

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**Minutes- Board of Directors**

**October 14, 2005**

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A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, October 14, 2005 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Keogh called the meeting to order at 9:00 a.m.

## **SECTION 1: OPEN SESSION**

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

#### **DIRECTORS PRESENT**

Jan Beautz  
Dene Bustichi  
Stephanie Harlan  
Michelle Hinkle  
Mike Keogh  
Emily Reilly  
Mike Rotkin  
Dale Skillicorn  
Pat Spence  
Mark Stone  
Marcela Tavantzis  
Ex-Officio Wes Scott

#### **DIRECTORS ABSENT**

#### **STAFF PRESENT**

Mark Dorfman, Assistant General Manager  
Terry Gale, IT 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**

Eulalio Abreggo, Taqueria El Dandy  
Rhonda Carter, UTU  
Dan Dickmeyer, UTU Retiree  
Mark Forester, UTU Retiree  
Bruce Grobman, UTU  
Lisa Johnson, Aptos Resident

Susan Kipping, Felton Resident  
David Lucier, UTU Retiree  
Bonnie Morr, UTU  
Robert Norse, FRSC Broadcaster  
SWCJ Representatives from UCSC  
Shannon Waldman, Transit User

**2. ORAL AND WRITTEN COMMUNICATION**

Written:

- |    |                   |     |                      |
|----|-------------------|-----|----------------------|
| a. | Susan Kauffman    | Re: | Strike Communication |
| b. | Alberto Gutierrez | Re: | Strike Communication |
| c. | Sarah Schiffrin   | Re: | Strike Communication |
| d. | Anonymous         | Re: | Fare Policy          |
| e. | Petition 10/5/05  | Re: | Strike Communication |
| f. | Petition 10/5/05  | Re: | Strike Communication |

Oral:

None.

**3. LABOR ORGANIZATION COMMUNICATIONS**

Shannon Waldman, transit user and a single mom with a 7-year-old son, spoke about how the strike is affecting her and the community. Ms. Waldman said the Board's refusal to give good benefits has caused extreme hardship on the riders, the community, and the drivers and urged the Board to sign a 3-year contract and end the strike.

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

None.

**CONSENT AGENDA**

**5-1. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF JULY 2005**

No questions or comments.

**5-2. ACCEPT AND FILE METROBASE STATUS REPORT**

No questions or comments.

**5-3. CONSIDERATION OF A REQUEST BY HOWARD CONNER FOR ACCESS TO 120 GOLF CLUB DRIVE FOR SOILS TESTING ADJACENT TO RAYNE WATER COMPANY BUILDING**

Chair Keogh said he had no problem granting the request, but feels the District should have a copy of the soils report.

**REGULAR AGENDA**

**6. CONSIDERATION OF A REQUEST FOR A CHANGE ORDER IN THE AMOUNT OF \$282,036 FOR THE ARCHITCTURAL/ENGINEERING CONTRACT WITH RNL DESIGN AND PROVIDING STAFF WITH THE AUTHORITY TO SOLICIT BIDS FOR THE CONSTRUCTION OF THE FUEL/SERVICE BUILDING**

## **ACTION REQUESTED AT THE OCTOBER 14, 2005 MEETING**

### **Summary:**

Les White reported that only one bid was received for the construction of the MetroBase Project and that bid was \$7.4 million over budget. METRO rejected the bid and instructed RNL to submit a proposal repackaging the MetroBase Phase I Construction to develop a bid specification and solicitation for the construction of the Fuel/Service Building. The cost will be an additional \$220,591 in design fees with a four week timeline to prepare the bid, four weeks for bidding, and twelve months to construct the Service Facility. Staff recommends getting the Service Facility under bid separately now in order to comply with the agreement with CARB, and follow-up at a later date with a separate bid for the Maintenance Facility and re-evaluate the what, if anything, will be done with the Operations Facility.

Staff also recommends that the Board approve the \$66,445 in costs (reduced from \$79,200) associated with the One Bid/Two Bid Analysis that RNL presented to the Board on February 25, 2005. The total increase in fees for this component of the MetroBase Facility will be \$287,036.

### **Discussion:**

Director Bustichi said he has a real problem throwing money at one company with bad results and he will not support this action.

Director Harlan asked why there were no other bids. Les White replied that there were a number of requirements METRO imposed on General Contractors such as having extensive experience in pile-driving, LCNG Fueling Stations, at least two projects of this magnitude (\$20 million or more in scope) within the last five years, that the prime contractor perform at least 25% of the work. METRO also required a Labor Harmony clause, meaning all work be unionized. All of these types of requirements cause contractors to be wary of the project, plus the project being in Santa Cruz is not in METRO's favor because the three large local firms do not bid on work in this county for a variety of reasons.

Director Harlan asked what is really involved for RNL to pull just the Fuel/Service Facility documents, because the bid seems very high. Les White replied that the entire specifications need to be rewritten to take out the Operations and Maintenance buildings, and some of the drawings need to be redone as well.

Director Bustichi said he feels RNL has some culpability having to rebid this project and he has a serious problem with their proposal amount.

Director Scott commented that UC has been going out to bid on various projects in this very competitive climate and have experienced exactly the same things METRO is experiencing here: very few bidders, high costs of materials and labor, bids of 15% – 30% higher than estimates, having to do value-engineering which is literally stripping the projects so the state will fund them. This is the reality of major projects in Santa Cruz County.

Rhonda Carter, UTU, does not think RNL's proposal is validated by the amount of work involved in redoing the specifications.

Mark Forester, UTU Retiree, recalled the 1982 flood that flooded the River Street bus yard and then the monstrosity in Watsonville and said he doesn't know why METRO is going the same course.

Vice Chair Rotkin responded to the comments by saying the Fueling Station must move forward now to be in compliance with CARB. The reality of the floodway was looked at in the beginning, and it was determined that cement pilings were necessary, which is why the project cost is so high and that the reality of redoing the specifications on a project of this magnitude is not a simple matter.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY**

**Authorize the General Manager to execute a Change Order in the amount of \$287,036 to provide additional funds to the Architectural/Engineering contract to accommodate costs related to preparing bid documents to solicit bids for the construction of the Fuel/Service Building, and to authorize the General Manager to solicit bids for the construction of the Fuel/Service Building**

**Discussion:**

Director Tavantzis says she knows what is involved in separating the bid and rewriting it but would like to see the budget first.

In response to Director Harlan, Les White said Harris & Associates had reviewed RNL's proposal and indicated it was reasonable.

Director Stone stated that he felt it was a worthwhile investment because METRO lives or dies by these specifications, which need to be very strong and clear in order to avoid changes, issues, and problems that would not be resolved in our favor without it.

Chair Keogh said he would be more comfortable if the Maintenance Building and the Fueling Station were separated from the rest of the contract because of the possibility of missing an opportunity for CTC funding that might be available. Les White responded that the staging and lay-down area for the Maintenance Building construction was a factor in receiving only one bid and that this issue needs to be looked at in order to make it more attractive for contractors to bid on before it goes back out. Chair Keogh reminded the Board that METRO has paid RNL nearly \$400,000 to tell METRO that the old Maintenance Building should be torn down and a new, slightly bigger building put up in its place.

Vice Chair Rotkin urged the Board to proceed in a responsible fashion as quickly as possible with this project and recognize that every time there is a delay, there is a loss of control over other areas, which has already happened many times.

Director Bustichi expressed concern over the lack of information and back-up and feel he is in the dark.

Director Reilly stated that there had been several discussions over the years about the amount of oversight and information the Directors want in their Agenda Packets. Currently, Staff is including information they feel is appropriate for the decisions the Board has to make, as the Board has requested. Not all Directors wish to see everything, and those that want more information can ask Staff for it and should ask for it right away rather than, in this instance, using a lack of information to stop the process of the MetroBase project. The Board needs to move forward on this item today.

Director Skillicorn agreed that the Board needs to move on this today.

Director Tavantzis stated she would support the motion because Harris & Associates has reviewed and approved RNL's proposal and they are the construction engineering firm that was hired to represent METRO.

**Motion passed with all Directors present and Director Bustichi opposed.**

**7. CONSIDER REQUEST OF ABDO AZZUBAIDI TO CANCEL LEASE AGREEMENT FOR THE KIOSK SPACE AT PACIFIC STATION**

**ACTION REQUESTED AT THE OCTOBER 14, 2005 MEETING**

**Summary:**

Margaret Gallagher reported that METRO had economic problems with the former tenants, Storti's Pizza, and the new tenant selected was Mr. Azzubaidi. Storti's Pizza had a pizza oven that did not require the type of ventilation system that the new business would require in order to comply with city codes. Mr. Azzubaidi believes the work will be too costly and has requested permission to cancel the lease as soon as possible, which is Staff's recommendation. The new Request For Proposals for a new tenant will specify the ventilation issue.

**Discussion:**

Director Reilly supports this recommendation and said many small businesses start under-capitalized.

Eulalio Abreggo, owner of Taqueria El Dandy, said he had submitted an application for the space for pizza. He believes the space should remain separate and not be used to expand the Chinese Restaurant.

**ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR ROTKIN**

**Approve request of Abdo Azzubaidi to cancel the lease agreement for kiosk space at Suite C in the Pacific Station**

**Motion passed unanimously with all Directors present.**

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

Margaret Gallagher reported that the Board would be discussing UTU Labor Negotiations with its Labor Negotiator and would be discussing two cases of anticipated litigation with its Legal Counsel.

Les White requested that the Board add the following item to today's Closed Session Agenda because information was received after the posting of the Agenda and it is necessary to consider this item prior to the next Board meeting:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
(Pursuant to Government Code Section 54956.8)

Property:	25 Sakata Lane, Watsonville, CA
Negotiating party:	Leslie White, Santa Cruz METRO and
Under Negotiation:	Price and Terms

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY**

**Make the necessary findings to add this item to today's Closed Session Agenda**

**Motion passed unanimously with all Directors present.**

Director Scott stated that UC students represent approximately 33% of METRO's ridership and have to pay a transit fee of \$69 per quarter, which is the most aggressive in the nation. Director Scott implored the Board to end the strike stating that METRO's contract with UCSC mandates that METRO provide service.

**9. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION**

David Lucier, UTU retiree, read a letter, which is attached to the file copy of these minutes, stating that determination and goodwill will end the strike and work on improving communication and cooperation for the future. Mr. Lucier suggested a committee of drivers be formed to improve driver allocation and that drivers receive a \$1000 bonus for informing the District six months in advance of their retirement.

Dan Dickmeyer, UTU retiree, spoke of strong community support during both the strike in 1980 and the current strike. Mr. Dickmeyer agreed with Mr. Lucier that communication and cooperation needs to improve, said that the Board represents all the stakeholders and does not have to follow Management, and said that the Board Chair should not be an appointee and that public representatives on the Board should be elected by the community.

Susan Kipping, Felton resident, implored the Board to settle the contract, said the Board is doing a very bad job and should be replaced, and said people will no longer ride the bus because they don't trust METRO.

A group of SWCJ representatives from UCSC read a letter in support of the bus drivers and expressed concern about how the strike is affecting them and the community and urged the Board to support the drivers and end the strike.

Lisa Johnson, Aptos resident, urged the Board to end the strike and expressed disappointment that the strike is still not over after the Board said at a previous meeting that they would not leave the table until an agreement was reached.

Robert Norse, FRSC Broadcaster, said the bus drivers are looking for a substantial commitment to meaningful progress from the Board in order to come back to work before an agreement is reached. Mr. Norse said the public needs to know what is going on and said that the current Board should be dissolved and a new Board needs to get to work on ending the strike.

Bruce Grobman, UTU, said that San Mateo Transit had just settled a 3-year contract with its maintenance employees and bus operators which included a 2% raise this year, a 2.5% raise next year, and 3% the following year with the worker's medical fully paid and employees paying only 4% of premiums for dependents.

Bonnie Morr, UTU, said UTU is united in this process and brought their uniforms because they are ready to go back to work if there is substantial agreement and approval from the Board on the issues that are still outstanding in the proposal. UTU believes it has made substantial movement and wants to settle a 3-year contract today. Ms. Morr expressed concern that the numbers being provided by the District are being manipulated and do not match UTU's figures. Ms. Morr said that other Bay area transit agencies pay 100% of pension premiums while UTU employees pay approximately \$3 per hour towards their pension and reduced medical and said that the Board needs to take care of and protect its riders, service on the street, and its workforce.

Chair Keogh reported that the TDA funds for the first quarter of this fiscal year were down by \$160,000, while METRO had budgeted for a 3% increase.

## **SECTION II: CLOSED SESSION**

Chair Keogh adjourned to Closed Session and reconvened to Open Session afterwards.

## **SECTION III: RECONVENE TO OPEN SESSION**

### **10. REPORT OF CLOSED SESSION**

Margaret Gallagher had nothing to report at this time.

## **ADJOURN**

There being no further business, Chair Keogh adjourned the meeting.

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Respectfully submitted,

CINDI THOMAS

Administrative Services Coordinator