



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
REGULAR MEETING
NOVEMBER 13, 2015 – 8:30 AM
809 CENTER STREET
SANTA CRUZ, CA**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, November 13, 2015, at the Santa Cruz City Chambers, 809 Center Street, Santa Cruz, CA.

The Board Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz METRO's Administrative offices at 110 Vernon Street, Santa Cruz, California.

This document has been created with accessibility in mind. This document passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to accessibility@scmttd.com

SECTION I: OPEN SESSION

1 CALL TO ORDER at 8:37AM by Chair Bustichi

2 ROLL CALL: The following Directors were **present**, representing quorum:

Director Ed Bottorff	City of Capitola
Director Dene Bustichi, Chair	City of Scotts Valley
Director Karina Cervantez	City of Watsonville
Director Jimmy Dutra	City of Watsonville
Director Zach Friend	County of Santa Cruz
Director Donald "Norm" Hagen	County of Santa Cruz
Director Don Lane	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Mike Rotkin, Vice Chair	County of Santa Cruz
Ex-Officio Director Donna Blitzer	UC Santa Cruz

The following Directors were absent:

Director Cynthia Chase
Director John Leopold

City of Santa Cruz
County of Santa Cruz

STAFF PRESENT:

Alex Clifford, CEO
Leslyn Syren, District Counsel

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:

Heather Adamson, AMBAG
Angela Aitken, METRO
Erron Alvey, METRO
Joan Jeffries, METRO
Debbie Kinslow, METRO

Karena Pushnik, METRO
Suzanne Silva, METRO
Robyn Slater, METRO
Daniel Zaragoza, METRO

3 ANNOUNCEMENTS

Chair Bustichi acknowledged Carlos Landaverry's presence and noted his availability for Spanish interpretation as needed. Carlos introduced himself and his services in Spanish.

Chair Bustichi announced Jenney Odell will be today's Community Television technician.

Chair Bustichi announced the following items were distributed to Board members and available for public viewing at the rear of the room:

Item 8-12: Retroactive Salary Adjustment, Attachment A, has been revised to correct a copying error. The "5" in "2015" and the "f" in the word "of" have been added. (See highlights)

Invitation to meet and greet Watsonville's new City Manager, Mr. Charles Montoya, on Thursday, 12/3/15, 4-6P, at Watsonville's Civic Plaza Community Room

11/9/15 letter from the Board of Supervisors regarding Notification of At Large Vacancy, Donald Norm Hagen, on the METRO Board of Directors

Item 10: Photographs to accompany Mr. Kreck's oral quarterly report regarding the status of the Operations facility will be projected. Paper copies were not distributed.

4 COMMUNICATIONS TO THE BOARD OF DIRECTORS

- Document Dated October 23, 2015 Re: Public Communications from Ernestina Saldana, Chair Santa Cruz County Commission on Disabilities

Hearing no comments from the public, the meeting proceeded to the next agenda item.

5 WRITTEN COMMUNICATIONS FROM MAC

Having none, the meeting proceeded to the next agenda item.

6 LABOR ORGANIZATION COMMUNICATIONS

Chair Bustichi opened the floor to public comment.

Hearing no comments from the public, the meeting proceeded to the next agenda item.

Director McPherson told the assembly about a recent Silicon Valley Group Leadership event he and Directors Friend and Leopold attended where he was able to deliver letters from METRO's CEO, Board Chair and other California State organizations to US Secretary Perez

noting METRO's concerns for transportation grants. Secretary Perez seemed to be well aware of the situation. It is on his radar.

CONSENT AGENDA

- 8-01 RECOMMENDED ACTION ON TORT CLAIMS
- 8-02 NOTIFICATION OF ACTION TAKEN IN CLOSED SESSION
- 8-03 ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF JULY 2015
- 8-04 ACCEPT AND FILE MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF OCTOBER 23, 2015
- 8-05 ACCEPT AND FILE MINUTES FOR THE METRO ADVISORY COMMITTEE (MAC) MEETINGS OF AUGUST 19, 2015 AND SEPTEMBER 16, 2015
- 8-06 ACCEPT AND FILE THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR AUGUST AND SEPTEMBER 2015
- 8-07 ACCEPT AND FILE THE ACCESSIBILITY SERVICES REPORTS FOR THE MONTHS OF JULY, AUGUST AND SEPTEMBER 2015
- 8-08 CONSIDERATION OF METROBASE MONTHLY CHANGE ORDER REPORT
- 8-09 CONSIDERATION OF AUTHORIZATION TO USE THE STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES CMAS CONTRACT FOR THE PURCHASE OF HON FURNITURE FOR THE NEW OPERATIONS FACILITY IN AN AMOUNT NOT TO EXCEED \$80,000
- 8-10 RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT REQUESTING THE SANTA CRUZ COUNTY TRANSPORTATION COMMISSION STATE ITS INTENT TO NOT USE CURRENT BUS FUNDING SOURCES, INCLUSIVE OF GROWTH IN CURRENT FUNDING SOURCES, TO FUND PASSENGER RAIL
- 8-11 CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT AMENDMENT WITH GIRO, INC. FOR HASTUS SOFTWARE
- 8-12 CONSIDER A RETROACTIVE SALARY SCHEDULE ADJUSTMENT FOR THE ACCOUNTANT I/II/SUPERVISING ACCOUNTANT CAREER LADDER, RESULTING FROM A GROUP SALARY SURVEY, CONDUCTED AS PROVIDED UNDER THE TERMS OF THE SEIU MEMORANDUM OF UNDERSTANDING (MOU)
- 8-13 CONSIDERATION OF ISSUING A FORMAL REQUEST FOR PROPOSAL FOR THE PURCHASE AND INSTALLATION OF A VIDEO SURVEILLANCE SYSTEM FOR THE JUDY K. SOUZA OPERATIONS BUILDING AND FUEL & WASH FACILITY

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED
MOTION: DIRECTOR LANE SECOND: DIRECTOR HAGEN

MOTION PASSED WITH 8 AYES (Directors Bottorff, Bustichi, Cervantez, Dutra, Hagen, Lane, McPherson and Rotkin). Director Friend abstained from Item 8-04 due to his absence at the October 23, 2015 meeting. Directors Chase and Leopold were absent.

REGULAR AGENDA

- 9 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR IDAN ALVARA, RHIANNON AXTON, ED DAVIDSON, JUAN HERNANDEZ, JUAN FERNANDEZ MAGANA, PETER MILBURN, JOY J. OLANDER, JAIME RENTERIA, SENaida RODRIGUEZ, CHRIS SULLIVAN, HECTOR TORRES, VALENTIN ZARATE

While Vice Chair Rotkin read the names and longevity of METRO employees, Chair Dene Bustichi presented the individual plaques and pins.

Chair Bustichi thanked Idan Alvarado for his services as a Van Driver, noting that drivers are the backbone of service. Mr. Alvarado thanked the Board and said he was proud to be at METRO and happy to serve the South County community. He also thanked April Warnock for her warm welcome 10 years ago and Daniel Zaragoza for his advice through the years.

Chair Bustichi expressed his appreciation to Ed Davidson, Bus Operator, for his 10 years of service. Mr. Davidson said he appreciates the opportunity to serve the community and hopes for 10 more years.

Chair Bustichi thanked Juan Fernandez Magana, Bus Operator, for his 10 years of service. He said the drivers are part of a family, a fraternity of brothers. Mr. Magana thanked the Board for the opportunity and said it's been awesome to have the experience. He hopes to return to the Board in another 10 years.

Chair Bustichi thanked Chris Sullivan, Paratransit Supervisor, for providing service to those who need it most. Mr. Sullivan thanked METRO for making his life so much better than it was 10 years ago; he is truly grateful for the opportunity everyday and thanked the Board, CEO Clifford, April Warnock and Daniel Zaragoza.

Vice Chair Rotkin read the names of the METRO employees who were unable to attend today's meeting:

- Peter Millburn, 30 years,
- Hector Torres, 10 years
- Valentin Zarate, 10 years
- Joy Olander, 10 years
- Jaime Renteria, 10 years
- Senaida Rodriguez, 10 years

Upon her arrival, Chair Bustichi thanked Rhiannon Axton, Bus Operator, for her 10 years of service adding that the drivers are the faces the public sees. Ms. Axton said her favorite part of the job is the community that is built in and around the bus. She shared a couple of experiences that demonstrated the little moments she remembers, the things that restore one's faith in humanity.

- 10 QUARTERLY ORAL REPORT REGARDING THE STATUS OF CONSTRUCTION ON THE JUDY K. SOUZA OPERATIONS FACILITY COMPONENT OF THE METROBASE PROJECT

Andy Kreck, Project Manager, Hill International, reminded the assembly of how the building is truly a part of the community by projecting recent photographs of the Operations facility which included Tony Souza, the son of Judy K. Souza, whose mother the building is dedicated to.

He also highlighted various aspects of the project: the anticipated rising of the communication tower, the landscaping, etc.

Vice Chair Rotkin asked if the projected rain could impact any of the remaining work. Mr. Kreck responded that he believes we are "buttoned up" and does not anticipate any storm delays. In fact, the little rain experienced to date had been helpful in that it allowed us to correct a couple of things.

Chair Bustichi added that doors from the exterior to the interior can hold up the installation of flooring and temperature control for finish work; climate control can keep shrinkage and damage to a minimum.

Hearing no public comment, the meeting proceeded to the next agenda item.

- 11 ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF JULY 31, 2015

Angela Aitken, Finance Manager, provided commentary to the presentation.

Directors Rotkin and Dutra questioned the timing of the projected and actual sales tax reporting. Ms. Aitken responded that the sales tax revenue is calculated monthly as an estimate while the actuals are provided quarterly.

Chair Bustichi thanked Ms. Aitken for including the overtime information he had requested at the last meeting.

Hearing no public comment, the Board moved to make a motion.

ACTION: MOTION TO ACCEPT THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF JULY 31, 2015 AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR LANE

MOTION PASSED WITH 9 AYES (Directors Bottorff, Bustichi, Cervantez, Dutra, Friend, Hagen, Lane, McPherson and Rotkin). Directors Chase and Leopold were absent.

- 12 ACCEPT THE PROPOSED DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL OF 1.73% FOR FEDERALLY FUNDED PROCUREMENTS FOR FFY15 - FFY17 AND OPEN THE PUBLIC COMMENT PERIOD BEGINNING NOVEMBER 13, 2015

Angela Aitken, Finance Manager and DBE Liaison Officer, provided commentary to the presentation, noting that we have submitted a new goal of 1.73% and anticipate going to public hearing on January 22, 2016.

Vice Chair Rotkin remembered when METRO had been overly ambitious years ago with an original goal between 30-40%. Over the decades since, we have come to realize that there aren't a lot of firms available to do the work we need done. He asked what the situation is throughout the County.

District Counsel Syren responded that we do have some problems meeting our goal; in part due to being part of the 9th Circuit where there exists a case which limits our abilities. A contractor cannot award a subcontract solely based on DBE status. As a result we have good faith efforts to reach out to the DBE community and we ask contractors to work more effectively with the DBE community. It is difficult to get bids on some types of projects as some of the federally funded projects typically limit the type of contract we can issue and from that there is a small subset of those who qualify. We are attempting to increase our goals. She reminded the assembly that it is not unusual for agencies to not achieve this goal. She added that if METRO were to look at contracts other than those which are federally funded, we would exceed our goal.

Vice Chair Rotkin agreed there isn't much more staff can do and expressed his appreciation for their efforts.

Speaking as a general contractor who has been involved in many public works, Chair Bustichi noted it can cost from \$500 to \$1,000 per project to advertise for DBE businesses and they often don't get a response; that is, they advertise with no results.

Hearing no public comment, the Board moved to make a motion.

ACTION: MOTION TO ACCEPT THE PROPOSED DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL OF 1.73% FOR FEDERALLY FUNDED PROCUREMENTS FOR FFY15 - FFY17 AND OPEN THE PUBLIC COMMENT PERIOD BEGINNING NOVEMBER 13, 2015 AS PRESENTED

**MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR McPHERSON
MOTION PASSED WITH 9 AYES (Directors Bottorff, Bustichi, Cervantez, Dutra, Friend, Hagen, Lane, McPherson and Rotkin). Directors Chase and Leopold were absent.**

13 ORAL PEPRA UPDATE

Leslyn Syren, General Counsel, provided an oral update on PEPRA, the issues it has created for federal and state governments and some of the problems METRO is facing.

A number of transit agencies have entered into agreements with the Department of Labor (DOL) to obtain funds within which the DOL has proposed terms and conditions to certify applicable grants. One of the key elements is the restoration of collective bargaining rights in the event the decision is held up in the courts. The problem is California law may not have changed, which would leave PEPRA on the books; meaning the best pension benefit provided would be at the PEPRA rate of 2% at 62.

Some of the largest agencies in California (Los Angeles, Orange, Sac RT) have agreed to the terms and are receiving federal funds. However, they are also contesting the DOL decision and have provided a letter to the DOL stating they have issues with the terms; requesting that the DOL acknowledge this will be problem for California. While it allows the flow of federal funds flow, it could potentially cause a problem down the road for the transit agencies. At some point, it would be difficult for DOL to isolate one agency and not fund their grants.

The second problem is with "purgatory" or "gap" employees. At least one agency is seeking an administrative appeal of the PERS action. METRO would like to provide a declaration,

with Board support, which supports an appeal and outlines the current and future problems for the two tier employees.

Most recently, there have been requests seeking legislative relief. Assemblyman Mark Stone has been approached and asked to bring a bill that would clarify what is intended by the "gap" period. METRO hopes those employees will be considered to have a vested right in the benefit that was provided to them at time of hire. We are seeking approval to join in this effort to seek clarifying legislation in regards to PEPRA as the best case scenario seems to be getting legislation before the state.

Vice Chair Rotkin asked if METRO had signed this agreement and what the nature of the most successful agreement would be. District Counsel Syren responded that we have not signed the agreement to date. The current court decision was remanded back to DOL for further proceedings, whereupon the DOL repeated their prior action and included in their basis the denial of collective bargaining rights with an impact on rights under 13c.

Chair Bustichi opened the floor to public comment.

Eduardo Montesino, UTU representative, thanked Ms. Syren for eloquently stating PEPRA's stance. He agreed that we need to move forward and sign the agreement; it will take awhile for this to be cleared up. Mr. Montesino has spoken with Assemblyman Stone about the impact on more than 40 employees within the District and the impact of the "gap" period.

Vice Chair Rotkin asked if UTU was involved nationally. Mr. Montesino answered yes; they are responsive to our desired outcome and would not oppose it. The letter of agreement is critical.

Chair Bustichi requested clarification of the action requested. Ms. Syren responded that METRO is asking to participate with other transit agencies to develop legislation with Assemblyman Stone which would help resolve the issue with "gap" employees. The Board would have the opportunity to review the letter of agreement before METRO signs.

Director Dutra asked how many organizations are willing to work on this. Ms. Syren answered VTA and MST, at a minimum. There may be 10 transit agencies that have been affected. Part of the problem is not every transit agency is a member of CALPERS; some have their own retirement systems.

MOTION TO AUTHORIZE STAFF TO PARTICIPATE WITH OTHER TRANSIT AGENCIES AND ENCOURAGE STAFF TO DEVELOP LEGISLATION WITH ASSEMBLYMAN STONE TO HELP RESOLVE THIS ISSUE. THE PROPOSED LETTER OF AGREEMENT TO BE REVIEWED BY THE BOARD PRIOR TO SUBMITTAL.

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR DUTRA

MOTION PASSED WITH 9 AYES (Directors Bottorff, Bustichi, Cervantez, Dutra, Friend, Hagen, Lane, McPherson and Rotkin). Directors Chase and Leopold were absent.

14 CEO TO GIVE ORAL REPORT

Alex Clifford, CEO/General Manager, introduced Mr. Barrow Emerson, METRO's new Planning and Development Manager, and provided a bit of his employment background noting he has worked over 30 years in transit around the world. Mr. Emerson thanked the Board and said he was eager to get to work on the hard work we have ahead.

CEO Clifford informed the Board of his twice yearly All Hands Meetings being held this week which provide an opportunity to meet with employees at the various work sites and provide updates, answer questions, hear comments, etc. directly from the employees. Additionally, the latest Quarterly CEO Newsletter had been distributed. This issue was dedicated to the hard work of employees beyond the call of duty. There were outstanding jobs at every level in every department.

METRO will bring the NOLO application to the December 2015 Board Meeting for approval to match the federal funding requirement. This represents the first opportunity to obtain electric buses and charging stations as authorized by the Board earlier this year.

CEO Clifford spoke regarding Sam Farr's retirement announcement. His decision not to run for re-election will be felt throughout the industry; he has been a great transportation advocate.

CEO Clifford provided updates to the State and Federal funding efforts and the letters sent to the various representatives requesting their support of the various bills under consideration.

Vice Chair Rotkin asked if a visit with Senator Boxer would be worthwhile at this time. CEO Clifford responded that he is talking with Chris Giglio who is working to determine the correct timeframe. In an era of earmarks, going to DC was a common occurrence. Today's transportation funding is a different environment; the use of APTA and bus coalition contacts is more common. He will keep the Board informed.

Chair Bustichi said that METRO had been a charter member of the Bus Coalition and asked how that organization is doing. CEO Clifford responded that he participates in once to twice weekly conference calls. In fact, the Coalition is largely responsible for ensuring the inclusion of the bus and bus facilities in the proposed bill. Chair Bustichi requested that CEO Clifford return to the Board at a future date with a formal report on the Bus Coalition.

15 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Leslyn Syren, General Counsel announced the following items:

- CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
Significant Exposure to litigation pursuant to subdivision (c) of Government Code Section 54956.9 – 2 cases
- PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: District Counsel

Chair Bustichi announced, and District Counsel Syren concurred, a report after was not anticipated.

16 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, DECEMBER 13, 2015 AT 8:30 AM, METRO ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ
Chair Bustichi announced the next meeting as referenced above.

17 **ADJOURNMENT**
 Chair Bustichi adjourned the meeting at 9:52A

Respectfully submitted,

Gina Pye
Executive Assistant