

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

April 23, 2010

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, April 23, 2010 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

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

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Dene Bustichi
Ron Graves
Donald Hagen
Michelle Hinkle
Emilio Martinez
Ellen Pirie
Lynn Robinson
Mike Rotkin
Mark Stone
Marcela Tavantzis

DIRECTORS ABSENT

John Leopold
Ex-Officio Donna Blitzer

STAFF PRESENT

Ciro Aguirre, Operations Manager
Angela Aitken, Finance Manager / Acting AGM
Pat Aviles, Asst HR Manager
Bob Cotter, Maintenance Manager
Mary Ferrick, Fixed Route Supervisor
Terry Gale, IT Manager

Margaret Gallagher, District Counsel
Debbie Kinslow, Asst Finance Manager
Robyn Slater, Human Resources Manager
April Warnock, ParaCruz 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
Daniel Roozen

Susan Wayland
Amy Weiss, Spanish Interpreter
Scott Winslow, CCCIL
Eyedin Zonobi, SJSU

2. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS

Written:

None.

Oral:

Susan Wayland, a Cabrillo College student, spoke on behalf of saving route 70 and said that she and other students depend on this route to go to Cabrillo College in Aptos.

John Daugherty, chair of E&D TAC, said that the Board will receive a letter of appreciation for keeping Paracruz intact and retaining bus service in the proposed service reductions.

3. LABOR ORGANIZATION COMMUNICATIONS

John Daugherty, SEA, said that he wished to follow up on the discussion at the November 2009 Board meeting in Watsonville. Mr. Daugherty said that the camera covering the METRO Center employee lounge due to plumbing vandalism should be removed since the issue will be resolved by removing paper towels and installing hand dryers. Mr. Daugherty suggested a discussion on removing the camera and placing in another area that may need it.

Bonnie Morr, UTU Local 23, said that since paper towels have been removed from all restrooms and in the kitchen area, there is no way of cleaning up spills or wiping the area clean. Ms. Morr said that a sponge has been provided, but it carries bacteria and spreads germs, and she requested paper towels in kitchen area for use in the microwave, or to clean or wipe down counters or tables.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Angela Aitken noted there was a revised Staff Report for Item #7.

CONSENT AGENDA

- 5-1. **APPROVE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF FEBRUARY 2010**
- 5-2. **ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR FEBRUARY 2010**
- 5-3. **CONSIDERATION OF TORT CLAIMS:**
 - DENY THE CLAIM OF DEBRA HANNIBAL, CLAIM #10-0004;**
 - DENY THE CLAIM OF KEENAN & ASSOCIATES, CLAIM #10-0005;**
 - DENY THE CLAIM OF JUANA RAYA, CLAIM #10-0006**
 - DENY THE CLAIM OF KATHLEEN REED, CLAIM #10-0007**
- 5-4. **ACCEPT AND FILE MAC AGENDA FOR APRIL 21, 2010 (NO MINUTES – MARCH MTG CANCELLED)**
- 5-5. **ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF FEBRUARY 2010**
- 5-6. **ACCEPT AND FILE RIDERSHIP AND PERFORMANCE REPORT FOR FEBRUARY 2010**
- 5-7. **ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR FEBRUARY 2010**

- 5-8. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ MONTHLY SERVICE REPORT FOR FEBRUARY 2010
- 5-9. CONSIDERATION OF METROBASE STATUS REPORT
- 5-10. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE FEBRUARY 2010 MEETING(S)
- 5-11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXTEND THE PURCHASE ORDER/ CONTRACT FOR EMPLOYMENT OF TEMPORARY HELP THROUGH ROBERT HALF INTERNATIONAL FOR TEMPORARY EMPLOYMENT STAFFING FOR GRANTS ANALYST WORK THROUGH JUNE 30, 2010 FOR A TOTAL AMOUNT NOT TO EXCEED \$128,000
- 5-12. ACCEPT AND FILE DRAFT REPORT ON FY10 FTA TRIENNIAL REVIEW
- 5-13. ACCEPT AND FILE REVISED PAGES FOUR (4) AND FIVE (5) OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDING JUNE 30, 2009
- 5-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH PROVIDER ELAVON TO SET UP A SEPARATE CHANNEL SUITABLE FOR WEBSITE CREDIT CARD TRANSACTIONS
- 5-15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH SCHINDLER ELEVATOR CORPORATION FOR REPAIRS TO THE ELEVATOR LOCATED AT 138 GOLF CLUB DRIVE, SANTA CRUZ FOR AN AMOUNT NOT TO EXCEED \$8,400
- 5-16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT EXTENSION WITH DMC CONSTRUCTION, INC. FOR CONSTRUCTION REMODEL OF THE BUILDING LOCATED AT 110 VERNON STREET THROUGH AUGUST 11, 2010 TO CLOSEOUT THE PROJECT

ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR ROBINSON

Approve the Consent Agenda.

Motion passed unanimously with Director Leopold being absent.

REGULAR AGENDA

- 6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS: NONE
- 7. PUBLIC HEARING TO TO RECEIVE PUBLIC COMMENTS IN CONSIDERATION OF ADOPTING A BUS RAPID TRANSIT STUDY

Summary:

Angela Aitken noted that there was a revision to the Staff Report dated May 21, which needs to be changed to May 28, 2010. Ms. Aitken said that she wants to start public hearing on Air District Grant today (April 23, 2010) and go through May 12, 2010. Ms. Aitken said that she would mention more about it on May 28, 2010. Ms. Aitken said that she wants no action today (April 23, 2010) but does want to start the Santa Cruz portion of the Air District Grant hearing.

CHAIR PIRIE OPENED THE PUBLIC HEARING AT 9:12 A.M.

Director Rotkin asked staff to give brief explanation of what the public hearing is about since he understands but feels like the public has no idea about. Angela Aitken gave a brief explanation on what the public hearing is about. Ms. Aitken said that the public transportation study was done in conjunction with MST and UCSC to see how to implement Bus Rapid Transit between Monterey and Santa Cruz counties. Ms. Aitken said that the public can find study on the METRO website, main libraries and at the METRO Administrative offices.

Vice Chair Robinson asked how the public will be informed of impact on Bay St. and in the surrounding areas in Santa Cruz, and If there will be public outreach. Les White described the three parts to the study: Funding, Monterey Corridor and the USCS-Metro Corridor. Chair Pirie suggested the word “adopting” in the study be changed to “accepting” when it comes back in May.

CHAIR PIRIE CLOSED THE PUBLIC HEARING AT 9:25 A.M.

8. CONSIDERATION OF GASB 43 AND 45, OTHER POST-EMPLOYMENT BENEFITS (OPEB) OPTIONS; CONTINUE TO FUND RETIREE BENEFITS USING “PAY-AS-YOU-GO” METHOD AND APPLY FUNDING TOWARDS UNFUNDED LIABILITY AS REVENUE STREAMS IMPROVE, ESTABLISH AN IRREVOCABLE TRUST, AND ESTABLISH A GASB 45 FUNDING POLICY

Summary:

Angela Aitken reported that \$44 million would be needed in-house to fund all retiree benefits and that although it is not owed now, it will need to be paid over the next few years. Ms. Aitken recommended a pay-as-you-go method basis for retiree benefits and to establish an irrevocable trust. Ms. Aitken said that she will provide annual reports of status on GASB 45.

Discussion:

Director Hagen asked if the \$44 million will grow to a new amount. Angela Aitken said that \$44 million might grow depending on life span of retirees. Director Bustichi asked if Ms. Aitken was suggesting the \$44 million be placed in reserve. Angela Aitken suggested that as revenue improves, money can applied toward liability. Les White explained that if all current employees of Metro live through retirement, the amount of health care they will consume will add up to the \$44 million, but that is not what is owed now, but rather what will be paid out over time.

There was a discussion about actuarial liability, the benefits of a pay-as-you-go option, and establishing an irrevocable trust. Les White said that the Board of Directors needs to have the wherewithal to keep current with obligations. Director Stone noted the difference between actuarial liability and actual liability, and he said the measures taken could reduce the liability amount in the long run. Vice Chair Robinson asked how the process works. Director Rotkin said that this was a response to an attack on public agencies. Director Tavantzis asked about the start up costs and whether this was the time to do these actions. Angela Aitken said that she would bring it back to the Board if the costs outweigh the benefits. Chair Pirie restated the recommended actions: 1) authorize pay-as-you-go option; 2) as revenue improves, express an interest in directing funds to pay for liability; 3) express an interest in establishing an irrevocable trust and; 4) establish GASB 43 & 45 funding policy.

Bonnie Morr, UTU, requested a meeting with the actuarial, district, and representatives from CalPERS for clarification.

Chair Pirie asked staff to report back on Bonnie Morr's request for a meeting with the actuarial.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BUSTICHI

Continue to fund retiree benefits using “pay-as-you-go” method and apply funding towards unfunded liability as revenue streams improve, express interest in establishing an irrevocable trust, and establish a GASB 45 funding policy

Motion passed unanimously with Director Leopold being absent.

9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH VISION COMMUNICATIONS CO., INC. FOR RADIO MAINTENANCE AND REPAIR SERVICES FOR AN AMOUNT NOT TO EXCEED \$60,000 OVER A THREE-YEAR CONTRACT PERIOD

Summary:

Robert Cotter recommended awarding a contract to Vision Communications, Inc. Director Rotkin asked who the members of the evaluation committee were, noting that they were not listed. Robert Cotter said that he himself and Lloyd Longnecker served on the committee. Les White noted that direction was given a month ago to include in listing of committee members. Ciro Aguirre said that committee was comprised of Robert Cotter, Lloyd Longnecker and himself.

Director Hagen said he's like to see the bids that came in. Director Rotkin reminded everyone that the bid information is available at the Administrative Offices of METRO, and that the Board had requested to not see the contracts in the Agenda packet. There was a discussion about what information is presented in the packet.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR HAGEN

Authorize the General Manager to execute a contract with Vision Communications Co., Inc. for Radio Maintenance and Repair Services for an amount not to exceed \$60,000 over a three-year contract period

Motion passed unanimously with Director Leopold being absent.

10. CONSIDERATION OF ADOPTING A RESOLUTION AUTHORIZING FY10 BUDGET RECONCILIATION ACTIONS

Summary:

Angela Aitken said there is a significant decrease in expenses by \$5 million and there have been no service reductions or layoffs. Ms. Aitken said that it will be a big challenge for the next 2 – 3 years. Chair Pirie and Director Rotkin both thanked employees for keeping expenses low and increasing workload. Les White said that he was in the process of acting on the balancing issues

by sending letters to Legislature and Senate, which he hoped to finalize by Monday for signatures from Chair Pirie and RTC Chair Randy Johnson.

ACTION: MOTION: DIRECTOR ROBINSON SECOND: DIRECTOR HAGEN

Authorize the FY10 Budget Reconciliation Actions.

Motion passed unanimously with Director Leopold being absent.

11. CONSIDERATION OF SCHEDULING AND HOLDING PUBLIC HEARINGS REGARDING PROPOSED METRO FIXED ROUTE SERVICE REDUCTIONS FOR FALL 2010

Summary:

Ciro Aguirre proposed reductions to sustain service for FY 10-11 by using more efficient trips, improved interlining, reducing redundant service and increase in service driving time. In Attachment A, Mr. Aguirre pointed out fixed route service that has been deleted or that has been combined. Director Rotkin asked if there any reason why they cannot present today on the fixed route reduction. Margaret Gallagher said the agenda items is about discussing the scheduling of public hearing which is on attachment B, not about the actual fixed route reductions.

Discussion:

There was a discussion about scheduling and holding public hearings. Chair Pirie requested it be on the May 28, 2010 agenda. Director Bustichi requested the item be on every agenda so that it updates can be presented for 3 minutes or so up until adoption. Les White asked if Board members could get in contact with Community TV in Watsonville and Santa Cruz to see if they can get a public service program where Erich can present the proposed service reductions.

There was a discussion about the meeting venues and the accessibility to all riders. Daniel Roozen asked if he could get a copy of the proposed service reductions and if bus drivers were going to be laid off. Directors Bustichi and Tavantzis requested information about the locations of meetings so that the public could be notified, and thanked staff for the amount of meetings being scheduled.

There was a discussion about outreach to the public after hours and the accessibility of the venues. Les White said that the security guard at METRO Center will enable access to meetings at the Pacific Station Conference Room. Bonnie Morr suggested venues for the public meetings. Giro Aguirre said that he would provide the Board with an informational pamphlet.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR ROBINSON

Authorize scheduling and holding public hearings regarding proposed METRO Fixed Route Service Reductions for Fall 2010.

Motion passed unanimously with Director Leopold being absent.

12. CONSIDERATION OF EXTENDING ROUTE #79 TO THE SANTA CRUZ COUNTY FAIRGROUNDS DURING THE 2010 FAIR AT A COST OF \$4,000.00 TO PROVIDE BOTH FIXED ROUTE AND PARACRUZ SERVICE

Summary:

Chair Pirie said that there is a request that the matter be continued the May Board of Directors meeting in order to figure out a way to get service out to the Fairgrounds during the 2010 Fair. Director Tavantzis requested that service to the Fair be provided on Senior Day when the matter comes back at the next meeting.

13. CONSIDERATION OF AUTHORIZING THE CHAIR OF THE BOARD TO SUBMIT A LETTER TO THE SANTA CRUZ REGIONAL TRANSPORTATION COMMISSION SUPPORTING THE ACQUISITION OF THE SANTA CRUZ BRANCH LINE FROM THE UNION PACIFIC COMPANY

Summary:

Chair Pirie noted that Director Leopold had requested this matter be brought before the Board of Directors and noted his absence. Les White explained the funding sources to be used. Director Stone noted that it is important to distinguish between acquisition of corridor and not about any other implementation, and that resources should not be taken from METRO.

Discussion:

Director Bustichi said that the RTC purchase of the Rail Line is going cost money to maintain, and that funds will need to continuously come from somewhere, but he doesn't know where. Director Bustichi said he was unable to support the acquisition. Director Rotkin said the Board should support the acquisition with the understanding that it will not reduce the monies allotted to METRO. There was a discussion of whether there is enough information to support the purchase. Daniel Roozen asked for specifics regarding the acquisition. Les White told Mr. Roozen that the RTC is considering the issue at their next meeting on May 6, 2010.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR HAGEN

Authorize the Chair of the Board to submit a letter to the Santa Cruz Regional Transportation Commission supporting the acquisition of the Santa Cruz Branch line from the Union Pacific Company

Motion passed with Director Bustichi opposed.

14. ORAL ANNOUNCEMENT: THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, MAY 14, 2010 AT 9:00 A.M. AT THE SANTA CRUZ METRO ADMINISTRATIVE OFFICES, 110 VERNON ST, SANTA CRUZ

Chair Pirie announced that the May 14th Board Meeting would be held at METRO's Administrative Office at 110 Vernon Street.

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

Margaret Gallagher reported that the Board would have a conference with legal counsel regarding initiating litigation in the matter of United Transportation Local 23 vs Santa Cruz Metro.

16. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

Bonnie Morr, UTU, said she was very frustrated with issues being sent to arbitration, regardless of how minor the issue may be, and going on for days. Ms. Morr said she believes it is way out of control and the issue should be resolved in-house. Ms. Morr said the big issue at hand is that every minor issue is going to arbitration and getting out of hand. Ms. Morr said this was lack of consideration and that she knows that it's wrong.

SECTION II: CLOSED SESSION

Chair Pirie adjourned to Closed Session at 10:43 a.m. and reconvened to Open Session at 11:21 a.m.

SECTION III: RECONVENE TO OPEN SESSION

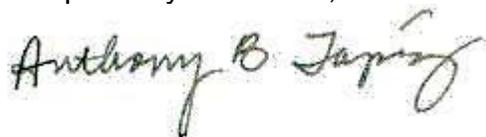
17. REPORT OF CLOSED SESSION

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

ADJOURN

There being no further business, Chair Pirie adjourned the meeting at 11:21 a.m.

Respectfully submitted,



ANTHONY TAPIZ
Acting Administrative Services Coordinator