



A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, April 8, 2011 at the District's Administrative Office located at 110 Vernon Street in Santa Cruz, California.

Vice Chair Robinson called the meeting to order at 9:30 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Hilary Bryant
Dene Bustichi
Daniel Dodge
Ron Graves
Donald Hagen
Michelle Hinkle
John Leopold
William Neighbors
Ellen Pirie
Lynn Robinson
Mark Stone
Ex-Officio Donna Blitzer

DIRECTORS ABSENT

STAFF PRESENT

Ciro Aguirre, Operations Manager
Angela Aitken, Acting AGM/Finance Manager
Bob Cotter, Maintenance Manager
Frank Cheng, MB Project Manager
Mary Ferrick, Fixed Route Superintendent

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

EMPLOYEES AND MEMBERS OF THE PUBLIC PRESENT

John Daugherty, SEA
Manny Martinez, PSA
Eduardo Montesino, UTU
Jim Russell, SSA
Larry Pageler, UCSC TAPS
Heather McDougal
Bob Geyer
Margarita Alejo
George Dondero

Bonnie Morr, UTU
Will Regan, VMU
Janet Geyer
Wandis Wilcox
Virginia Kirby
Charlotte Walker
Charles Yaryan
Rachel Moriconi
Kym Follendorf

2. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS

Written:

- a. Virginia Kirly re: Support for a fare increase and reduced frequency in lieu of route elimination
- b. Rebecca Garcia re: Impact of service reductions to Cabrillo College

Oral:

None.

3. LABOR ORGANIZATION COMMUNICATIONS

John Daugherty, SEA, thanked the Board for setting the meeting for two hours and for changing the start time to 9:30 a.m.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

None.

CONSENT AGENDA

- 5-1. **CONSIDERATION OF TORT CLAIMS: REJECT THE CLAIM OF CONSUELO DIMAS, GUARDIAN AD LITEM FOR SALVADOR CHIPRES, #11-0009**
- 5-2. **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE CONTRACT WITH DIXON & SON TIRES, INC. FOR PURCHASE OF REVENUE AND NON-REVENUE TIRES**
- 5-3. **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A ONE-YEAR CONTRACT EXTENSION WITH MISSION LINEN & UNIFORM SERVICE FOR FURNISHING UNIFORMS, FLAT GOODS, AND LAUNDRY SERVICES FOR AN AMOUNT NOT TO EXCEED \$20,000**
- 5-4. **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH GIRO, INC. TO THE HASTUS LICENSE AND SERVICES AGREEMENT IN THE AMOUNT OF \$84,962.50 FOR VEHICLE WITHDRAWAL WEB SERVICES MODULE, ADDITIONAL NON-OPERATOR EMPLOYEE LICENSE TRACKING, AND MODIFICATIONS TO SIGN-OUT, EMPLOYEE PERFORMANCE MONITOR, AND BID MONITOR, AND A CONTRACT AMENDMENT TO THE HASTUS MAINTENANCE AND SUPPORT AGREEMENT TO INCREASE THE AMOUNT TO \$24,370.00**

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR HAGEN

Approve Consent Agenda.

Motion passed unanimously.

REGULAR AGENDA

6. CONSIDERATION OF THE CREATION OF A SUBCOMMITTEE TO THE SANTA CRUZ METRO BOARD OF DIRECTORS AND DISCUSS THE FRAMEWORK OF THE FOUR (4) STRATEGIES TO REDUCE THE BUDGET DEFICIT IN FUTURE YEARS

Director Hagen recommended the creation of the subcommittee. Ex-officio Director Blitzer offered the assistance of UCSC Transportation and Parking Services Director Larry Pageler. Bonnie Morr said that UTU was available for input and discussion. Will Regan, VMU, echoed Ms. Morr's statement.

ACTION: MOTION: DIRECTOR HAGEN SECOND: CHAIR PIRIE

Approve creation of a subcommittee to the Santa Cruz METRO Board of Directors to discuss the framework of the four (4) strategies to reduce the budget deficit in future years.

Motion passed unanimously.

7. DISCUSSION OF A SERVICE REDUCTION OPTION IN AN EFFORT TO BALANCE THE FY12 AND FY13 BUDGETS

Ciro Aguirre announced that there had been a revision to the option being presented and asked permission to distribute the revised presentation. A copy is attached to the official minutes. Carolyn Derwing and Erich Friedrich gave a presentation on the revised Service Reduction Options. Director Leopold noted that the Live Oak area was hit hard. Director Stone noted that METRO has an obligation to move transit-dependent people, and that frequency should be sacrificed in order to keep geographic distribution, and he thanked staff for the presentation. Chair Pirie noted that the proposal was a best-case scenario, and asked if a decision needed to be made, because she was reluctant to put out a plan that might not be accurate. Leslie R. White said that a decision is premature, and asked the Board to provide direction to staff to schedule public meetings, and to task the subcommittee to balance the budget based on funding strategies and present their decision at METRO Board Meeting on April 22, 2011.

John Daugherty, SEA, asked about opportunity trips and the format of the subcommittee. The following members of the public made comments regarding the proposed Service Reductions: Heather MacDougal, Janet Geyer and Charles Yargan. Bob Geyer, MAC, thanked staff and said one of the challenges was accurate data, and suggested that, in the future, an effort be made to collect as much data as possible. Bonnie Morr, UTU, pointed out some deficiencies in the proposal. Eduardo Montesino, UTU, said that the results being presented were computer-driven, and he suggested the Board direct staff to work with the bus operators to accurately determine ridership.

Director Dodge said that buses provide access to higher learning for South County and he suggested retaining the 91X service. Director Bryant said it was important to know what riders

were going to be affected and that the proposed reductions make sense. Director Hagen said it was important to emphasize the purpose of the subcommittee. Director Bustichi cautioned that a 12% reduction is very optimistic, and that the next year may bring larger reductions, so it is important to get on the right path for the next ten years. Chair Pirie reminded everyone that in order to put any service back in, something would have to be taken out. Director Leopold said that he did not want Live Oak to be disproportionately affected by the proposed service reductions and said he wanted to work with Carolyn Derwing to come up with an equitable solution.

8. CONSIDERATION AND DISCUSSION OF SANTA CRUZ METRO'S OPERATING RESERVES, CAPITAL RESERVE RETAINED EARNINGS ACCOUNT, AND RESTRICTED COUNTY TREASURY ACCOUNT

Angela Aitken gave a presentation of Santa Cruz METRO's Operating Reserves, Capital Reserve Retained Earnings Account, and Restricted County Treasury Account. Leslie R. White said that the California Legislature's Gas Tax Swap was detrimental to METRO. Bonnie Morr reminded the Board that they are cutting service, and noted that there are buses and vans that are sitting in parking lots , not on the street, and that it might not be pertinent to pursue more purchases.

No action taken.

9. DISCUSSION OF ISSUES RELATING TO OPTIONS FOR THE FUTURE ORGANIZATION STRUCTURE AT METRO

Leslie R. White said this item was intended to stimulate discussion, and he described the four (4) options facing METRO: Merger with SCCRTC, Internal Recruitment for the General Manager position, External Recruitment for the General Manager position, and hiring a professional management company to operate METRO. Director Bustichi said that consolidation with the SCCRTC is an opportunity that should be looked at, regardless of the outcome, and said he supported moving forward with discussion. Director Bustichi said that recruitment for a new General Manager would probably remain within California.

Director Leopold said there should be discussion regarding whether both agencies are needed, and said he did not like the idea of a private firm running METRO. Director Leopold said that METRO should start making preparations to search for a new General Manager. Chair Pirie said she was concerned about the timeline of the recruitment.

Director Stone said that if the dedicated sales tax for either agency is placed in jeopardy by the merger then there cannot be a merger. Director Stone said the recruitment should have begun six months earlier, and that he was not interested in hiring a private management firm.

ACTION: MOTION: DIRECTOR STONE SECOND: DIRECTOR PIRIE

Extend meeting to 12:00 p.m.

Motion passed unanimously.

George Dondero, SCCRTC, suggested that METRO begin the recruitment process, and said that he didn't know what benefits would come out of a merger. Bonnie Morr, UTU said that this would be a long and difficult process, thanked Les White, and said that UTU would try hard to behave

and work towards keeping METRO solvent. Director Bustichi asked if the Board needed to give direction. Director Stone suggested sitting down and framing the discussion for the RTC. Chair Pirie suggested a report back in one month. Vice Chair Robinson suggested a timeline be established.

10. CONSIDERATION OF EXECUTION OF A LETTER OF AGREEMENT TO EXTEND THE CURRENT EMPLOYMENT AGREEMENT WITH LESLIE R. WHITE TO SERVE AS GENERAL MANAGER FOR THE PERIOD JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

ACTION: MOTION: DIRECTOR STONE SECOND: CHAIR PIRIE

Approve letter of agreement to extend the current employment agreement with Leslie R. White to serve as General Manager for the period January 1, 2012 though December 31, 2012.

Motion passed unanimously.

11. ORAL ANNOUNCEMENT: THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, APRIL 22, 2011 AT 9:00 A.M. AT THE SANTA CRUZ CITY COUNCIL CHAMBERS LOCATED AT 809 CENTER STREET, IN SANTA CRUZ

12. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Margaret Gallagher stated that the Board of Directors would have a conference with Labor Negotiators Robyn Slater, Human Resources Manager; Angela Aitken, Acting Assistant General Manager/Finance Manager, Ciro Aguirre, Operations Manager; and Mary Ferrick, Fixed Route Superintendent. Ms. Gallagher said that the Employee Organizations are the United Transportation Union (UTU), Local 23 (Fixed Route and Paracruz) and Service Employees International Union (SEIU), Local 521.

Ms. Gallagher also said the Board would have a conference with it's Legal Counsel about existing litigation pursuant to Government Code Section 54956.9 in the Claim of Elizabeth Laurance. Ms. Gallagher also stated that the Board would have a conference with its Legal Counsel regarding two potential litigations. She provided a brief description of these matters.

13. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

Bonnie Morr, UTU, read a letter offering to flat line the current labor agreement provided management and the other Union follow suit. John Daugherty asked if the subcommittee would be subject to the Brown Act. Leslie R. White said since there was no quorum of Directors it was up to the subcommittee whether they would hold open public meetings.

SECTION II: CLOSED SESSION

Vice Chair Robinson adjourned to Closed Session at 12:00 p.m. and reconvened to Open Session at 12:42 p.m.

SECTION III: RECONVENE TO OPEN SESSION

17. REPORT OF CLOSED SESSION

Margaret Gallagher stated that there was no reportable action taken in Closed Session.

ADJOURN

There being no further business, Vice Chair Robinson adjourned the meeting at 12:42 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Anthony Tapiz". The signature is written in a cursive, flowing style.

ANTHONY TAPIZ
Administrative Services Coordinator