

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

SPECIAL Open Session Minutes- Board of Directors

August 3, 2005

A SPECIAL Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Wednesday, August 3, 2005 at the Capitola City Council Chambers, 420 Capitola Avenue, Capitola, CA.

Chair Keogh called the meeting to order at 8:30 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz (arrived after roll call)
Dene Bustichi
Stephanie Harlan
Michelle Hinkle
Mike Keogh
Emily Reilly
Mike Rotkin
Pat Spence
Mark Stone
Marcela Tavantzis

DIRECTORS ABSENT

Dale Skillicorn
Ex Officio Wes Scott

STAFF PRESENT

Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel
Steve Paulson, Paratransit Administrator
Elisabeth Ross, Finance Manager

Robyn Slater, Human Resources Manager
Tom Stickel, Maintenance Manager
Les White, General Manager

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

Ellen Aldridge, Avery & Associates
Glenn Bartz, SEIU
Andre Hart, UTU
Gary Klemz, SEIU Field Representative
Ian McFadden, SEA
Bonnie Morr, UTU

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

Margaret Gallagher reported that there would be a discussion with METRO's Labor Negotiator regarding labor negotiations with SEIU and UTU.

3. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

Ian McFadden distributed a spreadsheet comparing employer vs. employee medical caps, which is attached to the file copy of these minutes. The spreadsheet is a projection assuming a 112% premium increase over the next five years and shows that an employee would pay over \$1,000 per month by the 5th year for family coverage if an employer cap was imposed now, which is unacceptable to SEIU and cited UTU's cap as an example of the District not changing a cap once it was in place.

Bonnie Morr discussed the District's suggestion of removing General Leave from the existing contract and stated this benefit doesn't cost the District "a damn thing" and that bus operators need a month off with out pay. Ms. Morr provided a spreadsheet comparing UTU and SEIU contracts with dollar amounts associated with some of the proposed changes to the UTU contract and she also provided additional information outlining UTU's latest proposal, both items are attached to the file copy of these minutes. Ms. Morr expressed her disappointment with the mediation process stating that she was lied to regarding the mediator's presence at the last mediation session on August 2nd and that the items being discussed at negotiations are "piddily things" that make the job palatable and stated the job bus operators did was "disgusting, filthy work" and that the District's last, best and final offer is "insulting", "a slap in the face" and "disgusting" to UTU and according to UTU's lawyer, the language it contains addressing the IWC is illegal.

Ms. Morr stated that the District should find the funds to keep the UTU work rules the way they currently exist and cover medical premiums and suggested that the \$1.025 million roll-over from last fiscal year and the recently approved TEA-bill are sources of funds. Vice Chair Rotkin clarified that neither of those are sources of funds because the roll-over is less than this year's deficit and the TEA-bill is less than anticipated and not even enough to build MetroBase.

Keogh asked about the reserve accounts and an explanation regarding the mediator. Les White clarified that no new money is being put into reserves and that \$300,000 is being taken from reserves for the operating budget this year. Ellen Aldridge stated she spoke to the mediator, Shirley Campbell on Monday, the day before the mediation. Ms. Campbell had told Ms. Aldridge that she did not attend because METRO had not settled with SEIU and UTU was insisting on a "me too" clause and since this request could not be accommodated, she didn't attend. Ms. Aldridge stated she explained to UTU at the beginning of the session that the mediator would not be present and UTU's attorney agreed to mediate directly.

Ms. Morr then alleged that Steve Paulson was threatening ParaCruz employees with termination if they do not cross a picket line.

Director Bustichi then asked Ms. Morr for clarification about her allegations of being lied to, stating a misunderstanding may have occurred. Ms. Morr replied that someone could have called UTU's negotiating team on Monday regarding the mediator's absence on Tuesday. Ms. Morr stated that she feels the entire negotiation process has been disingenuous and offensive since it began April 1st.

Director Harlan stated the bottom line is the budget deficit and asked if UTU had or could come up with ideas to address that. Ms. Morr said yes, but that the entire \$1.4 million deficit due to poor budgeting and spending cannot come out of the pockets of the operators.

Glenn Bartz asked the Board to direct the negotiation team back to the table for more discussion stating that SEIU does not want to strike over some minor issues and feels an economic agreement is close. Director Tavantzis asked how SEIU proposes to bridge the gap to reach and agreement on the medical cap, the one remaining outstanding item.

Mr. Bartz stated that he thought that language could be modified to reach a neutral ground so that neither side had a medical cap, which would allow SEIU and METRO to reach a 1-year agreement this year. Mr. Bartz feels this is a way that nobody wins or loses this year, there would be no strike this year and hopefully, the economic situation would be better for longer-term negotiations next year.

Gary Klemz thanked the METRO for the movement they had made regarding some of the contract language. Mr. Klemz stated that the bottom line is that SEIU cannot live with an employer medical cap and echoed Mr. Bartz's request for another negotiation session to craft language for a 1-year agreement and avoid a strike.

Vice Chair Rotkin stated that Mr. Klemz represents that city workers and that the city had a cap and asked why METRO should not have a cap. Mr. Klemz stated there was not a lot of trust and used the PERS retirement cap and UTU medical premium cap as examples. Vice Chair Rotkin discussed the benefits UTU employees gained by having the cap and stated that UTU made that choice against the advice of METRO, in public and on the record. Mr. Klemz replied that it had been explained to SEIU in mediation that the purpose of the employer caps in management's proposal to SEIU is for the benefit of UTU seeing parity on the medical insurance between both unions.

Director Beautz stated that other agencies have caps and it is necessary because otherwise the taxpayers bear the cost. Mr. Klemz replied employer caps in the transit industry aren't that common, but employee caps are. Mr. Klemz stated that there is no economical difference whether there are caps in this 1-year period and this is not worth risking a strike over.

Bonnie Morr and Vice Chair Rotkin then discussed the caps for UTU employees. Ms. Morr asked for another mediation session and also stated the proposed language to cover the IWC ruling is illegal.

Director Tavantzis and Ms. Morr discussed the medical cap and asked what, if anything, UTU would exchange (work rules) to fund the additional cost to METRO for UTU medical premiums.

Director Tavantzis gave a specific hypothetical example of Martin Luther King, Jr, Day, as being something UTU could give up with the savings being used to offset the family portion of the medical and pointed out that an agreement like that cannot be reached if the entire UTU workforce is not willing to share some of the burden. Ms. Morr replied that something like that would most likely be supported, as long as what they were giving up was not going to destroy their daily lives and turn this job into “not a good job”. Ms. Morr stated that whatever is taken away to reach an agreement this year should be just temporarily eliminated, not permanently.

Ian McFadden commented on the District insisting on implementing a medical cap for SEIU and Director Beutz responded that METRO’s medical is a huge issue because it has gone up dramatically in the past five years and is being paid by taxpayers. Mr. McFadden said that other Bay Area transit districts have larger deficits and they came up with solutions without employer caps.

Andre Harte, bus operator, stated that he works 7 days a week as a bus operator, framing houses and landscaping to pay his bills and never gets to see his family.

SECTION II: CLOSED SESSION

Chair Keogh adjourned to SPECIAL Closed Session at 9:55 a.m. and reconvened to SPECIAL Open Session at 11:50 a.m.

SECTION III: RECONVENE TO OPEN SESSION

4. REPORT OF CLOSED SESSION IF ANY

None.

There being no further business, Chair Keogh adjourned the SPECIAL meeting at 11:50 a.m.

Respectfully submitted.

ROBYN SLATER
Human Resources Manager