



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
BOARD OF DIRECTORS AGENDA MEETING MINUTES  
MAY 19, 2017 – 9:00 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, May 19, 2017 at the Watsonville City Council Chambers, 271 Main Street, Watsonville, CA

The Board Meeting Agenda Packet can be found online at [www.SCMTD.com](http://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 9:05 AM by Chair Dutra.

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

<b>Director Ed Bottorff</b>	<b>City of Capitola</b>
<b>Director Cynthia Chase</b>	<b>City of Santa Cruz</b>
<b>Director Jimmy Dutra, Board Chair</b>	<b>City of Watsonville</b>
Director Norm Hagen	County of Santa Cruz
<b>Director John Leopold</b>	<b>County of Santa Cruz</b>
<b>Director Donna Lind</b>	<b>City of Scotts Valley</b>
<b>Director Cynthia Mathews</b>	<b>City of Santa Cruz</b>
<b>Director Bruce McPherson, Board Vice Chair</b>	<b>County of Santa Cruz</b>
<b>Director Oscar Rios</b>	<b>City of Watsonville</b>
<b>Director Dan Rothwell</b>	<b>County of Santa Cruz</b>
<b>Director Mike Rotkin</b>	<b>County of Santa Cruz</b>
<b>Ex-Officio Director Donna Blitzer</b>	<b>UC Santa Cruz</b>
<b>Ex-Officio Director Liber McKee</b>	<b>Cabrillo College</b>

*Arrived at 9:10AM*

Director Hagen was absent.

**STAFF PRESENT:**

Alex Clifford  
Julie Sherman

METRO CEO/General Manager  
METRO General Counsel

### **3 ANNOUNCEMENTS**

Chair Dutra introduced Carlos Landaverry and his Spanish Language Interpretation services. He then announced that the meeting is being televised by Community Television of Santa Cruz County. Today's Watsonville City technician is Suryel Vasquez.

Announced the following were distributed to Board members and available at the back of the room for the public:

- o Item 13 , Updated Shaw Yoder presentation
- o Wallet size contact cards for board members are being distributed to the board members.
- o News clips of interest

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

Antonio Castillo, SEIU-VMU  
Erich Friedrich, AMBAG  
Joan Jeffries, SEIU-SEA

### **4 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**

Julie Sherman, General Counsel, announced the one closed session item as noted in Item 5 below, adding the Board may take action after the closed session dependent upon the discussion.

SECTION II: CLOSED SESSION – Recess at 9:07AM

### **5 CONFERENCE WITH LABOR NEGOTIATORS (GOVERNMENT CODE SECTION 54957.6)**

AGENCY DESIGNATED REPRESENTATIVES: ALEX CLIFFORD, CEO/GM

JUILE SHERMAN, GENERAL COUNSEL

EMPLOYEE ORGANIZATION: SEIU, LOCAL 521

FOLLOWING THE CLOSED SESSION, THE BOARD MAY CONSIDER POTENTIAL ACTIONS TO APPROVE A SIDE LETTER AGREEMENT WITH THE SEIU.

SECTION III: RECONVENED TO OPEN SESSION at 9:29AM

Julie Sherman, General Counsel, announced the Board has unanimously approved the terms of the SEIU side agreement with SEIU. This side agreement will be formally adopted when the Board accepts the Consent Agenda.

Director Rotkin thanked the SEIU members for the work done and recognizes the mutual benefit to all parties when METRO treats its employees well.

### **6 BOARD OF DIRECTORS COMMENTS**

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

### **7 COMMUNICATIONS TO THE BOARD OF DIRECTORS**

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

### **8 COMMUNICATIONS FROM MAC**

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

**9 LABOR ORGANIZATION COMMUNICATIONS**

Michael Rios, PSA representative, Joan Jeffries, SEA President, and Antonio Castillo, representing the VMU introduced themselves. Mr. Rios said they worked long and hard on the side agreement being approved today. He thanked the Board for their approval, noting it will save the District time and money and benefit the members.

Ms. Jeffries expressed her appreciation to the board, noting that it was a majority membership vote, not unanimous. They are taking a leap of faith in suspending some of the existing MOU language.

Mr. Castillo thanked the board for considering and approving the side agreement.

Chair Dutra thanked everyone for the teamwork.

**11 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

**CONSENT AGENDA**

- 12-01 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF APRIL 2017
- 12-02 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF APRIL 28, 2017
- 12-03 ACCEPT AND FILE; SANTA CRUZ METRO SYSTEM RIDERSHIP REPORTS FOR THE THIRD QUARTER OF FY17
- 12-04 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF ACTIVE GRANTS, GRANT APPLICATIONS AND OPPORTUNITIES FOR JANUARY – MARCH 2017
- 12-05 ACCEPT AND FILE: METRO PARACRUZ OPERATIONS STATUS REPORT FOR JANUARY, FEBRUARY AND MARCH 2017
- 12-06 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF FEBRUARY 28, 2017
- 12-07 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF MARCH 31, 2017
- 12-08 APPROVE: APPROVAL OF NEW CLASSIFICATION AND WAGE SCALE FOR PLANNING ANALYST
- 12-09 APPROVE: CONSIDER ADOPTING A RESOLUTION THAT AUTHORIZES THE CEO/GM TO SUBMIT A GRANT APPLICATION AND EXECUTE AGREEMENTS TO RECEIVE FUNDS FROM THE FEDERAL TRANSIT ADMINISTRATION'S LOW AND NO EMISSION BUS PROGRAM AND WHICH APPROVES THE USE OF CALIFORNIA TOLL CREDITS TO PROVIDE MATCHING FUNDS FOR THE FEDERAL GRANT

12-10 APPROVE: CONSIDERATION OF A FORMAL RATIFICATION OF A SIDE LETTER AGREEMENT BETWEEN THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521, FOR THE PERIOD MAY 19, 2017 THROUGH JUNE 30, 2019

**ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED.**

**MOTION: DIRECTOR LEOPOLD**

**SECOND: DIRECTOR ROTKIN**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Dutra, Leopold, Lind, Mathews, McPherson, Rios, Rothwell & Rotkin). Director Hagen was absent.**

### **REGULAR AGENDA**

**13 STATE LEGISLATIVE UPDATE FROM JOSH SHAW OF SHAW/YODER/ANTWIH, INC. – SEE REVISED PRESENTATION DISTRIBUTED AT MEETING**

Mr. Josh Shaw, Shaw/Yoder/Antwih, provided commentary to his presentation. Since the passage of SB1, one member of the assembly has filed paperwork to gather signatures to place an initiative on the June 2019 ballot which would undo SB1. Both sides are gearing up for the fight. Mr. Shaw requested all public agencies to document those expenditures fundable through SB1, which could be used to educate the voting public; e.g., direct mobility and congestion relief to flow as a result of SB1.

Chair Dutra asked if the initiative would require a simple majority and if it would affect funding timing.

Mr. Shaw answered yes; it would be a simple majority vote. And, no; everyone is concentrating on rolling out the programs and processes to get the funds to the agencies as soon as possible.

Director Rotkin thanked Mr. Shaw for his efforts on passing SB1. He asked if the lobbyists would remain quiet during the signature gathering period or try to dissuade signers.

Mr. Shaw said they are taking meetings with the Attorney General and other entities who have a role in evaluating the measures this week. As the technical details are fleshed out, they are considering strategy.

Director McPherson expressed his appreciation and spoke of the recent Sacramento conference where he witnessed Mr. Shaw's effectiveness. He asked METRO to write thank you notes to each supporting assembly member. SB1 votes were difficult for many. He thanked Assm. Anthony Canella, the only Republican to vote for the bill.

Mr. Shaw thanked the Board and agreed with Director McPherson's request to send thank you notes.

Chair Dutra said METRO had sent thank you letters to other representatives and provided two letters to the Pajaronian and Sentinel newspapers. He also directed METRO staff to send thank you letters.

Director Leopold asked if there were any plans to support Senator Josh Newman of Orange County with the pending recall petitions.

Mr. Shaw answered yes; many groups are strategizing and working to ensure the Democratic super majority is maintained in Sacramento.

Director Mathews requested METRO provide information Directors can then share with their various constituencies.

CEO Clifford lent a note of gratitude to Mr. Shaw as the statewide Executive Director of the CTA; he's received many well deserved accolades for this 2+ year process.

Director Rios asked why this is moving to a ballot initiative.

Mr. Shaw is assuming, from public statements, that the assembly member promoting the initiative is taking the position that SB1 is an undue burden on taxpayers. We think he is underestimating the funding needs for transportation.

#### **14 ORAL FEDERAL LEGISLATIVE UPDATE FROM CHRIS GIGLIO OF CAPITAL EDGE**

Chris Giglio, Capital Edge, thanked the board members who recently visited DC. METRO has a great story to tell about its transit system and challenges, and did so in an effective manner. He will continue to expand on the groundwork laid during the recent visit. On the national level, METRO is considered a really good transit district; our financial problems send a message about the state of transit around the nation.

There are no promises of funding on the national level. We continue to hope for some sort of infrastructure package from DC; in fact, we anticipate receiving some very rough infrastructure guidelines within the next month. Congress knows public transportation must be part of this infrastructure package.

Congress recently approved the FY17 budget; FY18 begins on October 1. We need to be vigilant and continue talking about the benefits of the TIGER and other programs, as the current administration is recommending steep cuts across the board. Congress will likely not support this approach.

FTA has distributed its grant notice for the electric bus program. We anticipate the TIGER discretionary program and the bus and bus facilities grant programs to be funded.

Congress has been rolling back Obama-era rulings, utilizing the Congressional Review Act, which was enacted in 1996 and allows them to repeal rules from the previous year within the first legislative 60 days of a session.

Other pending legislation includes one proposed by Congressman Panetta to increase/double amount of money allocated to the STIC program. Congressman Panetta is doing a good job carrying on Congressman Farr's legacy.

Director Leopold asked if Mr. Giglio thought there was any chance of transportation being considered prior to other issues such as health care, tax reform and/or infrastructure.

Mr. Giglio answered, probably not. Congress feels strongly about the order of things; i.e., health care first, tax reform second. Tax reform potentially lessens the load for infrastructure. However, it wouldn't be surprising to see tax reform stall, as there is no consensus as to how best accomplish this.

Director Leopold said the DC landscape does seem to be incredibly fluid in a way we haven't seen before. It would be useful to be in regular contact about what's happening in DC.

Mr. Giglio said he and CEO Clifford are in constant communication.

Director Rotkin appreciates Mr. Giglio's optimism; his connections with both parties and positive nature is critical.

Vice Chair McPherson noted the meeting with Senator Dianne Feinstein's office wherein staff said METRO should be a model of how to handle this type of financial situation.

Mr. Giglio said APTA has been trying to highlight the advantages of Buy America/jobs to be created through public transit investment.

**15 ORAL UPDATE OF WATSONVILLE MURAL PROJECT – JIMMY DUTRA, BOARD CHAIR**

Chair Dutra thanked everyone for their contributions to the project at the last meeting. He has located the mural's original artist who said he is in agreement with the new mural and wants to be included in the project. The anticipated cost is approximately \$10K. We will need to apply for a grant and look at other funding opportunities through organizations such as the Pajaro Valley and Santa Cruz Arts Councils.

Director Mathews asked if the former artist is willing to paint over his existing wall and work with new artists.

Chair Dutra answered yes; he would like to document his prior work with an onsite history of the current and future murals.

**16 METRO ADVISORY COMMITTEE (MAC) VACANCY**

CEO Clifford noted this agenda item is required to begin a process to fill the MAC vacancy. The revised Bylaws and process require the Chair to nominate an ad hoc committee to review applications to identify a candidate to recommend to the full board.

Director Chase asked if this is a function of the Personnel/HR Standing Committee.

Julie Sherman, General Counsel, responded that would be a conflict with the Bylaws which require an ad hoc committee, although the Directors that serve on the ad hoc committee could certainly overlap with the Directors serving on the Personnel/HR Standing Committee.

**ACTION: MOTION TO PERMIT BOARD CHAIR TO MAKE APPOINTMENTS**

**MOTION: DIRECTOR ROTKIN**

**SECOND: DIRECTOR CHASE**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Dutra, Leopold, Lind, Mathews, McPherson, Rios, Rothwell & Rotkin). Director Hagen was absent.**

Ad Hoc Committee Nominees were:

- Mike Rotkin
- Bruce McPherson
- Ed Bottorff
- Norm Hagen

**ACTION: MOTION TO APPOINT THE NOMINEES ABOVE AND OPEN A 30 DAY RECRUITMENT PERIOD**

**MOTION: DIRECTOR ROTKIN**

**SECOND: DIRECTOR CHASE**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Dutra, Leopold, Lind, Mathews, McPherson, Rios, Rothwell & Rotkin). Director Hagen was absent.**

**17 APPROVE: CONSIDER ADOPTING A RESOLUTION SETTING A GOAL TO ATTAIN A FULLY ZERO EMISSION FLEET BY 2040 AND PHASING OUT THE PURCHASE OF CNG BUSES BY 2030**

Barrow Emerson, Planning and Development Manager, provided commentary to the staff report noting that the resolution will be part of the application.

In response to Vice Chair McPherson' question, Mr. Emerson answered that the CNG buses cost approximately \$580K and the electric buses almost \$1M.

Director Leopold voiced his support of the phase-out period and establishing the pathway to alternative fuel vehicles.

CEO Clifford stressed the importance of having a rationale for both the lo no and bus and bus facilities programs; we will pursue the funding to improve our infrastructure. METRO will continue working to ensure CARB is aware of the risk to public tax dollars if they force a move to electric vehicles too quickly.

**ACTION: MOTION TO ADOPT A RESOLUTION SETTING A GOAL TO ATTAIN A FULLY ZERO EMISSION FLEET BY 2040 AND PHASING OUT THE PURCHASE OF CNG BUSES BY 2030 AS PRESENTED.**

**MOTION: DIRECTOR LEOPOLD                      SECOND: DIRECTOR McPHERSON**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Chase, Dutra, Leopold, Lind, Mathews, McPherson, Rios, Rothwell & Rotkin). Director Hagen was absent.**

**18      APPROVE: CONSIDERATION OF SANTA CRUZ METRO'S FY18 AND FY19 OPERATING BUDGET, FY18 CAPITAL BUDGET AND A RESOLUTION SETTING A PUBLIC HEARING ON JUNE 23, 2017**

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

Director Leopold asked if the STIC funding would end when the FastACT runs out in 2020. Will the passenger fares grow or decrease? We would hope that they increase as we improve our service, hire operators, etc.

Ms. Aitken responded that the proposed budget keeps passenger fares level. In the next couple of years, we will look at fare restructuring.

CEO Clifford added that it is METRO's assumption that STIC will continue/be renewed.

Director Rotkin suggested a symbolic gesture by METRO to demonstrate increased services as a result of Measure D. He asked what the cost of an additional operator would be.

Mr. Emerson answered the approximate combined cost of one operator (salary, benefits and miles driven per year) is \$120K annually.

CEO Clifford noted that the proposed budget adds 4 bus operator extra-board positions to improve changes of service delivery.

Director Rothwell asked if METRO has ever anticipated a surplus.

CEO Clifford responded that it is not uncommon at the end of year to have carry-over as staff is budgeted at 100% (wage and benefit costs), which results in one-time money. He cautioned using one-time money for one-time expenses. He relayed METRO's history of capital funding, structural deficit creep, and the effect on reserves, wherein there were no flexible resources to pull into the operating fund. He wants to avoid this in the future.

Director Lind agreed we need to be conservative. There are opportunities we can look at; e.g., UCSC employees' move into the Enterprise building.

Director Bottorff stated that METRO is trying to rebuild this organization, which keeps service at status quo and we can't afford any infrastructure improvements or replace any aging buses.



Agency designated representative:	Jimmy Dutra, Board Chair
Title/Unrepresented Employee:	Alex Clifford, CEO/General Manager

Mr. Montesino spoke of continuing staffing problems. He also expressed his displeasure with management and his perception of lack of respect.

**21 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, JUNE 23, 2017 AT 9:00AM, SANTA CRUZ CITY COUNCIL CHAMBERS, 809 CENTER STREET, SANTA CRUZ, CA**

Chair Dutra announced the next meeting as above.

Recess to closed session at 12:13PM

Reconvene at 1:45PM to Open Session. No reportable actions.

**22 ADJOURNMENT**

Chair Dutra adjourned the meeting at 1:47PM

Respectfully submitted,

Gina Pye  
Executive Assistant