

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

March 12, 2010

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, March 12, 2010 at the District's Administrative Office located at 110 Vernon Street in Santa Cruz, California.

Vice Chair Robinson called the meeting to order at 9:01 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Dene Bustichi
Donald Hagen
Michelle Hinkle
John Leopold
Ellen Pirie
Lynn Robinson
Mike Rotkin (arrived after roll call)
Marcela Tavantzis

DIRECTORS ABSENT

Ron Graves
Emilio Martinez
Mark Stone
Ex-Officio Donna Blitzer

STAFF PRESENT

Ciro Aguirre, Operations Manager
Angela Aitken, Finance Manager / Acting AGM
Pat Aviles, Asst Human Resources Manager
Bob Cotter, Maintenance Manager
Mary Ferrick, Fixed Route Superintendent

Margaret Gallagher, District Counsel
Debbie Kinslow, Asst Finance Manager
Robyn Slater, Human Resources Manager
April Warnock, Paratransit Superintendent
Les White, General Manager

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

John Daugherty, SEA
Eduardo Montesino, UTU
Bonnie Morr, UTU
Larry Pageler, UCSC TAPS

Will Regan, VMU
Richard Snow, Campaign for Sensible Transp
Bob Yount, Transit User

2. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS

Written:

None.

Oral:

Director Hagen pointed out the improved layout of the latest edition of *Headways* and noted that it provided more information than previous versions.

DIRECTOR ROTKIN ARRIVED

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr, UTU, reported that Bus Operators were receiving comments from riders regarding the flag that is on the front of the new *Headways* being the flag of Spain, rather than the flag of Mexico.

Ms. Morr distributed a letter from UTU to Les White, which is attached to the file copy of these minutes, and stated that the letter had been given to attendees at a recent Service Planning meeting. In the letter, UTU is requesting a cost analysis of the actual dollar amount of savings that METRO may achieve through UTU's offering to create a side letter agreement to waive the fixed route meal breaks required by the Industrial Wage Commission Wage Order #9 (IWC #9) versus the actual dollar amount of savings that METRO plans to achieve through its proposed 10 bid service reduction.

John Daugherty, SEA, reported that, as a follow up to his comments made at recent meetings, METRO management is now using "Notice of Intent to Discipline" as required in the MOU.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Angela Aitken distributed documentation for Item #6, which is attached to the file copy of these minutes.

CONSENT AGENDA

5-1. None

REGULAR AGENDA

6. ORAL PRESENTATION: DISCUSSION OF THE STATUS OF THE PROJECTED FY10 BUDGET AND PROJECTED FRAMEWORK FOR FY11 & FY12 OPERATING BUDGETS INCLUDING POTENTIAL BUDGET BALANCING OPTIONS

Summary:

Angela Aitken distributed hard copies of the PowerPoint Presentation slides to be presented at today's meeting, which are attached to the file copy of these minutes, and which were presented to the unions last week.

Ms. Aitken explained that today's presentation would provide information on the projected current FY10 Budget and the proposed framework for FY11 & FY12 Budgets.

The presentation began with the comparison over the past few years of the Operating Revenues and Expenses with FY10 Revenue projected to decrease by \$4 million and then increase slightly from there going into FY11 & FY12. Operating Expenses are projected to increase; however, FY10 Expenses are projected to be \$5.2 million less than originally anticipated due to a number of factors, including 21 vacant positions not being filled. The projected deficit at the end of FY10 is \$4.8 million, which can be offset by one-time revenue and balancing actions including the use of reserves and carryover from the previous year.

The projected framework for FY11 includes a \$6.8 million deficit at the end of FY11 being offset by \$2.1 million one-time revenue and balancing actions including an additional 9 vacancies not being filled and the use of Federal STIC and ARRA funds, reserves and carryover from the previous year, leaving a \$4.6 million remaining deficit that may be offset by potential new Operating Revenue Sources including the Federal Jobs Bill, STA, and an Alternative Fuel Tax Credit, which would require extensive advocacy efforts and could result in \$300,000 to carry over into FY12.

The projected framework for FY12 includes a \$7.4 million deficit at the end of FY12 being offset by \$1.5 million one-time revenue and balancing actions including the use of Federal STIC and ARRA funds, reserves and carryover from the previous year, leaving a \$5.8 million remaining deficit that may be offset by potential new Operating Revenue Sources including the Federal Jobs Bill, STA, and an Alternative Fuel Tax Credit, leaving a deficit of \$500,000.

The presentation ended with a chart recapping the Revenue, Expenses, Deficit, One-Time Revenue and Balancing Actions, Potential Revenue and Remaining Deficit / Carryover projected for FY10 being balanced, and the proposed Framework for FY11 & FY12.

Les White explained that with a \$40 million FY12 Operating Budget, a \$500,000 deficit is manageable. However, the difficulty is the extensive advocacy efforts required on the Federal Jobs Bill, the STA, and the Alternative Fuel Tax Credit, and the hidden deficit beyond the numbers presented here is the ability for METRO to operate with a suppressed service level and 21 open positions, which results in remaining positions having to perform 1 and ½ jobs, which has the potential of wearing out the staff and taxing them to the degree that they leave METRO because they can no longer keep up with the workload.

Discussion:

Will Regan, VMU, reported that over the years, buses have become much more technical and not as simple to maintain as they used to be, however, the number of mechanics has continued to decrease from 31 in the early 1990's, then to 20 for some time, and with today being the last day for a lead mechanic and 1 or 2 more leaving within six months, METRO is down to 15 – 16 mechanics and the shop still operates 24 hours per day, 5 days per week and 16 hours per day on weekends. Mr. Regan explained that the remaining mechanics are stretched thin and stressed and there is a real concern about what METRO's plan is regarding the number of mechanics needed to keep the fleet in service. Because METRO has historically had difficulty hiring mechanics due to lack of bus experience, Mr. Regan urged METRO to establish and maintain an ongoing eligibility list.

Several Board Members thanked staff for the presentation and Director Leopold urged everyone to participate in the extensive advocacy work that will need to be done to obtain necessary funding.

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR ROTKIN

Direct Staff to prepare a letter to Federal Legislators urging them to include and prioritize transportation in the Federal Jobs Bill

Motion passed unanimously with Directors Graves, Martinez, and Stone being absent.

7. ORAL ANNOUNCEMENT: THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, MARCH 26, 2010 AT 9:00 A.M. AT THE SANTA CRUZ CITY COUNCIL CHAMBERS, 809 CENTER ST, SANTA CRUZ

Vice Chair Robinson announced that the March 26, 2010 Board Meeting would be held at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz.

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

Margaret Gallagher reported that Item #1 on today's Closed Session Agenda was deleted and that the Board would have a conference with its Labor Negotiators regarding UTU, Local 23, Fixed Route Division.

9. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

Eduardo Montesino, UTU, stated that UTU is trying to help avoid cutting service to the public by offering to waive its meal breaks.

SECTION II: CLOSED SESSION

Vice Chair Robinson adjourned to Closed Session at 10:38 a.m. and reconvened to Open Session at 11:30 a.m.

SECTION III: RECONVENE TO OPEN SESSION

10. REPORT OF CLOSED SESSION

Vice Chair Robinson stated that there was no reportable action taken in Closed Session.

ADJOURN

There being no further business, Vice Chair Robinson adjourned the meeting at 11:30 a.m.

Minutes– Board of Directors

March 12, 2010

Page 5

Respectfully submitted,

A handwritten signature in black ink that reads "Anthony B. Japung". The signature is written in a cursive style with a large, stylized initial 'A'.

for

CINDI THOMAS

Administrative Services Coordinator