

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

July 27, 2007

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, July 27, 2007 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Tavantzis called the meeting to order at 9:02 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz (arrived after roll call)
Dene Bustichi
Donald Hagen
Michelle Hinkle
Kirby Nicol
Emily Reilly
Mike Rotkin
Dale Skillicorn
Pat Spence
Mark Stone
Marcela Tavantzis
Ex-Officio Donna Blitzer

DIRECTORS ABSENT

None

STAFF PRESENT

Ciro Aguirre, Operations Manager
Pat Aviles, Asst. HR Manager
Frank Cheng, MetroBase Project Manager
Mark Dorfman, Assistant General Manager
Mary Ferrick, Base Superintendent
Terry Gale, IT Manager

Margaret Gallagher, District Counsel
Debbie Kinslow, Asst. Finance Manager
Steve Paulson, Paratransit Administrator
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

Olivia Diaz, Ticket & Pass Specialist
George Dondero, SCCRTC
Jeff le Blanc, Transit User
Ian McFadden, Transit Planner

Bonnie Morr, UTU
Amy Weiss, Spanish Interpreter
Bob Yount, MAC

2. ORAL AND WRITTEN COMMUNICATION

Written:

a. Barbara Stocker Re: ParaCruz Service

Oral:

None.

VICE CHAIR BEAUTZ ARRIVED

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr, UTU, stated that the UTU Negotiating Team is hopeful that they'll be able to find an ability to negotiate a contract without having a repeat of the last time. UTU is not looking for the same type of process and hopes to participate in some type of facilitated meeting with METRO's Negotiating Team to work on communication in order to move forward in a positive direction going into labor negotiations next year.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Chair Tavantzis stated that the recently adopted FY 07-08 Budget is available on METRO's website.

CONSENT AGENDA

- 5-1. **ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF JUNE 2007**
- 5-2. **CONSIDERATION OF TORT CLAIMS: NONE**
- 5-3. **ACCEPT AND FILE METRO'S PARACRUZ ELIGIBILITY AND APPEALS PROCESS REGULATION**
- 5-4. **ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR JULY 18, 2007 AND MINUTES OF MAY 16, 2007**
- 5-5. **ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR APRIL 2007**
- 5-6. **ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF APRIL 2007**
- 5-7. **ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF MAY 2007**
- 5-8. **ACCEPT AND FILE METROBASE STATUS REPORT**
- 5-9. **ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR APRIL 2007 AND RECEIPT OF FY 06-07 BUDGET TRANSFERS**
- 5-10. **ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR MAY 2007 AND RECEIPT OF FY 06-07 BUDGET TRANSFERS**
- 5-11. **ACCEPT AND FILE INFORMATION REGARDING IMPACT OF POLICY CHANGE ON FREQUENCY OF CUSTOMER NO-SHOWS FOR PARACRUZ PICK UPS**
- 5-12. **APPROVE REGULAR BOARD MEETING MINUTES OF JUNE 8 & 22, 2007 AND SPECIAL MINUTES OF JUNE 8 & 25, 2007**

- 5-13. ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF APRIL, MAY & JUNE 2007
- 5-14. CONSIDERATION OF APPROVAL OF HUMAN RESOURCES CLERK CLASS SPECIFICATION (JOB DESCRIPTION)
- 5-15. CONSIDERATION OF EXTENDING THE REOPENER PERIOD OF TIME PROVIDED FOR IN SECTION 4, COMPENSATION, OF THE CONTRACT WITH THE GENERAL MANAGER FROM JULY 2007 TO JULY THROUGH AUGUST 2007
- 5-16. CONSIDERATION OF MODIFICATIONS TO HIGHWAY 17 WEEKEND SCHEDULE
- 5-17. CONSIDERATION OF AN AMENDMENT TO THE CONTRACT WITH ARNTZ BUILDERS, INC. EXTENDING THE CONTRACT EXPIRATION DATE FOR THE METROBASE SERVICE BUILDING TO OCTOBER 31, 2007, WHILE MAINTAINING THE CONSTRUCTION COMPLETION DATE OF JANUARY 9, 2007

Discussion:

Regarding page #5-4.2, Director Hagen stated that he did not say he would speak on behalf of the Board. Director Tavantzis clarified that the Board does not approve or revise the MAC minutes. Les White said that this could be brought to MAC's attention for consideration of making the proposed revision to the Minutes of the May 16, 2007 MAC Meeting.

Regarding page #5-12.17, Director Spence pointed out that she voted "no" on the motion for Item #13 on the June 22, 2007 Agenda and requested that the minutes be corrected to reflect that.

Regarding Item #5-13, Director Hagen expressed concern that he feels that the call stop auditors "disregard" Watsonville routes. Ms. Gallagher replied that all of METRO's routes are audited on a random basis, though his point was noted, and she suggested that METRO could designate that the auditors spend a certain amount of time in the different areas of the county.

ACTION: MOTION: DIRECTOR HAGEN SECOND: DIRECTOR ROTKIN

Approve the Consent Agenda with correction to June 22, 2007 Board Minutes, contingent upon staff reviewing the vote on Item #13¹

Motion passed unanimously with all Directors present.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

The following employee was awarded a longevity certificate for their years of service:

TWENTY-FIVE YEARS
Olivia Diaz, Ticket & Pass Program Specialist

¹ This correction was made to the June 22, 2007 Board Minutes

7. PUBLIC HEARING: CONSIDERATION OF AUTHORIZING THE APPLICATION AND EXECUTION OF AN FTA GRANT FOR URBANIZED AREA FORMULA FUNDS FOR FY 2007

Summary:

Mark Dorfman reported that this annual public hearing is part of the federal requirements for receiving Federal Transit Administration funds. Staff is requesting approval of the Program of Projects for FY 2007 and authorization to apply for \$3,153,552 for Operating Assistance in Urbanized Area Formula Funds and the Growing States allocation and \$723,646 for Capital Assistance in Small Transit Intensive Cities allocation funds for the period of July 1, 2006 to June 30, 2007.

CHAIR TAVANTZIS OPENED THE PUBLIC HEARING AT 9:14 A.M.

The public was invited to comment on the proposed action. No comments were made.

CHAIR TAVANTZIS CLOSED THE PUBLIC HEARING AT 9:14 A.M.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Adopt the Program of Projects for FY 2007 and authorize the application for Federal Transit Administration Urbanized Area Formula Funds.

Motion passed unanimously with all Directors present.

8. CONSIDERATION OF METRO'S IMPLEMENTATION OF THE CALIFORNIA DEPARTMENT OF MOTOR VEHICLES EMPLOYER TESTING PROGRAM

Summary:

Ciro Aguirre gave a detailed explanation of METRO's in-house Employer Testing Program (ETP) which is certified by the California Department of Motor Vehicles (DMV) and administered according to DMV criteria and Federal Regulations. The EPT is essentially an extension of the DMV designed to certify potential Bus/ParaCruz Operators and to re-certify existing Bus/ParaCruz Operators for the commercial class "B" license with Passenger Endorsement.

Discussion:

There was a discussion about the consistency of the testing and a discussion about the level of subjectivity involved in METRO's examiners determining whether or not an employee being tested for recertification would be eligible to take the test a third and final time after failing it twice.

Mr. Aguirre clarified that the testing is consistent with DMV established criteria and is scripted to ensure each new applicant or operator being recertified received the same test. The DMV also audits the program for compliance.

Mr. Aguirre clarified that the DMV allows applicants to be tested three times before starting over again. If a METRO employee were to fail the test the first time, they would be retrained and tested again. If they failed twice, it stands to reason that there is probably a problem and the examiner would evaluate these on a case-by-case basis to ensure that METRO is not putting a person out on the road to become a liability for METRO. In making the determination, the examiner would review past records including accidents, attendance, etc. Director Bustichi stated he felt strongly that METRO should have concrete, definitive criteria in place regarding making the determination whether or not someone is eligible to take the test the third time so nobody can say they were unfairly denied. Mr. Aguirre stated that he was aware of only one METRO employee who had ever failed the test three times.

Bonnie Morr clarified that the employee Mr. Aguirre mentioned had been upgrading their license and that for the twenty years Ms. Morr has been employed at METRO, operators upgrading their licenses have always been allowed to keep testing until they pass. Ms. Morr informed the Board that additional criteria is coming down on the training process on the federal end because there has been a lot of fraud with third-party training.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Accept the Staff Report

Motion passed unanimously with all Directors present.

9. CONSIDERATION OF STATUS OF STATE OF CALIFORNIA'S FY 2008 BUDGET AND POTENTIAL IMPACTS ON METRO

Summary:

Les White reported that the Assembly has passed a budget, and the Senate has been meeting for a number of days in an attempt to try and get two republican senators to cross over to provide the two-thirds majority. As of today, none have done that. The republican blueprint of the budget differs from the Assembly budget in that it would institute another approximately \$800 million in cuts including another \$100 million in cuts to transit funding.

The Assembly budget diverts \$1.3 billion from the Public Transportation Account to non-transit uses, and the Senate budget suggests taking another \$100 million on top of that. The impact on METRO is that State Transit Assistance Funds (STA) had been projected to be approximately \$4.5 million and if the Assembly budget prevails, that will be reduced to approximately \$1.5 million and if the Senate budget prevails, it would be even less.

METRO has obligated the anticipated STA funds to the construction of the MetroBase Maintenance Building and a portion of it for local Capital projects. Depending on how the state budget develops over the next month or so, staff will be revising what has to be done to meet METRO's construction obligations and also looking at the Capital budget to determine which things are essential and which can be deferred.

Staff anticipates bringing a series of fleet reduction recommendations to the Board beginning next June to reduce the fixed route fleet to a level that can be sustained within the financial support of the State of California. However, projects such as the 13 buses currently on order, the CNG conversion project, and the MetroBase construction utilizing FY 2007 funds are still going forward. After that, there will not be funding for replacement buses if this state budget blueprint stays in place until 2012 at the earliest.

The fixed route fleet reduction will begin next year with disposal of the twenty-two 1988 and 1989 buses, then the ten buses purchased from Samtrans, then in 2012 the last thirty 1998 diesel buses will have reached the end of their useful life and cannot continue to be operated without a special hardship exception from CARB.

There are also 27 ParaCruz vans that need to be replaced next year regardless of the fact there will be no funding. Lastly, until the legislature is able to adopt a budget, the transit and housing bond funds will not be released. Mr. White reported that METRO's State Legislative Assistant, Josh Shaw, stated that this is the most dismal transit funding budget situation that he has ever seen in over 20 years of working in transit and it set the stage for a major downsizing of public transit systems across the state.

Discussion:

There was a discussion about how the budget will impact METRO.

Director Skillicorn stated that the budget problem is at the state level and that all of the transit agencies in the state should send a message to Sacramento saying that diverting funds from transit is not an acceptable solution and he offered to lead an effort for a one-day state-wide public transit shut down to send a strong message.

Les White reported that there is a possibility that the California Transit Association (CTA) will file a lawsuit against the state to challenge the legality of the diversion of transit funds. Mr. White believes something is clearly going to have to happen for the legislature to recognize that public transit is a priority.

Chair Tavantzis reported that she recently listened to an interview with Senator McClintock who said that these cuts to transit funding are just the beginning until transit districts become self-sufficient, which she believes is mathematically impossible.

Director Rotkin commented that Sacramento should be self-sufficient. Although the proposed budget is destroying public transit, Director Rotkin said the best-case scenario at this point would be to find two republican senators to rescue the Assembly budget and he encouraged calls to Senator Maldonado's office.

Bonnie Morr expressed support of Director Skillicorn's suggestion of the one-day transit shut down and stated that there should be a coalition between all state transit agencies and the labor force to send a stronger message to Sacramento that transit is not the deep-pockets answer to fund other areas.

Terry Gale, IT Manager, stated that he was concerned about the impact on businesses who's employees rely on public transit and he also suggested that contact information be posted on METRO's website.

Ian McFadden, SEA, stated that he is ashamed to be a lifelong democrat right now because they are sacrificing transit and housing in order to stay in office a little longer. Mr. McFadden said that he feels the Assembly and the Senate should stand up against what the Governor is trying to do and the public needs to direct their anger at their representatives.

Director Stone suggested that Les White contact Josh Shaw regarding forming a coalition and also METRO may want to begin looking at bio-diesel.

Bob Yount expressed support of Director Skillicorn's suggestion of the one-day transit shut down to get the attention of the legislators and the Governor. Mr. Yount suggested that the public can "google" the Governor and legislators to contact them and tell them "you are crazy".

Jeff le Blanc, Transit User, does not agree with the one-day transit shut down because it would punish the wrong group. Mr. le Blanc suggested a more useful approach would be to reach out to riders and notify them of the budget crisis so they can realize how serious it is and contact their legislators.

Director Rotkin suggested fliers or posters inside the buses informing the public of the crisis.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR HINKLE

Direct staff to develop language and determine the best way to notify the public of the crisis that METRO is facing due to the state budget. Information to include how to contact legislators to express concern. Project should not cost more than \$200

Discussion:

Margaret Gallagher stated that this might be problematic because of two issues: METRO's advertising policy requires that all advertising be commercial and non-political. There is also a question of whether or not METRO can expend funds for this purpose. Ms. Gallagher suggested making the motion subject to these two contingencies, while staff works on the language to see if it can be done and if not, staff will report back to the Board at the next meeting with their findings.

Director Spence commented that she feels this is too little, too late.

Motion passed, subject to the contingencies above, with Director Bustichi voting no.

10. CONSIDERATION OF PRELIMINARY LIST OF UNMET TRANSIT AND PARATRANSIT NEEDS FOR SUBMISSION TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

Summary:

Les White reported that the Santa Cruz County Regional Transportation Commission (SCCRTC) annually adopts a list of unmet transit needs pursuant to the requirements of the State of California Transportation Development Act (TDA). METRO plans to submit to the SCCRTC a list of unmet transit and Paratransit needs based upon information received from riders, staff, MAC, E&D TAC, the Board, and also any input received at a Public Hearing that staff recommends the Board hold on August 24, 2007. Mr. White requested that the Board review the preliminary list that METRO has developed and provide input at the August 10, 2007 Board meeting.

Discussion:

Director Reilly stated that she feels METRO must acknowledge the budget crisis in this document. Director Rotkin added that perhaps the highest priority on the list should be the maintenance of existing service.

There was a discussion about the SRTP currently being developed, which is already two months late. The SRTP will identify service deficiencies that METRO should address over the next five years.

George Dondero, SCCRTC, stated that developing the list of unmet needs is helpful in setting priorities and goals and he encouraged the Board to go through the process despite the state budget crisis. Mr. Dondero offered to work with METRO on the deadline for submitting their list to the SCCRTC.

11. CONSIDERATION OF A REQUEST FROM THE METRO ADVISORY COMMITTEE (MAC) FOR PERMISSION TO CORRESPOND TO THE STATE LEGISLATURE, THE GOVERNOR, AND THE PUBLIC REGARDING THEIR CONCERN OVER THE LOSS OF TRANSIT FUNDING BEING CONSIDERED (OR ADOPTED) FOR THE FY 2008 STATE OF CALIFORNIA BUDGET

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN

Authorize the METRO Advisory Committee (MAC) to correspond to the Legislature, the Governor, and the public regarding their concern over the loss of transit funding being considered (or adopted) for the FY 2008 State of California Budget

Discussion:

Bob Yount reported that he was dressed in black today because of what the State is doing in regard to transportation and also for personal reasons. Mr. Yount apologized for not having a draft letter ready today and stated that he agrees that the state-wide transit shut-down suggested by Director Skillicorn would get everyone's attention.

Motion passed unanimously with all Directors present.

12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT EXTENSION WITH PAT PIRAS CONSULTING FOR EVALUATION OF DISTRICT'S ADA/504 PROGRAMS & ACTIVITIES AND TO EXTEND THE PROGRAM DEADLINE

Summary:

Mark Dorfman reported that staff is requesting a time-only extension to the contract to October 31, 2007 and authorization to amend the program deadline in AR-1002 to reflect the contract extension. Mr. Dorfman explained that among other delays, the consultant utilizes college students and the work will resume in September.

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR BUSTICHI

Authorize the General Manager to execute a contract extension with Pat Piras Consulting for evaluation of District's ADA/504 programs & activities and to extend the program deadline

Discussion:

Director Rotkin offered to assist the consultant to get the students credit for their assistance.

Motion passed unanimously with all Directors present.

13. CONSIDERATION OF EXTENDING THE MEMORANDUM OF UNDERSTANDING FOR THE OPERATION OF THE HIGHWAY 17 EXPRESS THROUGH SEPTEMBER 30, 2007 UNDER THE CURRENT TERMS AND CONDITIONS

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR HINKLE

Authorize the General Manager to execute a Letter of Agreement to extend the current Memorandum of Understanding for the funding and the current Memorandum of Understanding for the operation of the Highway 17 service through September 30, 2007

Motion passed unanimously with all Directors present.

14. CONSIDERATION OF APPROVAL OF A RESOLUTION AUTHORIZING THE PURCHASE OF PROPERTY LOCATED AT 110 VERNON STREET, SANTA CRUZ, CALIFORNIA FOR THE AMOUNT OF \$4,025,000 PLUS FEES AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE DOCUMENTS NECESSARY TO CONCLUDE THE ACQUISITION

Summary:

Les White reported that the Board had previously granted authority to offer the appraised value plus 10% for the acquisition. The two tenants were negotiated with separately and the relocation costs were deducted from the purchase price, with the total being well below budget.

This location is a replacement for the facility leased at 370 Encinal Street, which will save the METRO Operating Budget approximately \$340,000 annually. This is a major step in consolidating METRO's Operations, Maintenance, and Administration together in the same general vicinity.

Discussion:

Director Rotkin clarified that even if METRO cut 1/3 of its operations, this would still be a prudent move in order to stop wasting so much money on lease expenses.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN

Adopt Resolution authorizing the purchase of the property located at 110 Vernon Street for the amount of \$4,025,000 plus fees and authorize the General Manager to execute documents necessary to conclude the acquisition

Discussion:

Vice Chair Beautz asked if METRO was borrowing funds for this purchase. Les White replied that STA funds received last year were put into a reserve strictly for this purposes. Director Nicol pointed out that this is a cash purchase with a twenty-year payback.

Motion passed unanimously with all Directors present.

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

Margaret Gallagher reported that the Board would be conducting Public Employee Performance Evaluations of the District Counsel and General Manager.

16. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

None.

SECTION II: CLOSED SESSION

Chair Tavantzis adjourned to Closed Session at 10:54 a.m. and reconvened to Open Session at 11:38 a.m.

SECTION III: RECONVENE TO OPEN SESSION

17. REPORT OF CLOSED SESSION

Chair Tavantzis reported that the Board took no reportable action in Closed Session.

ADJOURN

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There being no further business, Chair Tavantzis adjourned the meeting at 11:38 a.m.

Respectfully submitted,

CINDI THOMAS

Administrative Services Coordinator