a UNIX/NT environment that is supportable long term.
- b. New financial system has been acquired.
- c. Bid Dispatch has been upgraded with the same vendors.

- d. Platform and application environments have been tied together into a single LAN/WAN (Local Area Network/Wide Area Network).

Scott Bugental asked if the Automated Vehicle Location (AVL) software can be used with the Trapeze software he is currently utilizing. Mr. Boldt reported that Trapeze and Giro are the two best products on the market. The cost of AVL is approximately \$4.5M; however, the return on the investment is very strong -- within 2 - 2 1/2 years.

Director Fitzmaurice asked how the District can minimally improve the IT system and provide better information to the ridership. Jeff LeBlanc discussed the "talking buses" and the need to prioritize this. Mr. Boldt responded to both issues stating that the infrastructure needs to be complete before addressing these issues.

Director Beiers requested confirmation that the implementation of the recommendations from Mr. Boldt would cost \$107,000, including salary and benefit costs. Les White reported that staff will return to the regular Board of Directors meeting scheduled for February 18<sup>th</sup> with a report to consider Mr. Boldt's recommendations.

Mr. White further reported that the framework in being put into place which will allow staff to conduct a per trip, per bus, passenger count. It is impractical at this time for the District to look at a Real Time trip using the ITS and RTS systems. Mr. Boldt explained that all RFPs for new technology need to state what the District's existing standards are. Mr. Boldt further stated that a way to keep capital costs down is through a maintenance materials inventory.

#### Issue 2 Presentation and Discussion of Issues Related to the MetroBase Project

Les White introduced this topic with the history of the Watsonville MOF (Maintenance Operating Facility) which went off-line in 1989 after suffering from earthquake damage. This facility was replaced with a remodeled Kentucky Fried Chicken processing warehouse. Currently, seven service bays are utilized to perform the work that was previously done in seventeen service bays. Mr. White showed a series of slides which conveyed the inadequacies of the current transit district maintenance and bus parking facilities. In 1989 the District's fueling facility went off-line. Staff currently fuels District buses and vehicles at Devco Oil and pays premium market prices. The River Street facility went on-line in 1981 and was designed to house 35-40 buses. Currently, as many buses as possible are parked there, intermingled with employee vehicles. This facility is in a flood zone. Mr. White went into detail regarding the vehicle service workers' working conditions.

- a. Drainage Ditch Relocation Project for the Site

In 1995 Gannett Flemming was hired to find a site location for MetroBase. Other options viewed were the Skyview Drive-in, Neigh Lumber, and Harvey West which would have to be utilized in a clustered configuration. For various reasons, these sites were disqualified. When the Lipton site was initially viewed, only the back half of the property was being considered. An initial study was prepared, a negative declaration was issued and the Board adopted this in 1996. The major challenge at that time was the ditch and the District's need to relocate this

somewhere other than the center part of the property. The Board also adopted a negative declaration regarding traffic, emissions, and systems flow. This project was shelved due to FEMA and was taken off the shelf in the Fall of 1997. At that time, the Mission Linen portion of the property had been sold. The site was reconfigured to add the Union Pacific right-of-way for ingress and egress. The Board of Directors adopted a negative declaration of the current configuration of the property in 1998. The current status is that the ditch relocation is still an issue. WaterLeaf is doing an initial design criteria, non-site specific. Lipton is still desirous of selling the property and wants to perfect the site for the sale. More recently, the Zoning Board denied the District's negative declaration with a 3:1 vote. A wetlands expert stated that the ditch is a man-made channel with no established habitat. Director Fitzmaurice reported that the staff of the Zoning Board felt that the ditch relocation should be brought before the Zoning Board in conjunction with the MetroBase project and that it was inappropriately divided. Director Rotkin reported that it was Lipton who split this issue and asked that the District staff not attend the Zoning Board meeting.

Les White was informed by Mr. Tosta, Lipton's representative, that they plan to divest themselves from this property by:

1. Selling to the Transit District;
2. Selling to someone else;
3. If ditch is non-movable, Lipton will sell it forcibly to the City

Mr. White was also informed that if District staff was at the Zoning Board meeting and something negative happened, Lipton would hold the District responsible. Both Directors Beiers and Beautz voiced their desire to have Board representatives and District Staff present at the Zoning Board meeting and staff was directed to attend this Thursday night meeting. Mr. White stated that the MetroBase project would be subjected, at a minimum, to a focused Environmental Impact Report.

Mr. White discussed the steps for condemnation:

1. Re-assert that there is no other alternative location available to the District.
2. Make a finding of public necessity for the property in that location and no other.
3. The Board would send a formal request to the City Council, which requires a majority on the part of the Board for permission to condemn. If agreed to, condemnation action goes before the Board with a possible 2/3rds vote to take that action.
4. With that, the District would gain possession of the property and work out just compensation to the property owner, through the legal process.
5. If the City Council agrees to allow the District to condemn, the property owner cannot stop this process.

b. Drainage Ditch Setback Requirements' Affect on Design

Les White reported that if the District creates a riparian corridor, a setback of 100' will be required. The design team was asked if the project would still be viable if the District took 200' off the property. WaterLeaf responded that multi-story buildings would be one way to work within this parameter. A 200' setback would accommodate a smaller fleet; a 70' setback would accommodate a fleet of 200 buses. Mr. White reported that the setback requirement is now affecting the schedule and completion of this project and each month this project is pushed back, costs will be increased by \$80,000.

Director Fitzmaurice asked about the ambient noise from the facility and was informed that the noise would be generated from HVAC types of things plus the startup of buses. Tom Whittaker reiterated that an acoustical expert is part of the design team.

Tom Whittaker and Jon Styner of WaterLeaf spoke regarding the 200' setback and the constraints this would have on the site. Some of the constraints would be: 175 buses only on the site, a different angle of parking would need to be utilized with the riparian corridor off to the side, diminished parking for staff and visitors. A 70' setback is doable and the riparian corridor could be presented as a huge opportunity to the community. Mr. White commented that if the 200' setback is required, there will almost definitely be a condemnation process.

CELIA SCOTT REQUESTED THAT ITEM 2-f OUTREACH MEETING BE TAKEN OUT OF ORDER.

f. Discussion of Outreach Meeting (2000)

Les White reported that the MetroBase project currently sits at \$37M with an estimated opening date of November 2002. Mr. White's concern is that the design team will need specifics as it relates to the site for such things as building layouts. With a delay due to no resolution of the site issue, the \$2M in savings from having a consolidated facility will go towards debt incurred and not to service improvements as desired. There are approximately \$12M in mitigation factors, such as noise and sound retention, which should be discussed with the community.

A public meeting was scheduled for Wednesday, March 29, at 7:00 p.m. Location to be determined at a later date.

DIRECTOR RIOS DEPARTED MEETING AT 12:00 NOON  
DIRECTOR FITZMAURICE DEPARTED THE MEETING AT 12:09 P.M.

- c. Project Schedule
- d. Choice of Fuel System (CNG, Diesel, Other)

Mark Dorfman introduced David Fairchild and Jeff Brennan from the Monterey Bay Unified Air Pollution Control District, Spence Erickson from PG&E, Jim Dong from Raymundo Engineering who is on the design team, and Stuart Hoffman who is the Detroit Diesel representative. Mark informed the Board that the entire fleet, except for 4 28-foot Champions which are gasoline, are diesel. A study of alternative fuels was conducted in 1993 by Booz-Allen and Hamilton. This study concluded that at that point in time, the District was not in a position to move to alternative fuels since we had no diesel site, no operating budget to support this change, and no capital to buy CNG-capable fueling stations or adding to the price of the bus. The Booz-Allen findings were presented to the Board. These findings were adopted with a proviso requesting that staff continue to look at this, and when it was more economically feasible or when design for a new building was implemented, staff would re-examine this issue. A base assumption which needs to go into the new site is the fuel type. This will affect the height of the bays and heating system, to name but a few.

Mr. Dorfman went on to state that there are two paths the District needs to discuss: Diesel or Alternative Fuel. Diesel emissions have been deemed toxic air contaminants. If the District stays with diesel fuel, emissions would need to be reduced in an accelerated manner. The Air Pollution Control District's goal is to get to a Zero Emissions Bus (ZEB). With a CNG engine the particulants are finer and the impact of these is unknown. European countries have utilized the Clean Diesel approach. The increase in cost of a bus is approximately \$50,000 for the CNG method (i.e. \$275,000-\$280,000 for a 40' diesel bus plus \$50,000 for the CNG choice).

Mr. Dorfman discussed approved grants for buses. The decision of low floor, high floor needs to be made first. If the District converted to a diesel 40' fleet (not articulated) the grant funds would buy 27 buses. If the District converted to a CNG fleet (not articulated) grant funds would buy 23 buses. The year 2007 is when the rehab buses will be scheduled for replacement. Issues to think about are: a) if CNG is chosen, it gives WaterLeaf their direction and a bid can be put out. However, since the District has nowhere to fuel CNG, the buses could not be delivered until MetroBase opens up. b) the District continues to operate diesel, under the circumstances that only low sulfur fuel will be used as it becomes available; nothing will be done to extend the life of the buses; as an engine dies, the District would commit to go to the newest, cleanest technology available.

Issues related to CNG as a fuel source: a) higher vehicle weight due to the tanks; shorter brake line, suspension life, and tire life.

A drawback to CNG is a shorter range that buses can travel. This will be a big issue on the Highway 17 route. The existing low floor buses cannot be converted

to CNG because the roof structure will not support tanks. CNG is susceptible to changes in altitude, however, Jim Dong of Raymundo Engineering feels even at 1800', this would not make much difference. There is a higher fire and explosion factor with CNG. Training is a major component with handling, safety procedure, facility design, alarm systems with sensors which would shut down the power in the entire facility if necessary. CNG will not be stored on site as there is an excellent line of supply on the Lipton site.

DIRECTOR BURCH DEPARTED MEETING AT 12:56 P.M.

Ian McFadden, UTU Representative, asked if the Air Resources Board looked at CNG and was informed that it has not found that CNG fumes are toxic, however, diesel emissions are toxic.

Jim Dong stated that there are two methods of CNG available: Fast fill - anything less than 5-7 minutes; Time fill - 20 minutes or more, which is reserved for overnight filling. Range: A van or sedan can travel 200 miles on a fill-up. A bus can travel 300 miles. Pressure: There are two systems - one for vehicles that will accept up to 3,000 psi, another system for vehicles which will accept up to 3,600 psi. Transit buses are usually at the higher pressure so more fuel can be on-board for greater range. Other alternatives are liquified natural gas and hybrid electric. Hybrid electric is closer to zero emissions because most of the time the vehicle is running on the battery. Fuel cells, the direction most people in the industry feel we will end up at, are very experimental and very expensive. CNG would be the preliminary step for the onset of fuel cells. Spence Erickson stated that funding is available to move towards alternative fuels.

Director Beautz asked if this issue would be addressed at the outreach meeting. Director Rotkin asked if staff would make a recommendation to the Board and questioned if staff will conduct an exhaustive study of the "downside" of CNG prior to a public meeting. He also asked if during the transition there will be above-ground diesel tanks. Les White replied that the vehicle for the recommendation from staff will be the authorization to issue specifications for bus acquisition. This should come to the Board next month. Additional information on safety concerns will be put together by staff. If the Board chooses not to go with articulated buses, staff will go to the Board with a recommendation to reprogram the grant funds away from articulated and into the 40' standard buses. Add to that the additional grant funding we have to issue specifications for CNG powered buses to be delivered in early 2003. Staff will also go back to the Board with a choice: sell the 30 low floors to another transit property to obtain money for replacement. In other words, to go completely CNG when MetroBase opens or should temporary above-ground facilities be made for diesel fueling and transition those diesel buses out in 2010. Director Rotkin feels that the diesel issue would kill the MetroBase project.

Wes Scott of UCSC stated that the university is purchasing CNG equipment on campus and they would be interested in purchasing CNG fuel from the District.

e. Articulated Buses vs. 40' Buses

Tom Stickel, Fleet Maintenance Manager, spoke regarding 60' articulated buses vs. 40' buses. The 60' articulated buses have a possible capacity of 120 passengers which translates to a lower cost per passenger in terms of fuel, and slightly lower maintenance costs since two buses are being replaced with one. The negative side of this is that when an articulated bus is out of service, it requires two 40' buses to replace it. Facility costs would be affected by accommodating articulated buses, such as, the length of maintenance bays, lifting equipment, parking spaces, and bus washer. A major consideration is the current bus pullouts which will inhibit the use of articulated buses in some places, as well as turning radius constraints. The articulated buses would work well on the university routes and 71 route. Another major consideration is that the bus operator cannot see the end of the bus during turns. A 40' diesel bus currently costs approximately \$280,000; an articulated bus will be in the \$400,000 range. With a 40' bus there is a wider selection of manufacturers and a choice of fuel systems. There are no CNG or alternate fuel powered articulated buses.

Ian McFadden commented that on the Route 71 and USCS bus, the frequency of buses would solve the problem instead of a 60' bus. Increasing frequency on campus would also address the quantity of bikes that can be carried. Will Regan, VMU Representative, addressed the problem of increased vandalism on articulated buses as the operators would not have a view of the back portion of the bus.

This item will be brought back at a future Board Meeting.

Issue 3 Presentation and Discussion of Transit Service Development Issues

a. Transit Service Expansion Capabilities

Tom Stickel reported that the District has added 16 buses and 1,000,000 miles of service since 1988. Major areas of concern are maintenance personnel, bus parking, and maintenance bays.

Personnel: There is a shortage of trained technical people in the maintenance field. Strategies to overcome issues: 1) recruitments for mechanics, 2) new ways of recruiting personnel, recruit out of state more aggressively, approach trade schools, job fairs, recruiting agencies, promote a job apprenticeship program, work with other transit districts to see what works for them, possibly work on scholarship program. Director Rotkin suggested that staff work in conjunction with the State and County to fill these positions. Director Arthur suggested job shadowing days which would encourage students to "shadow" a mechanic for a day. Ian McFadden suggested a mentoring program at Juvenile Hall, and initiation of an adult education program.

Bus Parking: David Konno discussed the current parking situation with 60 buses being parked at the Operations Building, which was designed to accommodate 43 buses. Twenty-three buses are currently being parked on Vernon Street, which is suitable for 15 buses only, with a very limited amount of lighting. Staff is in negotiations with Plantronics to expand parking capabilities at their site. Staff is investigating better ways of parking the buses since there is trouble maneuvering them at night. In some instances bus operators need to go to all three facilities in order to find a spot to park. Staff is also investigating on-street parking at Harvey West.

Tom Stickel reported that there has been no increase in maintenance bays or personnel since the expansion of service. Staff is looking into possibly opening up an afternoon shift and/or recruiting adequate personnel to utilize the DuBois facility, and also working in conjunction with SEIU to possibly change the number of hours worked. There are 30 low floor buses that are coming out of warranty, therefore, repairs will need to be made in-house. When the ten Gillig buses return from rehab, Staff hopes to pull the flexible fleet off line since they are past their useful life. When the flexibles are out of service, a huge inventory of parts can be discarded, thereby opening up more space.

Les White listed projects that are being requested immediately to expand service. Mr. White stated that the District has the operating money for these expansions, and staff could acquire additional Golden Gate buses and SanTrans buses to expand the local service. The problem is that there is no where to park these additional buses. Mr. White stated that staff would return to the Board with action reports to implement strategies to work these issues out.

Will Regan discussed the maintenance workforce and positions that have not been replaced since the earthquake. He pointed out that the ten rehabilitated buses did not include engine or transmission work. The fleet is aging, lifts are needed, and so on. Mr. Regan asked for more information regarding the Peer Review Process and reiterated that the most experienced personnel are already District employees. He would like to see VMU be a part of this review. Mr. White clarified that the Peer Review Process is a two-stage process as part of the new facility. Staff will look to industry sources for mechanical, maintenance and management-types of assessments that will help to expand capacity for existing facilities as well as possible recommendations for the new facility. Mr. White did confirm that VMU and mechanics would be involved in this process. A report will be made to Les White regarding internal procedures that might be suggested in order to alleviate some of the challenges in this department. The staff report addresses the need for hoists and staff will bring this to the Board next week as an action item if the Board is comfortable with the outline.

DIRECTOR FITZMAURICE RETURNED TO THE MEETING AT 2:20 P.M.

Patti Korba, SEIU President, commented that personnel needs to run on a parallel track with the MetroBase facility.

b. Low Floor Buses vs. High Floor Buses

Tom Stickel provided "pros" and "cons" related to each style of bus. Staff will give a recommendation to the Board as to preference. The recommendation will apply to the next fleet of buses the District procures. The specifications from the staff report will be given to both MUG and MASTF for their comments. Les White stated that this item will probably go before the Board in March.

DIRECTOR GABRIEL DEPARTED THE MEETING AT 2:44 P.M.

Issue 4 Presentation and Discussion of Financial Issues

a. Five Year Capital/Operating Plan

Elisabeth Ross reported that the District forecasts having \$1.9M in the bank at the end of 6/30/00 and is projecting most costs will increase by approximately 4%. Five percent was used for sales tax and TDA. On the expense side, 5% was used for fringe benefits, 4% for the labor components, and 12% for paratransit. Operating expenses are increasing from \$25.5M up to \$32M. Ms. Ross reported that the budget is in balance and includes \$150,000 of expansion each year. Anticipated revenues were reviewed, including CMAQ/STP funds of \$1.2M which represents 30% of what the Transportation Commission has available. Funding that was not included last year is SB45 funding. STA funding is straight lined at \$700,000. Over a five-year period, funds in the amount of \$17.4M will come into the District. Ms. Ross reviewed Attachment E of the staff report which reflects earmark funds in the amount of \$32.8M. The Metro Center rehab project is projected to cost \$6M. Director Rotkin inquired about expenditures for new buses and if these expenditures reflect costs of mechanics, drivers, etc. Ms. Ross pointed out that the expanded service line items include these factors.

Les White discussed earmarked funds and that the District has full-time representation in Washington, DC, to stay in front of Congress advising them what is needed by the District. Director Rotkin confirmed that from the state funds the District would not be asking just for general money but will ask Fred Keeley for the CNG project itself. Mr. White reported that Fred Keeley has indicated an interest in working for this.

b. Reserves and Federal Operating Assistance

Elisabeth Ross discussed why money left at the end of the year goes into reserves rather than utilizing it as operating money. Federal operating assistance for last year was approximately \$500,000 and is the same for this year. The restrictions attached to Federal operating dollars are widespread, especially in purchasing when vendors will not bid on items due to the paperwork involved. To ensure the District qualifies for this assistance, a deficit must be shown at the end of the year. Many years, because the District does not have a true deficit, staff retires money to reserves to create this deficit. Ms. Ross asked whether was it worth it to

continue taking this operating assistance, or should Metro take Federal dollars on the capital side? Ms. Ross confirmed that there are no restrictions on how the District spends sales tax money so if this were needed, staff could backfill the hole created in the operating budget if the Federal operating assistance was not pursued. Mr. White stated that staff would bring this issue back before the Board with a revised 5-year operating plan.

c. Continued Use of Bus Advertising

Kim Chin reported that the District is currently in the third year of a five-year contract with Obie Advertising for selling advertising space, both interior and exterior, on buses. Over the course of the last two years, no interior advertising has been sold at all. Terms negotiated with Obie Advertising are either 50% of gross revenues or a minimum annual guarantee, whichever is greater. Over the last two years, the minimum annual guarantee has been greater than the gross revenues. The District will receive a minimum of \$712,000 over the life of the contract. Currently, the District has 81 buses available for advertising, which constitutes 237 spots. Of the 237 available spots, 164 are sold. Buses not included in the advertising fleet are the 8 Golden Gate, 7 Discovery, and 10 Samtrans buses. There are currently 8 ads running on the buses; this constitutes about 5% of the total ads.

There is a new self-promotional program whereby the District pays for the production costs only and District ads are run on a space available basis. Mr. Chin is expecting to negotiate 15-20 spots to promote the Transit District. Mr. Chin highlighted some of the stipulations for ads; namely, no bus number can be covered up, no ads will be accepted that promote alcohol, tobacco or pornography. There are, however, no restrictions on auto-related ads which constitute 20% of the total ads sold. Mr. Chin discussed the "full wrap" which is the current advertising that covers the windows of the buses. The District would have to negotiate with Obie Advertising to eliminate this type of advertising and this elimination would affect the District's guarantee.

A letter of concern from Mr. Jerry Kiser regarding the advertising was distributed. Mr. Kiser was responsible for bringing this matter to the attention of KSBW TV. Both Kim Chin and Les White were interviewed earlier by KSBW on this subject. Mr. Kiser was present to voice his concerns about how the advertising affects the bus riders and to ask for restraint on the part of the District regarding auto ads and "full wrap" advertising. There was concern that when the advertising is removed, the paint is removed with it. Mr. Chin replied that Obie Advertising is responsible for the cost of repainting the buses. Ian McFadden expressed his desire to keep the advertisements below the windows on the High Fliers in order to increase visibility for the bus operators. Director Beiers would like the staff to scale down on the advertisements and to be more selective on the auto advertising. Staff was directed to return to the Board with a strategy on this matter. Director Rotkin asked what revenues the District would lose by turning down "full wrap"

advertising. Mr. White proposed that staff would talk with Obie Advertising and return to the Board in March with Obie's response.

**ADJOURN**

There being no further business, Chairperson Beautz adjourned the meeting at 3:28 p.m.

Respectfully submitted,

DALE CARR  
Administrative Services Coordinator