

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

August 26, 2005

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, August 26, 2005 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Keogh called the meeting to order at 9:04 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz (arrived after roll call)
Dene Bustichi
Stephanie Harlan
Mike Keogh
Mike Rotkin
Dale Skillicorn
Pat Spence
Mark Stone
Marcela Tavantzis
Ex-Officio Wes Scott

DIRECTORS ABSENT

Michelle Hinkle
Emily Reilly

STAFF PRESENT

Frank Cheng, MetroBase Project Manager
Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel
Steve Paulson, Paratransit Administrator
Elisabeth Ross, Finance Manager

Robyn Slater, Human Resources Manager
Judy Souza, Acting Operations Manager
Tom Stickel, Maintenance Manager
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Ellen Aldridge, Avery & Associates
Patricia Coombs, Transit User
Mike Cotroneo, UTU
Carolyn Derwing, UTU
Paul Johnston, Central Labor Council
Carol Koenig, Counsel to UTU
Paul Marcelin-Sampson, Metro Riders Union
Manny Martinez, PSA

Ian McFadden, SEA
Jim McGaff, Transit User
Bonnie Morr, UTU
Will Regan, VMU
Dan Stevenson, UTU
Mike Tomasseo, "King of Marijuana"
Bob Yount, MAC
Amy Weiss, Spanish Interpreter

2. ORAL AND WRITTEN COMMUNICATION

Written:

- | | | |
|-----------|---|--|
| a. | Bob Shaw | Re: Service Request |
| b. | <u>UTU, Local 23</u> | Re: <u>General Leave of Absence</u>
(Distributed at the 8/12/05 Board Meeting) |
| c. | <u>John Adams</u> | Re: <u>District IFB No. 04-19</u> |
| d. | <u>Howard Powers</u> | Re: <u>Provisional Patent Application</u> |
| e. | <u>The following individuals submitted letters Re: Labor Negotiations:</u> | |
| | <u>G.T. Chatterton</u> | |
| | <u>James Stockinger</u> | |
| | <u>Anonymous</u> | |
| | <u>E.H. McMahon</u> | |
| | <u>Steve Shaw</u> | |
| | <u>Bonnie Combs</u> | |
| | <u>Helen M. Bryant</u> | |
| | <u>Anonymous</u> | |
| | <u>Anonymous</u> | |

Oral:

None.

DIRECTOR STONE AND VICE CHAIR ROTKIN ARRIVED

3. LABOR ORGANIZATION COMMUNICATIONS

Carol Koenig, Counsel to UTU, reminded the Board that they had a choice to either impose unacceptable working conditions and face the consequences, or continue to negotiate to reach an agreement acceptable to both sides. Ms. Koenig said the consequences for imposing included a possible strike, interruption of service, a costly PERS lawsuit, and continuing IWC fines. Ms. Koenig advised the Board that unilateral changes to working conditions could not be retroactive. Ms. Koenig urged the Board to carefully consider UTU's counter-proposal submitted yesterday and said that UTU is willing to continue to negotiate, but not with conditions of UTU agreeing in advance not to discuss certain issues.

Paul Johnston, Central Labor Council, stated he was present to support the bus operators and urged the Board not to risk a strike by imposing today. Mr. Johnston said he thinks METRO's plan is to save money by having a strike and that he believes the community would support the drivers, not the District.

DIRECTOR BEAUTZ ARRIVED

Caroline Derwing, UTU, stated that the Board packet showed a surplus rather than a \$1.4 million deficit and urged the Board to continue negotiations if they chose not accept UTU's counter proposal.

Bonnie Morr, UTU, urged the Board not to destroy the relationship that UTU has maintained with the District and the Board. Ms. Morr said she believes the outstanding issues could have been resolved early on and that UTU is willing to continue negotiating, but not “in a box”.

Paul Johnston offered to become involved in the negotiations if the deadline were extended and also offered to help UTU prepare for a strike if the Board imposed the contract today.

Jim McGaff, Transit User, spoke in support of the bus operators and urged the Board to consider UTU’s proposal.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

The following items were distributed at today’s meeting and are attached to the file copy of these minutes: additional written communication to the Board regarding Labor Negotiations, a letter from UTU’s Counsel to the US Department of Labor regarding UTU’s objection to METRO’s FTA Grant Applications, METRO’s letter of response to today’s Agenda Item 2-c, a Revised Staff Report for Item #10, and a letter of Notification of SEIU membership ratification of MOU.

SECTION I:
OPEN SESSION:

ADD TO ITEM #2 ORAL AND WRITTEN COMMUNICATION
(Insert additional written communication)

CONSENT AGENDA:

ADD TO ITEM #5-3 ACCEPT AND FILE JUNE AND JULY 2005 RIDERSHIP REPORTS
(Insert Page 1 of the July Report)

INSERT ITEM #5-6 ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JUNE 2005; APPROVAL OF BUDGET TRANSFERS; DESIGNATION OF EXCESS SALES TAX FUNDS IN THE AMOUNT OF \$1,296,236 FOR CARRYOVER IN THE FY 05-06 BUDGET, \$34,008 FOR LIABILITY INSURANCE RESERVES, \$321,128 FOR WORKERS’ COMPENSATION RESERVES, AND THE REMAINDER, IF ANY, FOR CAPITAL RESERVES; AND ADOPTION OF SCHEDULE OF RESERVE ACCOUNTS **(TITLE AMENDED FROM AUGUST 12, 2005 AGENDA)**
(Insert Staff Report)

DELETE ITEM #5-7 **DELETED: Will be included in the September 2005 Board Packet**
(ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY AND JUNE 2005)

INSERT ITEM #5-10 ACCEPT AND FILE METROBASE STATUS REPORT
(Insert Staff Report)

DELETE ITEM #5-14 **DELETED: Action taken at the August 12, 2005 Board Meeting**
(CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW LEASE AGREEMENT WITH ABDU AZZUBAIDI FOR SPACE “C” AT PACIFIC STATION)

ADD ITEM #5-15 **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A TRANSFER OF THE CURRENT LEASE WITH ALI GHARAHGOZLOO AND JESSICA HSU, TO ALLOW NEW OWNERS TO PURCHASE THE RESTAURANT AND TAKE OVER THE LEASE**
(Insert Staff Report)

REGULAR AGENDA:

REPLACE ITEM #10 CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO'S **AUGUST 17, 2005** BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR UTU REPRESENTED FIXED ROUTE BUS OPERATORS EFFECTIVE SEPTEMBER **JULY 1, 2005 (TITLE AMENDED FROM AUGUST 12, 2005 AGENDA)**
(REVISED Staff Report will be distributed at the August 26, 2005 Board meeting)

DELETE ITEM #11 **DELETED: Tentative Agreement reached with SEIU (See Regular Agenda Item #12)**

(CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO'S BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR SEIU REPRESENTED EMPLOYEES EFFECTIVE SEPTEMBER 1, 2005)

ADD ITEM #12 **CONSIDERATION OF RATIFICATION OF MEMORANDUM OF UNDERSTANDING BETWEEN SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 415 AND SANTA CRUZ METROPOLITAN TRANSIT DISTRICT EFFECTIVE JULY 1, 2005**
(Staff Report will be distributed at the August 26, 2005 Board meeting)

CONSENT AGENDA

- 5-1. **APPROVE REGULAR BOARD MEETING MINUTES OF JULY 8 AND JULY 22, 2005**
- 5-2. **ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF JULY 2005**
- 5-3. **ACCEPT AND FILE JUNE AND JULY 2005 RIDERSHIP REPORTS**
- 5-4. **CONSIDERATION OF TORT CLAIMS: DENY THE CLAIM OF KRISTINA SCHOFIELD, CLAIM # 05-0017**
- 5-5. **ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR AUGUST 17, 2005 (MEETING CANCELLED) AND DRAFT MINUTES OF JUNE 15, 2005**

- 5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JUNE 2005; APPROVAL OF BUDGET TRANSFERS; DESIGNATION OF EXCESS SALES TAX FUNDS IN THE AMOUNT OF \$1,296,236 FOR CARRYOVER IN THE FY 05-06 BUDGET, \$34,008 FOR LIABILITY INSURANCE RESERVES, \$321,128 FOR WORKERS' COMPENSATION RESERVES, AND THE REMAINDER, IF ANY, FOR CAPITAL RESERVES; AND ADOPTION OF SCHEDULE OF RESERVE ACCOUNTS (TITLE AMENDED FROM AUGUST 12, 2005 AGENDA)
- 5-7. DELETED: Will be included in the September 2005 Board Packet (ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY AND JUNE 2005)
- 5-8. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF MAY 2005
- 5-9. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR THE MONTH OF JUNE 2005
- 5-10. ACCEPT AND FILE METROBASE STATUS REPORT
- 5-11. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JUNE 2005 MEETINGS
- 5-12. CONSIDERATION OF APPOINTMENT OF MARA MURPHY TO THE METRO ADVISORY COMMITTEE (MAC) BY DIRECTOR BUSTICHI TO FILL VACANCY OF JAMES SHELDON
- 5-13. CONSIDERATION OF RENEWING CONTRACT FOR SUPPLY OF DIESEL AND GASOLINE FUELS
- 5-14. DELETED: ACTION TAKEN AT THE AUGUST 12, 2005 MEETING (CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW LEASE AGREEMENT WITH ABDU AZZUBAIDI FOR SPACE "C" AT PACIFIC STATION)
- 5-15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A TRANSFER OF THE CURRENT LEASE WITH ALI GHARAHGOZLOO AND JESSICA HSU, TO ALLOW NEW OWNERS TO PURCHASE THE RESTAURANT AND TAKE OVER THE LEASE

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SPENCE

Approve the Consent Agenda

Discussion:

Carol Moore, UTU, asked, regarding Item #5-6, where the excess sales tax will go. Elisabeth Ross replied that at the end of each fiscal year, if there is excess sales tax, a determination is made as to where to allocate those funds. Staff is recommending that the \$1,296,236 in excess sales tax from FY 04/05 be carried over into the current years' budget towards the \$1.4 million deficit, thereby reducing the amount needed to borrow from reserves.

Motion passed unanimously with Directors Hinkle and Reilly being absent.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS:

The following employees were awarded longevity certificates for their years of service:

TWENTY YEARS

Darryl S. Juan, Bus Operator
Andrew R. Harris, Bus Operator
Andrew Hill, Bus Operator
Terri D. Crawford, Bus Operator
Manuel Martinez, Transit Supervisor

TWENTY-FIVE YEARS

Thomas E. Stickel, Maintenance Manager

7. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

Margaret Gallagher reported that the Board would be discussing SEIU and UTU Labor Negotiations with its Labor Negotiator and would be discussing one case of anticipated litigation with its Legal Counsel.

8. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

Vice Chair Rotkin announced that UTU's August 25, 2005 counter-proposal would be considered in Closed Session.

SECTION II: CLOSED SESSION

Chair Keogh adjourned to Closed Session at 9:30 a.m. and reconvened to Open Session at 10:55 a.m.

SECTION III: RECONVENE TO OPEN SESSION

9. REPORT OF CLOSED SESSION

Margaret Gallagher had nothing to report at this time.

CHAIR KEOGH TOOK ITEM #12 OUT OF ORDER AT THIS TIME

12. CONSIDERATION OF RATIFICATION OF MEMORANDUM OF UNDERSTANDING BETWEEN SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 415 AND SANTA CRUZ METROPOLITAN TRANSIT DISTRICT EFFECTIVE JULY 1, 2005

Summary:

Ellen Aldridge reported that a tentative agreement has been reached between SEIU and Management, which has been ratified by the SEIU membership. Ms. Aldridge gave a PowerPoint presentation outlining the agreement with the essential elements of the agreement being changes to wages, medical insurance and certain non-economic items, which includes the following:

- Beginning January 1, 2006, employees and retirees will begin to contribute the following monthly fixed amount towards the cost of medical insurance premiums with the District paying the Employer Share:

	Employee/Retiree Share	Employer Share
Employee Only	\$21.27	\$404.21
Employee +1	\$42.55	\$808.42
Family	\$55.31	\$1,050.95

- \$600 1-time bonus paid the last pay period in December 2005
- Ongoing 1% salary increase, effective the first payday following ratification by the Board

The total economic value of the SEIU contract is 2.72% of salary, broken down to 1% in ongoing salary increases, .72% of salary representing the increased employer contributions towards medical, and a 1% 1-time payment representing the \$600 bonus.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN

Ratify the Memorandum of Understanding between Service Employees International Union, Local 415 and Santa Cruz Metropolitan Transit District effective July 1, 2005

Discussion:

SEA President Ian McFadden, VMU President Will Regan, and PSA Chair Manny Martinez thanked the Board for continuing negotiations and said that although a multi-year agreement would have been preferred, SEIU will be ready to begin negotiations again in April 2006.

Chair Keogh thanked the SEIU and the Management negotiating teams for all their hard work during the process of reaching this agreement.

Mike Tomasseo, “King of Marijuana”, said the Board should give the drivers a raise or they would walk out.

Motion passed unanimously with Directors Hinkle and Reilly being absent.

10. CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO’S AUGUST 17, 2005 BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR UTU REPRESENTED FIXED ROUTE BUS OPERATORS EFFECTIVE SEPTEMBER JULY 1, 2005 (TITLE AMENDED FROM AUGUST 12, 2005 AGENDA)

Summary:

Ellen Aldridge outlined the Last, Best and Final (LBF) offer provided to UTU after several mediation attempts and gave a summary of the negotiation process which began on April 1, 2005. Initially, the District was facing a \$1.4 million deficit, but at the end of the fiscal year, additional money was identified and the bargaining parameters with both unions were expanded, pursuant to the Board’s direction, to include the additional funds.

The Board has historically authorized the same parameters for both unions on a per-employee basis, which it did again this year. UTU had made a choice years ago to cap employer-paid medical premiums and put the additional dollars they received through bargaining in other areas. Due to the escalating cost of healthcare, that choice no longer made sense and resulted in the disparity where UTU employees with dependents are paying a significant amount for healthcare.

The LBF includes significant, permanent reductions in medical premiums for families, which was UTU’s main issue from the beginning. In order to accomplish this with limited funds, the District had to find the savings within the existing contract. METRO began negotiations with a very long “laundry list” of areas in the contract where savings could be realized and the money be allocated to medical and it became clear that a number of the proposed changes were unacceptable to UTU.

Listening to UTU’s suggestions and attempting to meet their needs, Management minimized the list of proposed contract changes. Staff also recommended that the additional parameters given to SEIU be given to UTU, with all money being allocated to reduce medical insurance contributions made by employees with dependents.

Ms. Aldridge gave a PowerPoint presentation of Management’s LBF offer to UTU, which includes:

Changes to Employee-Paid Medical Premiums:

- Reallocation of existing money spent on medical insurance, single employees will begin to pay something, while employees with dependents will see significantly reduced rates immediately. Rates shown are for the Employee/Retiree share:

	Current	Proposed 2005 Rates Effective 9/01/05
Employee Only	\$0	\$44.41
Employee +1	\$179.93	\$88.81
Family	\$413.90	\$115.46

	2006 Current + scheduled 9.11% increase	Proposed 2006 Rates Effective 1/01/06
Employee Only	\$0	\$41.051
Employee +1	\$250.98	\$82.09
Family	\$506.27	\$106.72

- Ongoing contract changes totaling \$157,000 annually applied to medical
- Ongoing 1.72% of salary equaling \$152,860 permanently reduces premiums
- 1-time 1% of salary used to reduce medical for 2005

Management felt this was a very important issue and serious enough to look to existing contract changes to direct savings into medical to correct past choices made by UTU.

Management feels that the following contract changes proposed in the LBF are the most prudent, with the least impact, with the maximum effect:

\$157,000 in Ongoing Contract Changes:

- Eliminate General Leave
- Eliminate Drop-a-Day
- Bi-lingual pay only for time worked
- Eliminate Baby Bonus (paid birth/adoption leave)
- Eliminate Safety Bonus, which was proposed by UTU

Ms. Aldridge explained that the District had originally proposed a number of changes grouped together collectively referred to as “scheduling changes” that UTU had refused so they were dropped, even though they had significantly higher contract savings to be applied to medical.

Meal & Rest Breaks:

- Without an agreement with UTU in place, METRO has to comply with the IWC Wage Order #9, mandating paid rest breaks and unpaid meal breaks
- An exemption agreement would be in both parties’ best interest and Management is hopeful that an agreement of waiver can be reached with UTU

Non-Economic Issues:

- Job announcements to be provided to UTU electronically
- Modification to vacation pay-off schedule
- Mediation/Arbitration language added
- Non-substantive clean-up language

In summary, the Management Team believes this LBF offer has met the #1 goal that they set out to achieve which was to address the significant impact of the cost of medical insurance on employees with dependents. If action were taken to implement today, this offer would be effective 9/01/05 through 6/30/06 and a negotiated agreement can replace the implemented offer at any time. Time is of the essence due to the new bid that is set to close on September 8, 2005 and the new wage order must be in place, therefore the Board is being asked for action today in order to meet those deadlines.

Discussion:

Les White reported that on August 22, 2005 UTU filed an objection against METRO's federal grant applications for \$3 million in operating assistance and \$1.75 million in earmarked funding for the Pacific Station Project. This action will result in both grants being placed on hold until a labor agreement can be reached through the collective bargaining process. Mr. White stated that UTU has compromised METRO's ability to pay employee salaries, as 78% of the operating budget is used for salaries and 78% of the \$3 million in operating assistance would have gone to pay salaries. Ultimately, if METRO does not receive the funding by June 30, 2006, a \$3 million service cut would be necessary.

Regarding the IWC implementation costs, Ellen Aldridge said that the estimate is \$120,000 per year but the actual cost would not be available until after the current scheduling was in place.

Ms. Aldridge also reported that UTU's counter-proposal received yesterday contained significant economic increases that were outside the scope of the economic parameters of this agency set for UTU. Specifically, UTU requested a change in the previously agreed to allocation of the employer/employee paid share of the PERS retirement contributions that would increase the cost to the District anywhere from \$300,000 to \$700,000 per year, based on the proposal. UTU's offer also did not include contract savings changes to reduce employee paid medical. Without contract savings, it would equal a 4.3% salary increase for METRO to pay the proposed employer rates towards UTU's medical, which is substantially outside the parameters in the District's LBF offer.

Carol Koenig, Counsel to UTU, said that only one mediation session lasted all night, that a contract cannot be imposed, and that if the Board imposes today, UTU expects to be notified immediately to begin meeting and conferring on the effects of implementation, otherwise, legal action will be taken by UTU against the District.

Caroline Derwing, UTU, commented on the proposed elimination of General Leave saying the District does not have to hire extra drivers to cover General Leave, is currently understaffed, and the only way for some drivers to take time off is using General Leave. Ms. Derwing reported that the District had originally told UTU that it would cost \$400,000 per year to implement the IWC.

Bonnie Morr, UTU, said she was sure the Board had already made up its mind and that issues around the federal grant funding could be corrected with the lack of imposing and with the acceptance of UTU's proposal.

Paul Marcelin-Sampson, Metro Riders Union, said he believes employees have been treated very fairly, but to pay for that, riders have lost 20% of service and suffered a 50% fare increase. District employees are all ahead of inflation in their cash wages, they receive generous benefits and fair base pay. Mr. Marcelin-Sampson said he was proud of the Board this year for coming forward with contract offers of 2.72%, which is in-line with inflation for the first time.

Dan Stevenson, UTU, commented that financial responsibility is about how you spend the money you have and that the public will see how the Board spends the District's money. Mr. Stevenson said the Board is sitting up in their chairs "acting" like responsible people but the

Board packets over the last year show that the Board did not look at generating revenue on the state or federal level until May 2005.

Mike Cotroneo, UTU, commented that the attitude he gets from the Board is “My way or the highway” and said that job #1 at METRO is transporting the public. Mr. Cotroneo said that the goal for this year’s drivers’ contract was to get help with family health care premiums and take the high road regarding wage increases, but it seems to him that the Board’s goal is to give no relief to families and, in fact, derive savings for the future and he accused the Board of lying about METRO’s finances.

Bonnie Coombs, Transit User, relayed various rumors, bits of information and misinformation she had heard from bus operators and other sources and asked what plans METRO had to make provisions for passengers in the event of a strike.

Mike Tomassee, “King of Marijuana”, commented that the Board should stop lying, give the drivers free medical insurance and pay raises or he supports a strike.

Vice Chair Rotkin said he appreciates everyone’s comments and wished to respond to a few for the public record, although most were addressed in Ms. Aldridge’s presentation.

1. UTU has agreed to the proposed healthcare rates.
2. Regarding the representation made that drivers cannot take off more than a few days at a time, Judy Souza, Acting Operations Manager, clarified that drivers bid their work and vacations by seniority and 2-week vacations are possible if there is a full crew, although they cannot all be off at the same time or during holidays.
3. Regarding the current staffing level of 140 Bus Operators although 160 positions are authorized, METRO previously encouraged early retirement because there were too many drivers, and many drivers want and bid for overtime. Les White added that the District is currently in the process of hiring 12 additional drivers.
4. Regarding the potential for a strike, the District is hoping to avoid a strike and hopes the public will see that the offer made to UTU is fair and reasonable, meets the main goal of addressing relief from family healthcare premiums, and contains the same economical parameters per employee as for SEIU. When additional money was identified, a significant portion of it was put into the negotiations parameters for both unions. The highly inaccurate rumor of Mr. White’s salary being increased by \$1 million is total misinformation and it does not work for anyone when drivers give riders inaccurate information. The General Manager’s annual salary is \$150,000 and tied to the SEIU agreement with regard to raises and benefits. Although nobody wants a strike, if there is a strike, it will be on the heads of both the District and the employees, and the Board supports labor and temporary workers will not be hired if there is a strike.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR BEAUTZ

Adopt the Last, Best, and Final offer to the United Transportation Union, Local 23, dated August 17, 2005 with the exception if those items that cannot be legally imposed without the agreement of the Union, effective September 1, 2005 through June 30, 2006, subject to the correction of any typographical errors. The District is willing to consider alternative proposals prior to September 1, 2005 from UTU which are within the economical parameters of METRO’s Last, Best & Final offer.

Director Harlan commented that she will be looking at increasing efficiencies during the next year and welcomed any suggestions employees may have in this area.

Director Stone stated that he feels the Board considering implementation shows failure on both sides in the bargaining process and that he was concerned with UTU's latest counter-proposal that came back with additional economic parameters. The only benefit of implementation is so the wage order can be implemented and family medical rates can be reduced.

Director Spence stated that nobody wins in a strike situation and because METRO is dependent on sales tax revenue as a public agency, it has to be fiscally responsible to the public.

Director Beautz agreed with Director Spence and said she also believes the reduction in the employee medical rates in the offer far outweighs the benefit of other work rules that basically pay people to not work.

Director Bustichi, said that as a fairly new Director, the current situation is disappointing and that he has become jaded by the misrepresentations and negative remarks accusing METRO and the Board of lying about finances, being slave owners, negotiating in bad faith, etc. Unlimited free healthcare is the dinosaur of the 1990's and the reality is that it is not coming back. Director Bustichi said if the Board approves implementing today, he hopes an agreement can be reached by September 1st to avoid a strike and hopes for a fresh start so the animosity and mistrust on both sides can be lost.

Motion passed unanimously with Directors Hinkle and Reilly being absent.

ADJOURN

There being no further business, Chair Keogh adjourned the meeting at 12:06 p.m.

Respectfully submitted,

CINDI THOMAS
Administrative Services Coordinator