



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA MEETING MINUTES
NOVEMBER 18, 2016 – 8:30 AM
WATSONVILLE CITY COUNCIL CHAMBERS
275 MAIN STREET
WATSONVILLE, CA 95076**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, November 18, 2016 at the Watsonville City Council Chambers, 275 Main Street, Watsonville, 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 8:40 AM by Chair Rotkin.**
- 2 SWEAR IN EX-OFFICIO DIRECTOR, LIBER McKEE, CABRILLO COLLEGE – postponed to future date to unavailability of Mr. McKee.**
- 3 ROLL CALL: The following Directors were present, representing quorum:**

Director Ed Bottorff	City of Capitola
Director Cynthia Chase	City of Santa Cruz
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

Vice Chair Dutra, Director Bustichi, Director Cervantez, Director Friend and Ex Officio Director Blitzer were absent.

STAFF PRESENT:

Alex Clifford	METRO CEO/General Manager
Julie Sherman, Esq.	METRO District Counsel, Contracted
Leslyn K. Syren	METRO District Counsel

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

Angela Aitken, METRO

Antonio Castillo, SEIU VMU

Debbie Kinslow, METRO
Joan Jeffries, SEIU

Larry Paegler, UCSC
Daniel Zaragoza, METRO

4 ANNOUNCEMENTS

Due to the lack of employee appreciation recognition or retirees, Chair Rotkin took the opportunity to thank all METRO employees for their contributions.

Chair Rotkin went on to announce:

- Mr. Liber McKee was not available today; he will be sworn in at a future meeting.
- Vice Chair Dutra and Ex Officio Director Blitzer provided advance notice that they would not be able to attend today's meeting.

Chair Rotkin introduced Carlos Landaverry and his Spanish Language Interpretation services and continued with the following announcements:

- This meeting is being televised by Community Television of Santa Cruz County with technician, Alex Saidi, on channel 26;
- Today's Watsonville City technician is Deborah Muniz;
- Corrected page 10.05B.1 Quarterly Average Ridership By Route; and,
- Additional information pertaining to Item 13, COA Update, was distributed to Board members and is available at the rear of the assembly.

5 BOARD OF DIRECTORS COMMENTS

Chair Rotkin encouraged Board members to notify Gina Pye, METRO Executive Assistant, if they will not be available to participate in the December 9, 2016 METRO Board Meeting to avert any quorum issues.

Director Leopold said he believes Measure D is going to pass and attributed a portion of that success to the Unions and their support thereof. For example, Mr. Eduardo Montesino played a huge role in organizing support; working with Operators to speak strategically with those they know best, our riders, throughout the county. The 2/3 voter approval requirement meant that everything we did was incredibly important. He thanked all METRO employees and Santa Cruz County residents for their recognition of the importance of transportation to the community.

Director Hagen thanked members of our communities for making this possible

Director Bottorff spoke of his participation with the Bus Operators at Cabrillo College and the success there. On a personal note, he continues to be in a very tight election race and is optimistic. In the event he doesn't return to this position, and may not be reappointed to this post, Director Bottorff took the opportunity to say what a wonderful experience it has been to serve on the METRO Board. He hopes to return in January. He credited CEO Clifford who, with the help of the Unions, employees and Board, successfully managed the organization during the structural deficit.

Director McPherson echoed Director Bottorff's appreciation of the Operators and the voters for their support of Measure D, adding that this Measure will help residents be better accommodated with every form of transportation in Santa Cruz County. He will be traveling to Los Angeles in the near future to participate in a Coalition of Self Help Counties. Due to budget cutbacks, there exists a tremendous backlog of infrastructure needs, which will take some time to cover; but we have a good chance to do so. He believes better transportation days are ahead.

Chair Rotkin thanked METRO staff and employees and recognized Board leadership as contributions to Measure D's success and clarified that the work of METRO employees and Board members was voluntary and unpaid. Everyone did something to help support the Measure.

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

6 COMMUNICATIONS TO THE BOARD OF DIRECTORS

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

7 COMMUNICATIONS FROM MAC

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

8 LABOR ORGANIZATION COMMUNICATIONS

Mr. Eduardo Montesino, representing Fixed Route Bus Operators and Paratransit Operators, thanked Board members and the Santa Cruz County Regional Transportation Commission (SCCRTC) on the passage of Measure D. Voters saw a benefit for all moving forward. Now we have to do more work, to be accountable. He asked where will the money be used.

Chair Rotkin responded self help counties often begin this way; with one measure, adding more in the future to spiral upward with service, etc. Without public funding, METRO cannot provide the service this community needs. If the Measure is successful and the funds are put to work such that the public can see the results of their vote, they are more likely to provide additional support in the future.

Director Lane spent four weekends with the Measure D campaign in Watsonville and saw what Mr. Montesino and his team did to support the Measure. He thanked them for the tremendous support.

9 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:

- News clips of interest

CONSENT AGENDA

- 10-01 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF OCTOBER 2016
- 10-02 ACCEPT AND FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF JULY 31, 2016
- 10-03 ACCEPT AND FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF AUGUST 31, 2016
- 10-04 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF OCTOBER 28, 2016
- 10-05 ACCEPT AND FILE: METRO SYSTEM RIDERSHIP REPORTS FOR THE FIRST QUARTER OF FY17
- 10-06 ACCEPT AND FILE: METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST AND SEPTEMBER 2016

- 10-07 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF ACTIVE GRANTS, GRANT APPLICATIONS AND OPPORTUNITIES FOR JULY - SEPTEMBER 2016
- 10-08 APPROVE: CONSIDER RATIFICATION OF A 5-YEAR LEASE AGREEMENT WITH JIANBIN MO, DBA BETTY'S NOODLE LEASE
- 10-09 APPROVE: CONSIDERATION OF DECLARING ONE (1) 2003 ORION BUS, ONE (1) SPARC 5 COMPUTER, AND ONE (1) GESTETNER COPIER/PRINTER/SCANNER AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION
- 10-10 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT WITH GIRO, INC. FOR HASTUS SOFTWARE MAINTENANCE AND SUPPORT
- 10-11 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 4TH AMENDMENT EXTENDING THE CONTRACT WITH KIMBALL MIDWEST FOR FASTENERS, ELECTRICAL TERMINALS AND MISCELLANEOUS ITEMS INCREASING THE CONTRACT TOTAL BY \$35,000
- 10-12 APPROVE: CONSIDERATION OF ISSUING A FORMAL INVITATION FOR BIDS FOR SEALING AND PAINTING OF STAIRS AT THE JUDY K. SOUZA OPERATIONS FACILITY
- 10-13 ACCEPT: CONSIDERATION OF METROBASE MONTHLY CHANGE ORDER REPORT
- 10-14 ACCEPT: CONSIDERATION OF A RESOLUTION AMENDING CHAPTER 2 OF THE SANTA CRUZ METRO ADMINISTRATIVE CODE

There was no public or Board comment

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED.

MOTION: DIRECTOR LANE SECOND: DIRECTOR McPHERSON

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

REGULAR AGENDA

- 11 ACCEPT: CONSIDERATION OF RESPONSES TO THE RECOMMENDATIONS CONTAINED IN THE FY2013-2015 TRANSPORTATION DEVELOPMENT ACT TRIENNIAL PERFORMANCE AUDIT**

Angela Aitken, Finance Manager, provided commentary to the board report, highlighting the three recommendations beginning on page 11.2. METRO staff is requesting Board approval to send the response letter (page 11B.1).

Chair Rotkin agreed that every organization needs to market itself; especially one that depends on ridership. However, he went on to voice his preference to utilize internal resources, stating our equipment is at capacity. He asked if it makes sense to spend money when we don't need to fill our buses; we are full.

CEO Clifford responded that, in reality, ridership is dropping; customers have been leaving the system for a variety of reasons. Today, we hope that an equivalent number of riders will find the system on their own. A strategic, developed marketing program will focus on off-peak hours and off-peak directions; i.e., focused and strategic ridership. As a side note, he recently learned of other agencies' efforts/examples to attract riders. For example, Victor Valley is targeting seniors as they are more prone to using service during off-peak hours for medical and other appointments. This also has the added benefit of moving them from paratransit to fixed route. CEO Clifford will begin generating these ideas.

Director Hagen voiced his support of a marketing function to make customers aware of what is available and making it understandable.

Public comment:

Mr. Montesino said the concept is good; but, at this stage, he'd like to use our resources in other avenues. The community wants to see services.

Ms. Becky Taylor said if you don't market the service, you won't be able to get ads on the buses. And, you'll lose ridership and won't be able to get new riders without anyone to inform the public about the services you already have. It will make things harder.

Director Leopold added that marketing is important; but cautioned the public will judge METRO by the service on the street.

ACTION: MOTION TO APPROVE THE RESPONSES TO THE RECOMMENDATIONS CONTAINED IN THE FY2013-2015 TRANSPORTATION DEVELOPMENT ACT TRIENNIAL PERFORMANCE AUDIT AS PRESENTED.

MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR HAGEN

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

12 ACCEPT: CONSIDER RATIFICATION OF A COOPERATIVE AGREEMENT FOR TRANSPORTATION COORDINATION SERVICES WITH CABRILLO COLLEGE

Mr. Barrow Emerson, Planning and Development Manager, added commentary to the report noting that Cabrillo is "all in" as a partner now. They have assigned the METRO intern, Mr. Liber McKee, who will be providing the services under the Cooperative Agreement, as an ex-officio director to METRO's board. Due to Mr. McKee's current academic schedule, he may not be available to attend any METRO Board meetings until next semester.

Director Bottorff said he has met Mr. McKee and feels he will be a great representative. He is happy to see the program in place.

There was no public comment.

ACTION: MOTION TO APPROVE THE RATIFICATION OF A COOPERATIVE AGREEMENT FOR TRANSPORTATION COORDINATION SERVICES WITH CABRILLO COLLEGE AS PRESENTED.

MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR LANE

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

13 ACCEPT: ORAL COA UPDATE

Mr. Barrow Emerson, Planning and Development Manager, provided an update on the September 2016 service changes and referenced two pages (Fall Ridership by Route: September 8 – November 15, 2016 and Winter 2016 Service Changes) which had been distributed to the Board members and are available to the public at the back of the room. The Average Ridership by Route report now includes Cabrillo data.

Mr. Emerson noted that the results of Measure D will have a significant impact on service planning for the summer and fall.

A two-stage bus stop presentation is planned for the December 2016 and January 2017 Board meetings.

Public comment:

Mr. Montesino wondered if the half million dollars off the top is accurate under the UTU/Rotkin plan. He said, our commitment stayed to the end of the contract. We are in much need of services, specifically on the weekends; ridership has decreased over the weekends (Routes 35 and 71 for example). This needs our first attention.

14 APPROVE: ESTABLISHMENT OF A BOARD LEGAL SERVICES INTERVIEW AD HOC COMMITTEE

Chair Rotkin added commentary to the report which contains recommendations to establish a Legal Services Interview Ad Hoc Committee with up to five board members and METRO's CEO and Santa Cruz County Counsel as non-voting members. He is looking for volunteers for a one day meeting.

CEO Clifford added that the proposals are due by close of business today, November 18, 2016 so some date flexibility may be needed.

Chair Rotkin volunteered as did Directors Hagen and Leopold.

There were no public comments.

ACTION: MOTION TO APPROVE THE ESTABLISHMENT OF A BOARD LEGAL SERVICES INTERVIEW AD HOC COMMITTEE AS PRESENTED.

MOTION: DIRECTOR LANE

SECOND: DIRECTOR ROTKIN

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

15 CEO ORAL REPORT

Alex Clifford, CEO/General Manager, distributed a five page update to his State Legislative letter and spoke of potential state and federal impacts resulting from the recent election.

Everyone seems to be looking at the new administration to determine the direction of federal legislation. There is some concern regarding transit as President-Elect Trump has not specifically discussed buses to date; but has discussed transportation in the context of the 3

P's (public private partnerships). He has also talked about devolving transportation to the states. The Bus Coalition is working to locate individuals on President-Elect Trump's team who are friendly to transit.

CEO Clifford is in the process of updating his Federal Legislative letter.

Director Lane asked how these legislative letters are utilized.

CEO Clifford answered that both letters are located on METRO's website. He encouraged the public, Board and employees to read them to become aware of the struggles, challenges and proposed fixes. Employees can convey these messages to the public. These letters are distributed to elected officials and their staff by us when we travel to DC or Sacramento and by our lobbyists.

16 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Julie Sherman, Esq. contracted General Counsel, announced the closed session items below and said they do not anticipate returning with an announcement.

- **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pending litigation pursuant to Government Code Section 54956.9 (a) – one case (State Farm Mutual Automobile Insurance Company v. Santa Cruz Metropolitan Transit District, et al., Case No. 16CV01585)
- **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to Government Code Section 54956.9 (b) – two cases

There were no public comments.

17 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, DECEMBER 9, 2016 AT 8:30AM, METRO ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ, CA

Chair Mike Rotkin announced the next meeting as above. Again, stressing the need for quorum.

18 ADJOURNMENT

Chair Mike Rotkin adjourned the meeting at 9:29AM.

Respectfully submitted,

Gina Pye
Executive Assistant