



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA MEETING MINUTES
SEPTEMBER 23, 2016 – 8:30 AM
SANTA CRUZ CITY CHAMBERS
809 CENTER STREET
SANTA CRUZ, CA 950606**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, September 23, 2016 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.

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SECTION I: OPEN SESSION

- 1 CALL TO ORDER at 8:38 AM by Chair Rotkin.**
- 2 ROLL CALL: The following Directors were present, representing quorum:**

Director Ed Bottorff	City of Capitola
Director Cynthia Chase	City of Santa Cruz
Director Jimmy Dutra, Vice Chair	City of Watsonville
Director Norm Hagen	County of Santa Cruz
Director Don Lane	City of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Mike Rotkin, Chair	County of Santa Cruz
Ex-Officio Director Donna Blitzer	UC Santa Cruz

Directors Dene Bustichi, Zach Friend and Karina Cervantez were absent.

STAFF PRESENT:

Alex Clifford	METRO CEO/General Manager
Leslyn K. Syren	METRO District Counsel

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

Heather Adamson, AMBAG	Susan Sanford, Self
Angela Aitken, METRO	Robyn Slater, METRO
Joan Jeffries, SEIU	Daniel Zaragoza, METRO
Debbie Kinslow, METRO	

3 ANNOUNCEMENTS

Chair Rotkin introduced Carlos Landaverry and his Spanish Language Interpretation services. He then announced this meeting is being televised by Community Television of Santa Cruz County with technician, Alex Saidi.

4 BOARD OF DIRECTORS COMMENTS

Chair Rotkin expressed his concern about a citizen organization making comments regarding the upcoming Measure D. He appreciates their right to express their opinions; however, they do not represent METRO or the Board. He intends to submit an editorial stating the correct facts; Measure D will help transit and provide additional funding. Without it, METRO may have to make cuts.

Director Lane appreciated Chair Rotkin's comments and encouraged his editorial. The public needs to understand that METRO and our riders will be hurt without the funding this can provide.

Hearing no further comments, Chair Rotkin moved to the next agenda item.

5 COMMUNICATIONS TO THE BOARD OF DIRECTORS

Hearing none, Chair Rotkin moved to the next agenda item.

6 COMMUNICATIONS FROM MAC

Hearing none, Chair Rotkin moved to the next agenda item.

7 LABOR ORGANIZATION COMMUNICATIONS

Mr. Eduardo Montesino, representing the Bus Operators, advised the Board that they may be receiving letters from the public in response to the recent service cuts and changes. There is some confusion due to the span of time between the decision and the actual implementation of the changes.

Director McPherson thanked the Operators, management and the Board for their efforts to continue providing as much service as possible.

Vice Chair Dutra stated he'd received a couple of emails with issues; one expressed confusion as to how the process worked. For the most part, it had been a smooth transition.

8 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Chair Rotkin announced the following items were distributed to Board Members and are available at the back of the room for public viewing:

- Item 13, Fiscal Year End Monthly Budget Status Reports For June 30, 2016; And Adoption Of The Preliminary Schedule Of Reserve Account Balances, Attachment D, Pages 5-7 Revised as Follows:
 - Page 5: Added () Around Negative Number (\$2,338k)
 - Page 6 Changed Title From Revenue To 'Expenses'
 - Page 7: Added () Around Negative Number (\$168k)
- News clips of interest
- Headways latest edition: September 8 to December 14, 2016

CONSENT AGENDA

- 9-01 ORAL REPORT REGARDING AUGUST 26, 2016 CLOSED SESSION **(Moved to Regular Agenda in advance of Item 11, at Chair Rotkin's request.**
- 9-02 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS
- 9-03 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF AUGUST 2016
- 9-04 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF AUGUST 26, 2016
- 9-05 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO A PLUS PAINTING FOR EXTERIOR PAINTING OF THE WATSONVILLE TRANSIT CENTER NOT TO EXCEED \$78,800
- 9-06 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 7TH AMENDMENT EXTENDING THE CONTRACT WITH AIRTEC SERVICE FOR HVAC MAINTENANCE SERVICES, INCREASING THE CONTRACT TOTAL BY \$35,000
- 9-07 CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 10TH AMENDMENT TO THE CONTRACT WITH RNL DESIGN, INC. FOR ARCHITECT AND ENGINEERING SERVICES, EXTENDING THE CONTRACT TERM, INCREASING THE CONTRACT TOTAL BY \$100,000
- 9-08 CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 6TH AMENDMENT TO THE CONTRACT WITH HILL INTERNATIONAL, INC., FOR PROJECT MANAGEMENT CONSULTANT SERVICES, INCREASING THE CONTRACT TOTAL BY \$198,000
- 9-09 APPROVE: CONSIDERATION OF DECLARING ONE (1) 2002 NEW FLYER BUS AND ONE (1) LOT OF NEW FLYER PARTS FROM THE 2002 NEW FLYER BUS PURCHASE (SR804) AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION
- 9-10 APPROVE: CONSIDERATION OF ISSUING A FORMAL REQUEST FOR PROPOSALS FOR MOBILE CASH VAULT PICK UP AND DELIVERY SERVICES AND COIN AND CURRENCY PROCESSING SERVICES
- 9-11 APPROVE: CONSIDERATION OF A CONTRACT AMENDMENT WITH THE LAW FIRM OF HOWIE & SMITH LLP, IN AN AMOUNT NOT TO EXCEED \$50,000
- 9-12 REVISED METROBASE PHASE II (OPERATIONS BUILDING) LIFE OF PROJECT BUDGET AND CAPITAL RESOURCE ALLOCATION PLAN

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED, AND MOVING ITEM 9-01 IN ADVANCE OF REGULAR AGENDA ITEM 11.

MOTION: DIRECTOR LANE

SECOND: DIRECTOR BOTTORFF

MOTION PASSED WITH 7 AYES (Directors Bottorff, Chase, Dutra, Lane, Leopold, McPherson and Rotkin.) Directors Bustichi, Cervantez, Friend and Hagen were not present.

REGULAR AGENDA

9-01 **ORAL REPORT REGARDING AUGUST 26, 2016 CLOSED SESSION (Moved to Regular Agenda in advance of Item 11, at Chair Rotkin's request.**

District Counsel Syren announced the oral report consisted of her retirement which would be effective at the end of December, 2016.

Chair Rotkin and Director Leopold congratulated her and thanked her for her service to METRO.

10 **PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR DONALD ATWELL, JOHN GOSE, MICHAEL MULLIS, JOSE NANEZ, MANUEL NIETO, JEFFREY ZENKER**

Chair Rotkin thanked Donald Atwell, Bus Operator, for his 15 years of service with METRO. Mr. Atwell thanked the Board, saying he enjoys driving and plans to retire in five years.

Chair Rotkin recognized the following retirees in their absence, noting all employees are important:

- John Gose, Bus Operator, 15 years of service with METRO
- Michael Mullis, Bus Operator, 10 years of service with METRO
- Jose Nanez, Bus Operator, 15 years of service with METRO
- Manuel Nieto, Bus Operator, 15 years of service with METRO
- Jeffrey Zenker, Bus Operator, 15 years of service with METRO

11 **RESOLUTION OF APPRECIATION, RETIREES: MIGUEL ESCARCEGA, ALICIA HERNANDEZ, CAROL NIETO, MANUEL NIETO, BRUCE RHODES, SENAI DA RODRIGUEZ, DOMINGO TOVAR, AURORA TRINIDAD & CHERI TUTTLE CALLIS**

Chair Mike Rotkin recognized the following retirees in their absence:

- Miguel Escarcega, Vehicle Service Worker II, 16 years of service with METRO
- Alicia Hernandez, Van Operator, 11 years of service with METRO
- Carol Nieto, Van Operator, 9 years of service with METRO
- Manuel Nieto, Bus Operator, 15 years of service with METRO
- Bruce Rhodes, Fleet Maintenance Supervisor, 15 years of service with METRO
- Senaida Rodriguez, Administrative Assistant/Supervisor, 10 years of service with METRO
- Domingo Tovar, Bus Operator, 20 years of service with METRO
- Aurora Trinidad, Van Operator, 11 years of service with METRO
- Cheri Tuttle Callis, Sr. IT Technician, 11 years of service with METRO

ACTION: MOTION TO ACCEPT THE RESOLUTIONS OF APPRECIATION AS PRESENTED

MOTION: DIRECTOR LEOPOLD

SECOND: DIRECTOR McPHERSON

MOTION PASSED WITH 7 AYES (Directors Bottorff, Chase, Dutra, Lane, Leopold, McPherson and Rotkin.) Directors Bustichi, Cervantez, Friend and Hagen were not present.

12 **ORAL REPORT / UPDATE REGARDING PEPRA 13(c)**

Leslyn Syren, General Counsel, provided an oral update of the recent activity regarding the Public Employees Pension Reform Act (PEPRA), its legislative judgments and the effect to METRO's "gap" employees. Copies of the rulings are available if desired.

Assemblymember Stone's bill which would have clarified the issue for all public agencies and administrators is now 'dead in the water'. In fact, we are still several months, if not years, away from a final decision.

Chair Rotkin asked if speaking with Federal departments would be an option and/or helpful in any way. Ms. Syren responded that she believes, from talking with SACRT (Sacramento Regional Transit) counsel, it is unlikely there'd be a lot of cooperation from the Department of Labor (DOL).

Chair Rotkin inquired as to the status and possible affect on METRO's funding. Ms. Syren answered we have had a number of grant applications before the FTA which have gone to the DOL and been certified; no affect felt on any of our applications.

Public comments:

Eduardo Montesino thanked Ms. Syren for the update. He stated the impact to the "gap employees" is tremendous as they signed on for a defined benefit and now they need to work longer in order to get an equitable benefit.

Director Leopold said he would support the filing of a brief if it would be helpful. District Counsel Syren said we are not yet at this point; but, when it's available, we will return to court.

13 ACCEPT AND FILE: FISCAL YEAR END MONTHLY BUDGET STATUS REPORTS FOR JUNE 30, 2016; AND ADOPTION OF THE PRELIMINARY SCHEDULE OF RESERVE ACCOUNT BALANCES

Angela Aitken, Finance Manager, provided commentary to the presentation noting fewer reserves were used than originally anticipated.

Director McPherson asked what percentage is made up of UCSC students. Mr. Barrow Emerson, Planning and Development Manager, answered that UCSC makes up 55% of METRO's ridership.

Director McPherson said the majority of our ridership doesn't understand that passenger fares make up a small portion of our revenue. Ms. Aitken added that's correct. As of June, approximately 23% of METRO's revenue comes from passenger fares and 35-40% from sales tax revenues. As a public agency, we do not pay for services solely with passenger fares; we are subsidized by state and federal governments and sales tax revenues of approximately 35-40%. All of which is required to make the system work.

Chair Rotkin added that METRO's 23% is actually higher than the national average.

Ms. Aitken thanked the great team of METRO employees and Board members for their contributions in balancing the budget.

Director Leopold appreciated the work and sacrifice by all employees. He reminded the assembly that had the State not changed their methodology, we would have received an additional \$1M funding. It will be easier to achieve our financial goals if we can pass Measure D.

14 ORAL COA UPDATE

Barrow Emerson, Planning and Development Manager, reported that there have not been many negative comments; most have been about missed connections. When it was all said and done, there was an 11% system cut in routes. We will continue refining the timings over the next few months. Changes in Winter Bid decisions must be made by October 21; we do not anticipate any significant changes. A comprehensive report on bus stops will be provided in November.

Chair Rotkin noted that technology would be helpful in obtaining real time data, etc. but can be expensive. CEO Clifford agreed. He added that we are excited about adding technology to our system and moving away from anecdotal data. Our IT Manager has been investigating options and slowly building a scope of work in the range of \$2 – \$5M, dependent upon which

product we identify and purchase. This is a challenge when we need to replace 70 buses at a cost of \$38M.

Public comments:

Susan Sanford congratulated METRO on implementing only 11% in service cuts. She requested a re-examination of Route 79/72 bus coordination around Tuttle and East Lake which services a large senior community. (Mr. Emerson noted her concern and will investigate.) She would also like to see the fares lowered.

Chair Rotkin thanked her for the tone of her comments, saying this is a great way to raise concerns.

Director Leopold stated METRO wants to continue working to improve the system; he appreciates that we are working to improve connections.

Mr. Montesino agreed that we continue to work the issues. They have been minimal but some have missed connections.

Chair Rotkin asked Mr. Larry Paegler what he had observed at UCSC. Mr. Paegler responded it is difficult to say with only 3 days of input; it is too early to tell how the system is working. Additionally, UCSC made a change to their class schedule for the first time in 30+ years; adding one class/two days a week to their schedule. With over 9100 residents this year, even a few minutes' adjustments can make a difference.

Director Hagen arrived at 9:40AM

Director Bottorff thanked CEO Clifford for his leadership, staff for their contributions, the unions and its members, UCSC and our new partner, Cabrillo College, for getting METRO to this point.

15 APPROVE: CREATION OF A LEGAL SERVICES BOARD AD HOC COMMITTEE AND EXTENSION OF CONTRACTED GENERAL LEGAL SERVICES

Chair Rotkin introduced this topic saying it had been added to the agenda at his request. As District Counsel Syren reduces her workload, the Board need to determine how best to proceed. The Ad Hoc Committee will be an Advisory Committee only; it will provide recommendations to the Board, not make decisions. He recommended Directors Bottorff, Leopold and himself as members of the Ad Hoc Committee.

Director Leopold reminded the assembly that this procedure is similar to that utilized when District Counsel Syren was recruited.

Alex Clifford, CEO/General Manager, supported Chair Rotkin's comments and added that, if approved, the Committee meeting will be held directly following today's Board meeting.

District Counsel Syren thanked the Board and the opportunity this position has afforded her. She fully supports the extension of the Hanson Bridgett contract as no other firm has their transit experience and believes it is in METRO's best interests to utilize them in the interim.

Chair Rotkin emphasized that there is no automatic assumption that Hanson Bridgett would take over; options include their reply to the RFP we may decide to issue.

Public comments:

Eduardo Montesino supported the process, saying recruitment is critical.

ACTION: MOTION TO APPROVE THE CREATION OF A LEGAL SERVICES BOARD AD HOC COMMITTEE AND EXTENSION OF CONTRACTED GENERAL LEGAL SERVICES AS PRESENTED

MOTION: DIRECTOR HAGEN

SECOND: DIRECTOR LANE

MOTION PASSED WITH 8 AYES (Directors Bottorff, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin.) Directors Bustichi, Cervantez and Friend were not present.

16 CEO TO GIVE ORAL REPORT

Alex Clifford, CEO/General Manager, advised the assembly that two of the three Standing Committees approved at the August board meeting met and had good discussions regarding Bylaws, the Class and Comp Scope of Work and Pacific Station. Detailed information will follow.

Additionally, CEO Clifford will be on vacation for the next three weeks. In his absence, Mr. Ciro Aguirre, Chief Operations Officer, will handle the Operations side of the business and Ms. Angela Aitken, Finance Manager, the Administrative side.

17 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, OCTOBER 28, 2016 AT 8:30AM, CAPITOLA CITY COUNCIL, 407 CAPITOLA AVE., CAPITOLA, CA

Chair Rotkin announced the next meeting as above.

18 ADJOURNMENT

Chair Rotkin adjourned the meeting at 9:48 AM.

Respectfully submitted,

Gina Pye
Executive Assistant